

## THE VIRGINIA BOARD OF ACCOUNTANCY

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The Virginia Board of Accountancy (VBOA) met on Wednesday, April 22, 2009 in Board Room 2 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  
Regina P. Brayboy, MPA  
Stephen D. Holton, CPA

**MEMBERS ABSENT:** NONE

**STAFF PRESENT:** Wade A. Jewell, Executive Director  
Katherine Idrissi, Special Assistant  
Jean Grant, Enforcement Manager/Investigator  
Dreana L. Gilliam, Board Administrator

**OTHERS PRESENT:** Cynthia H. Norwood, Assistant Attorney General-III  
Pat Paquette, Chief Information Officer, Department of Health Professions  
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants  
Maureen Dingus, Executive Vice President, Virginia Society of Certified Public Accountants  
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants  
Monique Valentine, CPA  
Jamie Walker, CPA  
Thomas A. Smith, Jr.  
Don Richardson, National College

### CALL TO ORDER

Chairman Calderone called the meeting to order at 9:06 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. Samuel and duly seconded, the members voted unanimously to approve the April 22, 2009 agenda.

## **APPROVAL OF MEETING MINUTES**

Upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the February 2, 2009 meeting minutes with amendments and the March 30, 2009 meeting minutes.

## **ACTION ITEMS**

Ms. Idrissi and Ms. Gilliam provided a status report of the items requiring follow-up from the February 2, 2009 meeting.

## **PUBLIC COMMENT/INTRODUCTIONS**

Chairman Calderone introduced and welcomed the new Board of Accountancy Executive Director, Wade A. Jewell. Members, guests and staff gave brief introductions.

Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants, announced the 2009 Spring CPA Inauguration will take place on Thursday, April 23, 2009 at the Jefferson Hotel.

## **IT TRANSITION REPORT**

Pat Paquette, Chief Information Officer, Department of Health Professions (DHP), provided a status update regarding implementation and remaining post implementation IT licensing application issues. Ms. Paquette informed the board that the transition and implementation of the new licensing database has progressed without any major issues.

Ms. Paquette also informed the board that the SA software 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. As a result, following the VITA request for a \$60,000 application fee, Ms. Paquette was able to negotiate a lesser annual fee of \$32,160 with the vendor. DHP will forward a prorated invoice in the amount of \$22,623, which includes the 5.52% VITA admin charge. Ms. Paquette indicated that payment is not to exceed this amount.

Ms. Paquette 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. DHP plans to work with the new Executive Director to ensure the proper security levels are in place to provide a safe, secure environment.

DHP staff continues to assist in all post implementation activities. In addition, Ms. Paquette stated that the DHP database administrator (DBA) is a certified public accountant (CPA) and is actively involved in post implementation activities of VBOA financial processes. She ensured that the new system has the capability to provide accurate financial reports as well as many other features. Finally, VBOA is currently in a good place and is moving into a new phase. All VBOA databases are currently housed in one location and VBOA staff will begin utilizing the new features as they become more familiar with the system.

Ms. Idrissi advised the members of the board that VITA/Northrop Grumman scouting activities began on April 21, 2009. It was discovered that the laptop refresh should not occur at this time. The Executive Director will research the issue and provide an update to members at the next meeting.

Ms. Paquette provided an explanation/definition of the impending virtualization. She has recommended that VITA delay the transformation of VBOA because of the newly implemented system. Server

transformation is inevitable and the risks are extremely high. She is very concerned, however all agencies must cooperate.

### **NASBA DISCUSSION**

Dr. Broome led the discussion regarding the CPA Licensing Examinations Committee request for feedback. He requested that any specific ideas and/or suggestions be submitted on behalf of the VBOA. Dr. Broome will prepare a draft response for review at the May meeting.

### **NASBA LEGAL COUNSEL CONFERENCE REPORT**

Ms. Norwood provided a summary of the NASBA Annual Legal Counsel Conference held in Jacksonville, Florida. She explained the topics of discussion which included, Boards of Accountancy and umbrella agencies, the National Accountancy Licensing Database, monetary penalties, and International Financial Reporting Standards (IFRS). NASBA leadership has testified on behalf of some of the state boards in support of continuing as stand alone agencies. The National Accountancy Licensing Database is secure.

The Texas Board of Accountancy recently implemented the ability to impose \$100,000 monetary penalties. NASBA is strongly encouraging state boards to incorporate IFRS into their statutes and regulations. Ms. Norwood advised the members that VBOA already has the statutes and regulations in place to satisfy its needs. NASBA plans to send a questionnaire regarding best practices to all state boards in the near future. Responses to the questionnaire will assist in the creation of best practices policies.

### **LEGISLATIVE/REGULATORY UPDATE**

Mr. Holton informed the members that the 120/150 regulation is still awaiting the Governor's signature.

### **BOARD REPORTS**

Ms. Grant provided an Enforcement Case Summary covering Enforcement and Enforcement Eligibility for 2008-2009. Members will receive a revised summary every six months.

