

# THE VIRGINIA BOARD OF ACCOUNTANCY

## MEETING MINUTES

The Virginia Board of Accountancy (Board) met on Tuesday, January 6, 2004, in Salon III at the Holiday Inn-Richmond, 6531 West Broad Street, Richmond, Virginia 23230.

The following Board members present for the entire meeting were:

Barbara S. Pocalyko, CPA, Chairman  
Howard L. Rogers, Vice Chairman  
Ellis M. Dunkum, CPA, Past Chairman  
Harry D. Dickinson, Ph.D., CPA  
Jane M. Little, CPA  
Stephen D. Holton, CPA  
O. Whitfield Broome, Ph.D., CPA

The Board staff present for the entire meeting included:

Nancy Taylor Feldman, Executive Director  
Mark D'Amato, Administrative Staff Assistant

Also in attendance for the entire meeting was:

Howard T. Macrae, Jr., Assistant Attorney General

Also in attendance for a portion of the meeting was:

Erin Collins, Government Affairs Team Leader, Virginia Society of Certified Public Accountants

Chairman Pocalyko called the meeting to order at 10:00 a.m. She welcomed those in attendance to the meeting.

### **Call to Order**

Chairman Pocalyko determined that a quorum was present.

### **Determination of Quorum**

Chairman Pocalyko proposed adding Agenda Item B 5—titled “Educational Benefits,” Agenda Item B 6—titled “NASBA Executive Directors Meeting,” and Agenda Item C—titled “Committee Reports” to the agenda.

### **Approval of Agenda**

Upon a motion by Dr. Dickinson, and seconded by Dr. Broome, the Board approved by unanimous vote the agenda as amended. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

Ms. Feldman spoke to the Board about the slide presentation of the continuing professional education (CPE) course in Ethics. The Board agreed that a slide should be added to notify the reader that some of the content in the presentation is in the proposed stage.

The Board’s Final Agenda as amended was as follows:

Call to Order  
Determination of Quorum  
Approval of Agenda  
Public Comment Period

A. Approval of Minutes from December 18, 2003 Board Meeting

B. New Business:

1. CPA Representation on Board of Directors
2. NASBA Focus Questions
3. Emergency Regulations – Separated Package 2
4. 2004 Legislative Proposal
5. Educational Benefits
6. NASBA Executive Director Meeting

C. Committee Reports

Recess for Board and Staff Luncheon

Reconvene

Sign Conflict of Interest Forms  
Complete Travel Expense Vouchers

Adjournment

Chairman Pocalyko opened the floor for public comment.

**Public Comment  
Period**

The following attendee introduced herself to the Board: Ms. Collins, the Government Affairs Team Leader with the Virginia Society of Certified Public Accountants (VSCPA).

With no members of the public wishing to address the Board about an issue of concern to them, the Chairman moved to the next item of business.

Upon a motion by Dr. Dickinson, and seconded by Ms. Little, the Board approved by unanimous vote to defer approval of the minutes from the Board meeting on December 18, 2003 until the Board meeting in February. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

**A. Approval of Minutes from December 18, 2003 Board Meeting**

The Board discussed the request from the Assistive Technology Loan Fund Authority (ATLFA)—a state authority that makes affordable credit financing available for people with disabilities to purchase adaptive equipment and accessibility modifications—about a vacancy on their Board for a Certified Public Accountant (CPA). The members agreed that it was not an appropriate role of the Board to provide suggestions in this matter and suggested that ATLFA contact the VSCPA.

**B. New Business:**  
**1. CPA Representation on Board of Directors**

The Board reviewed questions sent by the National Association of State Boards of Accountancy (NASBA) to determine how state boards of accountancy are implementing measures in the Sarbanes-Oxley Act of 2002. The measures reviewed by the Board included: (1) scope of services, (2) partner rotation, (3) partner compensation, (4) board composition, (5) ethics, (6) firm inspection, (7) relationships with other organizations, (8) corporate governance and (9) record retention.

**2. NASBA Focus Questions**

Mr. Dunkum led the discussion about the status of the Emergency Regulations Separated Package 2, referencing his memorandum to the members dated December 16, 2003 about other proposed changes to that package.

**3. Emergency Regulations – Separated Package 2**

Upon a motion by Mr. Dunkum, and seconded by Dr. Dickinson, the Board approved by unanimous vote the filing of an Emergency/NOIRA Package 3. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

The Board reviewed its proposal for the 2004 Session of the Virginia General Assembly.

#### **4. 2004 Legislative Proposal**

Upon a motion by Mr. Dunkum, and seconded by Dr. Dickinson, the Board by unanimous vote agreed to the concept of establishing a Trust Account and exempting the Board from certain provisions of the Administrative Process Act (APA), and authorized Mr. Dunkum to work with the Office of the Attorney General and the Executive Director on the final wording for the proposal, and other matters relating to the legislation. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

The Board recessed from 11:53 a.m. to 1:03 p.m. for a luncheon.

#### **Recess for Board and Staff Luncheon**

The Board began its review of the educational benefits for the staff.

