

THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Thursday, September 16, 2010 in Henrico III of the Virginia Housing Center, 4224 Cox Road, Glen Allen, VA 23060.

MEMBERS PRESENT: Tyrone E. Dickerson, CPA, Chairman
O. Whitfield Broome, Ph.D., CPA, Immediate Past Chairman
Dian T. Calderone, MTX, CPA
Stephen D. Holton, CPA
Andrea M. Kilmer, CPA, CFF
Regina P. Brayboy, MPA, MBA

MEMBERS ABSENT: Lawrence D. Samuel, CPA

STAFF PRESENT: Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator

OTHERS PRESENT: Cynthia H. Norwood, Senior Assistant Attorney General

PRESENT FOR A PORTION OF THE MEETING: Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants
James Walker, CPA, Immediate Past Chairman, Virginia Society of Certified Public Accountants
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants

CALL TO ORDER

Chairman Dickerson called the meeting to order at 10:15 a.m.

SECURITY BRIEFING

Ms. Gilliam provided the emergency evacuation procedures.

DETERMINATION OF QUORUM/APPROVAL OF AGENDA

After the declaration of a quorum, upon a motion by Dr. Broome and duly seconded, the members voted unanimously to approve the September 16, 2010 agenda. The members voting “**AYE**” were Mr. Holton, Ms. Calderone, Ms. Brayboy, Mr. Dickerson, Ms. Kilmer, and Dr. Broome.

APPROVAL OF MEETING MINUTES

Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to approve the August 16, 2010 meeting minutes with amendments.

PUBLIC COMMENT

Members of the public were in attendance and were asked to introduce themselves. Ms. Peters stated she was pleased that the VBOA completed the necessary steps for the regulations to become effective. In addition, she was also pleased with the partnership between the VBOA and the VSCPA in completing the promulgation process. Going forward the VSCPA is looking forward to continuing the partnership.

BOARD MEMBER/COMMITTEE UPDATES

Ms. Calderone, as chair of the Communications Committee, is currently in the process of preparing draft correspondence for distribution to the accounting department chairs to request a point of contact for receiving VBOA updates and notifications, and someone who will communicate with respective students. In addition, she is also preparing draft correspondence to send to Delegate Oder of the Governor’s Reform Commission’s Simplification Committee, with information relative to the VBOA’s independent status. Both documents will be sent to Mr. Jewell for review and distribution.

In the absence of the Website/FAQ Committee chair, Mr. Jewell provided an update. Mr. Jewell and Mr. Samuel are scheduled to meet September 23 to continue preparing information for submission to DHP. A live update is tentatively scheduled for review at the October 20, 2010 board meeting.

In the absence of the PROC Committee chair, Mr. Dickerson provided an update. The committee plans to schedule a meeting to review the resumes submitted in response to the request for volunteer PROC committee members. Ms. Walker stated the VSCPA would provide information to assist in the selection process if permissible. The VSCPA would only provide information that is currently available to the public. In addition, the VSCPA would be willing to provide questions to ask the applicants. Following a comprehensive review of the resumes, an update will be provided at the October board meeting.

Mr. Holton, as chair of the Regulatory/Legislative Committee, announced that the VBOA revised regulations are now effective. A notice will be posted on the VBOA website effective September 16, 2010. In addition, an email will be sent to all Virginia licensed CPA’s. Mr. Holton is currently preparing the “crosswalk” for inclusion in the FY11 Ethics Outline and for distribution to licensees. The crosswalk will be used to compare the new standards to the old standards.

Mr. Holton led the discussion regarding a proposed board policy to address a new board regulation. Following a motion by Mr. Holton and duly seconded, the members by unanimous vote agreed to adopt the following policy:

The calendar year ending December 31, 2011 is the first calendar year for which persons who release or authorize the release of reports on attest services or compilation services are required to obtain a

minimum of eight hours of continuing professional education related to attest services or compilation services under subsection A of 18VAC5-22-140.

Mr. Holton provided a historical overview of the revisions to the VBOA regulations and how the board finally reached its goal. Mr. Dickerson thanked both Mr. Holton and Mr. Jewell for their diligence in taking all of the necessary steps required by the Administrative Process Act to promulgate the regulations. In addition, Mr. Dickerson also thanked the VSCPA for their support. Mr. Dickerson and Mr. Jewell acknowledged the outstanding services provided by Mr. Holton and he was presented with a certificate of appreciation.

Ms. Norwood advised the members of the board that she would no longer be the VBOA's legal counsel. Josh Lief, Ms. Norwood's supervisor, will fill the vacancy.

Mr. Jewell led the discussion regarding the educational piece of the separate fast-track regulation that was submitted in July. This was submitted as a safety net in the event the complete fast-track regulation met with opposition. It is currently in the Secretary's office and will be withdrawn because it is no longer necessary.