Ms. Idrissi provided the IT Security Plan Review. VBOA developed and implemented the mandatory IT Security Plan following notification in 2007. VBOA has met recertification requirements for 2009. The Virginia Department of Accounts has developed an internal agency to assist small agencies with their IT Security Plans and assist in ensuring compliance. Mr. Ed Miller, Information Security Specialist, Accounting & Internal Control Compliance Oversight, Virginia Department of Accounts, has reviewed the VBOA plan and is pleased with his findings. As a result of the impending virtualization, the VBOA COOP plan data will be impacted. VITA/Northrop Grumman did not respond to Ms. Idrissi's numerous requests for disaster plan information. Mr. Miller was able to obtain a response from the partnership and the agency is awaiting written documentation. Three of the five VBOA servers are currently scheduled for virtualization. The savings is an estimated \$1,000 less than the current charges.

Ms. Gilliam provided the Peer Review Audit Report. 467 firms are currently in varying stages of the review process. Following a discussion, the members agreed further deliberation is necessary. Peer review processes will be included as an agenda item for the annual planning meeting.

## REQUESTS FOR BOARD CONSIDERATION

Ms. Gilliam provided a summary of the requests for board consideration.

Mr. Wrabell contacted the board office on February 26, 2009 to request the Board consider allowing individual and firm license holders be able to either renew any time and/or eliminate the varying expiration dates. Ms. Gilliam advised the members that Mr. Wrabell's request will be resolved following his April 30, 2009 license renewal. Licensing/Examinations Manager, Mary Charity has the authority to make the necessary changes. Members unanimously agreed to table the discussion until the annual planning meeting to ensure the process for implementing this procedure is sound.

On March 16, 2009 VBOA received a written request from Ms. Lam to refund reinstatement fees. Ms. Lam stated that she did not receive email notification or letter reminding her to renew her license.

Upon a motion by Mr. Holton, and duly seconded, the VBOA by unanimous vote denied Ms. Lam's request for a refund. The members voting "**AYE**" were Ms. Brayboy, Mr. Holton, Mr. Dickerson, Dr. Broome, Ms. Calderone, Mr. Hunt and Mr. Samuel.

## FINANCIAL REPORT

Ms. Idrissi provided the March VBOA Financial and Flash Reports for review. Following a discussion the members agreed the new Executive Director, Wade Jewell will perform a comprehensive review and present his findings at the May meeting.

## FUTURE MEETING DATES

May 27, 2009 – 9:00a.m./Board Room #4 (VBOA Annual Planning Conference)

July 1, 2009 – 10:00a.m./Board Room #4

## RECESS FOR BOARD LUNCH

## RECONVENE

## ENFORCEMENT CASES

Mr. Thomas A. Smith Jr. presented an original essay detailing the knowledge gained from the effective professional behavior training CPE classes attended per the terms and conditions pursuant to Final Order Number DB02-2004. Presentation of the essay concludes the final stage of the previous order. Mr. Smith is currently in the reinstatement process.

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

### **File Number 2008-U08 (Harrell) (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-U13 (Anderson) (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-D27 (Hoehn) (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-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.

**File Number 2008-E12 (Gurey) (Hunt & Broome)**

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

Following a discussion and comprehensive review of findings of fact, conclusions of law and actions the following determinations were made:

**File Number 2008-U08 (Harrell) (Dickerson & Holton)**

In the matter of **File Number 2008-U08** (Harrell), Mr. Harrell 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-U01 (Ford) (Dickerson & Holton)**

In the matter of **File Number 2008-U01** (Ford), Ms. Ford was not present nor represented by counsel:

Upon a motion by Ms. Brayboy, 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-U13 (Anderson) (Dickerson & Holton)**

In the matter of **File Number 2008-U13** (Anderson), Mr. Anderson was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote accepted the signed and notarized Consent Order. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Dr. Broome, Mr. Hunt, and Ms. Brayboy.

**File Number 2008-D27 (Hoehn) (Dickerson & Holton)**

In the matter of **File Number 2008-D27** (Hoehn), Mr. Hoehn was not present nor represented by counsel:

Upon a motion by Mr. Samuel, and duly seconded, the Board by unanimous vote amended the signed and notarized Consent Order. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, 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:

This case was withdrawn by the Enforcement Committee.

**File Number 2008-E12 (Gurey) (Hunt & Broome)**

In the matter of **File Number 2008-E12** (Gurey), Mr. Gurey was not present nor represented by counsel:

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

## BEGIN CLOSED MEETING

Upon a motion by Mr. Samuel, 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 for the purpose of discussion and/or consultation with staff members 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 was in attendance for a portion of the closed meeting to reasonably aid the consideration of the topic: Wade A. Jewell, Executive Director. 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 Mr. Samuel, 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 Mr. Samuel, 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.

## 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 3:22 p.m. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Mr. Holton, Dr. Broome, Ms. Brayboy, Mr. Hunt and Mr. Dickerson.

**APPROVED:**

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Dian T. Calderone, MTX, CPA, Chairman

**COPY TESTE:**

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Wade Jewell, Executive Director