#### **5. Educational Benefits**

Upon a motion by Dr. Dickinson, and seconded by Dr. Broome, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of consultation with the Board counsel pertaining to personnel matters within the jurisdiction of the Board as permitted by § 2.2-3711 A 1 of the *Code of Virginia*. The following non-member will be in attendance to reasonably aid the consideration of the topic: **Mr. Macrae**. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

#### **Begin Closed Meeting**

This motion is made with respect to the matter identified as agenda item: **B. 5. Educational Benefits**.

Upon a motion by Dr. Dickinson, and seconded by Dr. Broome, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711 A 1 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

#### **End Closed Meeting**

Upon a motion by Mr. Dunkum, and seconded by Dr. Broome, the Board made the following certification:

**Certificate of Closed Meeting**

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712 A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy 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 Board of Accountancy.

CALL FOR VOTE:

Barbara S. Pocalyko, CPA – Aye  
Howard L. Rogers – Aye  
Ellis M. Dunkum, CPA- Aye  
Harry D. Dickinson, Ph.D., CPA – Aye  
Jane M. Little, CPA – Aye  
Stephen D. Holton, CPA – Aye  
O. Whitfield Broome, Ph.D., CPA – Aye

VOTE

AYES: Seven (7)

NAYS: None.

ABSENT DURING VOTE: None.

ABSENT DURING MEETING: None.

The Board agreed to refer the matter of educational benefits to the

**5. Educational**

Administrative/Personnel/Finance Committee for review. The Committee would inform the Board of its conclusions at the Board meeting on February 6, 2004.

## **Benefits (Cont'd)**

Ms. Feldman told the members that she could not attend the 22<sup>nd</sup> Annual Conference for State Board Executive Directors sponsored by NASBA from February 8<sup>th</sup> to 10<sup>th</sup>. Ms. Little suggested that she could take Ms. Feldman's place. The Board then discussed whether another member of the Board staff could attend such meetings in place of the Executive Director.

## **6. NASBA Executive Directors Meeting**

Upon a motion by Mr. Dunkum, and seconded by Dr. Dickinson, the Board approved by unanimous vote that Ms. Little and a member of the Board staff could attend the NASBA Conference for State Board Executive Directors. The members voting "AYE" were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

Chairman Pocalyko requested a report from the chairs of the Board's committees.

## **C. Committee Reports**

Mr. Holton, the Chair of the Administrative/Personnel/Finance Committee, noted that he had nothing new to report to the members.

Ms. Feldman informed the members that the lease to the Board office would expire on July 15, 2004, and that she was in the process of identifying available office space. The Board agreed that Ms. Feldman should continue her search and keep the Board informed.

Dr. Broome, as a member of the Strategic Planning Committee, noted how he had contacted Ray Haas, who was still interested in serving as a facilitator for the Board retreat in May 2004. He stated that Mr. Haas would be contacting Ms. Feldman soon to discuss the kind of information he needed to serve as the Board's facilitator.

Dr. Dickinson, as Chair of the Enforcement Committee, noted that he had nothing new to report.

The members then discussed the necessity of hiring a CPA with good experience and technical expertise to serve as an investigator for the Enforcement Committee. Ms. Feldman suggested that the Board could hire such a CPA on a temporary basis to determine exactly what the position would entail in terms of time and work. She stated that at a later date the Board could request an increase in its

Maximum Employment Level (MEL) for an additional full-time position.

Ms. Little, as Chair of the Public Relations Committee, informed the members that work was progressing on the upcoming issue of the Advisor newsletter.

When the Chairman requested the report of the Legislative/Regulatory Committee, Ms. Feldman asked the members to consider the manner in which the Board could: (1) receive complaints under its general powers and duties, and (2) take action against unlicensed practice of public accountancy within its enforcement capabilities.

Upon a motion by Dr. Dickinson, and seconded by Mr. Holton, the Board authorized by unanimous vote the Legislative/Regulatory Committee (1) to revise language in § 54.1-4403 (6) of the *Code of Virginia* concerning the initiation of enforcement actions and in § 54.1-4407 of the *Code of Virginia* about the unlicensed practice of public accountancy, and (2) to make other applicable changes. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

Dr. Broome, as Chair of the Education/Examination Committee, informed the members that he had nothing new to report. The other members asked Dr. Broome to review the policies and procedures for the new computer-based CPA exam and report back to the Board.

Chairman Pocalyko, as Chair of the Executive Committee, told the members that she had nothing new to report.

Chairman Pocalyko asked the members to complete their conflict of interest forms.

**Conflict of  
Interest Forms**

Chairman Pocalyko asked the members to complete their travel expense vouchers.

**Travel Expense  
Vouchers**

With no further business coming before the Board, upon a motion by

**Adjournment**

Dr. Dickinson, and seconded by Mr. Holton, the meeting was adjourned by unanimous vote at 3:04 p.m. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Dr. Dickinson, Ms. Little, Mr. Holton and Dr. Broome.

**APPROVED:**

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Barbara S. Pocalyko, CPA, Chairman

**COPY TESTE:**

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Nancy Taylor Feldman, Executive Director