

THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Monday, February 2, 2009 in Board Room 3 of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

MEMBERS PRESENT: Dian T. Calderone, MTX, CPA, Chairman
O. Whitfield Broome, Ph.D., CPA, Vice Chairman
Lawrence D. Samuel, CPA, Immediate Past Chairman
Tyrone E. Dickerson, CPA
William E. Hunt, CPA

MEMBERS PRESENT FOR A PORTION OF THE MEETING:

Regina P. Brayboy, MPA
Stephen D. Holton, CPA

MEMBERS ABSENT: NONE

STAFF PRESENT: Katherine Idrissi, Special Assistant
Jean Grant, Enforcement Manager/Investigator
Dreana L. Gilliam, Board Administrator

OTHERS PRESENT: Cynthia H. Norwood, Assistant Attorney General
Andrew Powell, CPA, MBA, Audit Director, Auditor of Public Accounts
Pat Paquette, Chief Information Officer, Department of Health Professions
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants

CALL TO ORDER

Chairman Calderone called the meeting to order at 10:00 a.m.

SECURITY BRIEFING

After the declaration of a quorum and introduction of members of the public in attendance, Ms. Idrissi provided the emergency evacuation procedures.

APPROVAL OF AGENDA

Upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the February 2, 2009 agenda with amendments.

APPROVAL OF MEETING MINUTES

Upon a motion by Mr. Hunt and duly seconded, the members voted unanimously to approve the January 8, 2009 meeting minutes.

PUBLIC COMMENT

Item moved down on the agenda.

2008 APA AUDIT REPORT

Andrew Powell, CPA, MBA, Audit Director, Auditor of Public Accounts (APA) presented the Year Ended June 30, 2008 audit findings summary of VBOA financial statements. He noted that a Risk Alert to Management regarding the accounting function being moved in-house was being issued. He advised that any response to the audit findings must be submitted by Wednesday, February 4, 2009.

IT TRANSITION REPORT

Pat Paquette, Chief Information Officer, Department of Health Professions (DHP), provided a status update regarding the IT transition to Systems Automation (SA). Ms. Paquette advised the board that DHP has a 17 member IT staff to provide support to VBOA. She stated that the SA system is a licensee based, solid, reliable system used by hundreds of agencies across the nation including several state boards of accountancy. The tentative "go live" date is February 17, 2009 and DHP staff is prepared to assist in all implementation activities. In addition, Ms. Paquette advised that the DHP database administrator (DBA) is a certified public accountant (CPA) and is actively involved in implementation of VBOA financial processes. She ensured that the new system will provide accurate financial reports. Ms. Idrissi advised the members that user acceptance training (UAT) will conclude on February 4, 2009. Finally, Ms. Paquette also advised the board that the SA system is under the umbrella of the Virginia Enterprise Application Program's (VEAP) Center for Licensing Excellence and DHP which provides a safety net for VBOA.

ENFORCEMENT REPORT

Mr. Dickerson, Enforcement Committee Chairman, provided a historical enforcement report to the members of the board. He advised that Jean Grant, Enforcement Manager/Investigator would provide an update to that report twice a year.

ENFORCEMENT CASES

Ms. Grant provided an overview of the cases; the members reviewed the board and consent orders with their findings of fact, conclusions of law and actions.

File Number 2008-U07 (Gray) (*Dickerson & Holton*)

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

File Number 2008-U09 (Hoang) (Dickerson & Holton)

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

File Number 2008-D22 (Roy) (Dickerson & Holton)

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

File Number 2008-D19 (Stump) (Dickerson & Holton)

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

File Number 2008-U05 (Fabry) (Dickerson & Holton)

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote. Mr. Samuel recused himself and did not participate in the discussion or vote.

File Number 2008-D35 (Moore) (Dickerson & Holton)

Due to their involvement with this case, Mr. Dickerson and Mr. Holton were not present and did not participate in the discussion or vote.

BEGIN CLOSED MEETING

Upon a motion by Dr. Broome, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately convene in closed meeting under the Virginia Freedom of Information Act to discuss and consider a matter lawfully exempted from open meeting requirements under the deliberations relating to disciplinary proceedings exemption contained in § 2.2-3711.A.27 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Cynthia H. Norwood, VBOA Legal Counsel and Jean Grant, Enforcement Manager/Investigator. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, Ms. Brayboy, and Ms. Calderone.

END CLOSED MEETING

Upon a motion by Dr. Broome, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, Ms. Brayboy, and Ms. Calderone.

Upon a motion by Dr. Broome, and duly seconded, the VBOA made the following certification by roll call vote:

WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this VBOA that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which

this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – Aye
O. Whitfield Broome, Ph.D, CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Not Present/No Vote
Stephen D. Holton, CPA – Not Present/No Vote
Regina P. Brayboy, MPA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Five (5)
NAYS: None.
ABSENT DURING VOTE: Mr. Dickerson and Mr. Holton
ABSENT DURING MEETING:

The following actions were taken as a result of the closed meeting;

File Number 2008-U07 (Gray) (Dickerson & Holton)

In the matter of **File Number 2008-U07** (Gray), Mr. Gray was not present nor represented by counsel:

Upon a motion by Dr. Broome, and duly seconded, the Board by unanimous vote accepted the recommendations of the presiding officer. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

File Number 2008-U09 (Hoang) (Dickerson & Holton)

In the matter of **File Number 2008-U09** (Hoang), Mr. Hoang was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote accepted the recommendations of the presiding officer. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

File Number 2008-D22 (Roy) (Dickerson & Holton)

In the matter of **File Number 2008-D22** (Roy), Ms. Roy was not present nor represented by counsel:

Upon a motion by Dr. Broome, and duly seconded, the Board by unanimous vote remanded the case back to the Enforcement Committee for further review. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

File Number 2008-D19 (Stump) (Dickerson & Holton)

In the matter of **File Number 2008-D19** (Stump), Mr. Stump was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote accepted the recommendations of the presiding officer. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

File Number 2008-DU05 (Fabry) (Dickerson & Holton)

In the matter of **File Number 2008-D19** (Fabry), Mr. Fabry was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote accepted the recommendations of the presiding officer. The members voting “**AYE**” were Ms. Calderone, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

File Number 2008-D35 (Moore) (Dickerson & Holton)

In the matter of **File Number 2008-D35** (Moore), Ms. Moore was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote remanded the case back to the Enforcement Committee for further review. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

BEGIN CLOSED MEETING

Upon a motion by Dr. Broome, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately convene in closed meeting under the Virginia Freedom of Information Act to discuss and consider a personnel matter relating to Board of Accountancy staff and for legal consultation not relating to personnel matters which are matters lawfully exempted from open meeting requirements under the personnel matters and consultation with legal counsel exemption contained in § 2.2-3711.A.1 and A.7 of the *Code of Virginia*. The following non-members were in attendance for portions of the closed meeting to reasonably aid the consideration of the topic: Cynthia H. Norwood, VBOA Legal Counsel and Jean Grant, Enforcement Manager/Investigator. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, Mr. Holton, Mr. Dickerson, Ms. Brayboy, and Ms. Calderone.

END CLOSED MEETING

Upon a motion by Dr. Broome, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the *Code of Virginia*, be adjourned and that the VBOA immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, Mr. Holton, Mr. Dickerson, Ms. Brayboy, and Ms. Calderone.

Upon a motion by Dr. Broome, and duly seconded, the VBOA made the following certification by roll call vote:

WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this VBOA that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – Aye
O. Whitfield Broome, Ph.D, CPA – Aye
Lawrence D. Samuel, CPA – Aye
Tyrone E. Dickerson, CPA – Aye

Stephen D. Holton, CPA – Aye
Regina P. Brayboy, MPA – Aye
William E. Hunt, CPA – Aye

VOTE

AYES: Seven (7)

NAYS: None.

ABSENT DURING VOTE: None.

ABSENT DURING MEETING: None.

No actions were taken as a result of the closed meeting.

PUBLIC COMMENT PERIOD

Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants (VSCPA) advised the members that the VSCPA was alerted by a member that pending legislation regarding post employment benefits is currently being discussed by the General Assembly. Ms. Walker informed the members that the legislation is on the docket for Wednesday afternoon and she will attend.

FEE ANALYSIS UPDATE

Mr. Holton presented the fee analysis update. He provided a summary of VBOA financials for the years ending June 30th 2006, 2007, and 2008. The following determinations were made after a comprehensive review of revenue and expenditures for the next biennium and discussion of proposed fee increases;

Re-examination Fee - \$15

Individual Licensing Fees (initial endorsement, and renewal each) - \$60

Firm Licensing Fees (initial and renewal each) - \$100

Dishonored Check Fee - \$35

Indiv Late Renewal Fee - \$100

Firm Late Renewal Fee - \$175

CPE Late Filing Fee - \$100

Upon a motion by Mr. Holton and duly seconded, the members voted unanimously to propose a VBOA fees increase. The proposed increase would be requested and promulgated through the regular, non-emergency, regulatory process. The members voting “AYE” were. Ms. Calderone, Dr. Broome, Mr. Samuel, Mr. Dickerson, Mr. Holton, Ms. Brayboy, and Mr. Hunt.

BOARD REPORTS

Ms. Grant presented the Licensing Report on behalf of Mary Charity, Licensing/Examinations Manager. The VBOA Programmer has determined the cause of the failure of the electronic renewal process. He is currently in the process of manually resending notifications to each regulant that failed to receive a notice previously.

Ms. Grant provided a status report of the transition of the VBOA accounting function to DOA. This function was previously performed by DMV and later was brought in house. She stated the services will cost \$25,000 per year and will include all financial functions except GAAP financial statements. This represents a substantial reduction in cost from the previous provider and from maintaining the function in-house.

Ms. Idrissi led the discussion regarding the Budget Acknowledgement Form requirements. No action is currently required of VBOA.

Ms. Idrissi advised the members that the VBOA Live Chat system had to be shut down last week due to hackers. She has made contact with Virginia.gov which offers free live chat services and a contract with this provider will be completed shortly. Ms. Norwood will review the contract prior to obtaining the required signature.

Ms. Idrissi also advised the members that DHP has agreed to handle VBOA web maintenance for a fee. She will submit a proposal to the Board Chair for review and comparison with the prior arrangement.

NASBA REPORT

Upon a motion by Mr. Dickerson and duly seconded, the board voted unanimously to endorse the nomination of Walter Davenport, CPA for consideration as Vice Chairman for NASBA.

FUTURE MEETING DATES

April 22, 2009 – 9:00a.m.

May 27, 2009 – 10:00a.m. (VBOA Annual Planning Conference)

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

Chairman Calderone asked the members to complete and sign their conflict of interest forms and complete and sign their travel expense vouchers.

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Ms. Calderone and duly seconded, the meeting was adjourned by unanimous vote at 3:44 p.m. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Hunt and Mr. Dickerson.

Original signed by Board Chairman

APPROVED:

Dian T. Calderone, MTX, CPA, Chairman

COPY TESTE:

Wade Jewell, Executive Director/Agency Head