Mr. Jewell led the discussion regarding the proposed fee package. A NOIRA for the proposed fee adjustment was previously posted on Town Hall. A time waiver request has been submitted to DPB to continue use of the existing NOIRA. We are currently awaiting a response from Jasen Eige, Counselor and Senior Advisor to the Governor. How the board proceeds from this point will be determined by the response received from the Governor's office. In the event the VBOA is granted permission to continue use of the existing NOIRA, a great deal of time will be saved in the promulgation process.

EXECUTIVE DIRECTORS REPORT

Mr. Jewell presented general updates regarding the VBOA.

- Ann Heller, Executive Assistant began on September 7, 2010. She will provide administrative, telephone and compliance review support to the VBOA and will report to Ms. Gilliam.
- Mr. Jewell continues to attend the Governor's Commission on Reform and Restructuring meetings. Discussions surrounding ABC privatization encompassed the majority of the most recent meeting. With respect to boards and commissions, a flow chart was provided to demonstrate how boards and commissions would be reviewed. The primary focus will be the consolidation of ineffective boards and commissions. Mr. Jewell will continue to closely monitor activities and report to the VBOA members. The next sub-committee meeting is scheduled for September 30 and the full commission will meet on October 4. The full commission will also present their findings to the Governor on October 15. Mr. Jewell has prepared a public comment in the event the VBOA comes under scrutiny.
- Mr. Jewell led the discussion regarding 4/10 hour workdays. A recommendation has been made that state agencies adopt a 4-day, 10-hour workweek to save money. Currently only state owned buildings would be able to adopt the policy if passed.
- On August 16, 2010, Mary Charity, Licensing Manager attended at meeting at the College of William and Mary. She reported that the students and faculty asked many questions and overall she was pleased with the outcome of the days' events.

- Mr. Jewell was scheduled to meet with SA in August to discuss system issues; however, the meeting was postponed until October.
- Mr. Jewell reminded the members that the October 2010 board meeting will be held on the VCU campus. Some Virginia Union University students have also been invited and are planning to attend. Mr. Jewell will hold a Q & A session for students and faculty following the formal close of the meeting.
- Mr. Jewell has received approval for Dr. Broome and Mr. Dickerson to attend the NASBA Annual meeting.
- Mr. Jewell advised the members that all travel reimbursement must be made via EDI. The members were asked to complete the required forms (distributed to board members) and to return them to Mr. Jewell for submission.
- Mr. Jewell advised the members that Debbie Rigdon would no longer provide support to VBOA. Debbie Rigdon's last day as HR support will be September 30. DHRM has not announced a successor at this time.
- Mr. Jewell opened the floor for discussion of the proposed AICPA bylaws amendment of membership requirements. Following a discussion, the members were advised that the deadline to submit their vote is October 8, 2010.

Mr. Jewell provided copies of the August Financial and Board Reports. Expenditures are in line with first quarter expectations. The VBOA has also received the first VITA invoice since the implementation of the 110% increase.

FY11 ETHICS OUTLINE

Mr. Jewell led the discussion regarding the FY11 Ethics Outline. Following a brief review of the outline and supporting documentation, Chairman Dickerson recommended that the members defer the vote to the October meeting to provide Mr. Holton the opportunity to complete the crosswalk between the old and new regulations.

RECESS FOR BOARD LUNCH

RECONVENE

NASBA'S POSITION PAPER

Mr. Jewell provided an overview of NASBA's Position Paper: Semi-Independent State Boards of Accountancy. "NASBA believes it is essential for Accountancy Boards to have a high level of autonomy in operational and financial matters and the authority to operate at a level that is commensurate with their responsibility to act in the public interest." The deadline to submit comments to NASBA State Board Relevance and Effectiveness Committee Chair Carlos Johnson is September 24, 2010. The Board had no suggestions to submit to NASBA.

ADDITIONAL ITEMS FOR DISCUSSION

Dr. Broome led the discussion regarding the process for setting the passing scores for the revised CPA exam. He advised the members that Board's of Accountancy should participate in the conference calls held by the AICPA following each Board of Examiners meeting. A handout was provided which included an expanded description of the process. Dr. Broome also provided a summary of the handout details.

FUTURE MEETING DATES

Wednesday, October 20, 2010 – 10 a.m./VCU campus
Tuesday, November 30, 2010 – 10 a.m./Board Room #3
Wednesday, December 15, 2010 – 10:00 a.m./Board Room #3
Wednesday, January 12, 2011 – 10:00 a.m./Board Room #2

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

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

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Dickerson and duly seconded, the meeting was adjourned by unanimous vote at 1:11 p.m. The members voting "AYE" were Mr. Dickerson, Ms. Brayboy, Ms. Calderone, Ms. Kilmer, Mr. Holton, and Dr. Broome.

APPROVED:

Tyrone E. Dickerson, CPA, Chairman

COPY TESTE:

Wade A. Jewell, Executive Director