

**THE VIRGINIA BOARD OF ACCOUNTANCY**  
**MEETING MINUTES**

The Virginia Board of Accountancy (Board) met on Tuesday, December 13, 2005, in the Board Room of the Linden Row Inn, 100 East Franklin Street, Richmond, Virginia 23219.

The following Board members present for the entire meeting were:

Jane M. Little, CPA, Chairman  
Stephen D. Holton, CPA, Vice Chairman  
O. Whitfield Broome, Ph.D., CPA  
Dian T. Calderone, MTX, CPA  
Lawrence D. Samuel, CPA  
Tyrone E. Dickerson, CPA

The following Board member present for a portion of the meeting was:

Regina P. Brayboy, MPA

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director  
Mark D'Amato, Board Administrator

Also in attendance for a portion of the meeting was:

John B. Purcell, Jr., Assistant Attorney General

In attendance for a portion of the meeting were:

Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants  
James W. Brackens, Jr., CPA, Virginia Society of Certified Public Accountants

Chairman Little called the meeting to order at 9:05 a.m.

**Call to Order**

Chairman Little determined that a quorum was present.

**Determination of  
Quorum**

Upon a motion by Mr. Samuel, and seconded by Ms. Brayboy, the Board by unanimous vote approved the agenda as amended. The members voting “**AYE**” were Ms. Little, Mr. Holton, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Samuel and Mr. Dickerson.

**Approval of Agenda**

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 October 25, 2005 Board meeting

B. Strategic Planning Session

Greg Richardson, Facilitator

Lunch

Reconvene

C. Committee Reports:

1. Executive

Jane M. Little, CPA, Committee Chairman

- a. Meetings: November 15<sup>th</sup> & 28<sup>th</sup>
- b. Board Handbook (Policies & Procedures)
- c. Peer Review Audit
- d. FAQs for Board Website
- e. Regional Directors’ Focus Questions

2. Administrative/Personnel/Finance/Public Relations

Regina P. Brayboy, MPA, Committee Chairman

- a. Questions for Radio Talk Show and Update on Progress
- b. FAQs for Board Website

3. Education/Examination

O. Whitfield Broome, Ph.D., CPA, Committee Chairman

- a. 150-Hour Education Alternative
- b. Apprenticeship Program
- c. VA Tech Ethics Course Discrepancy
- d. FAQs for Board Website
- e. Response from Global Education Group, Inc.
- f. Brief Report on Ad-hoc Ethics Committee

g. Administration of CPA Exam

4. Legislative/Regulatory

Stephen D. Holton, CPA, Committee Chairman

- a. Petition for Rulemaking
- b. Progress on Legislative Package
- c. FAQs for Board Website

5. Enforcement

Lawrence D. Samuel, CPA, Committee Chairman

- a. Meeting: November 18<sup>th</sup>
- b. Case: Consent Order UC03-2005 (Thomas)
- c. FAQs for Board Website

D. Board Reports:

1. Financial

- a. FY 2006 – Period ending September 30, 2005 (For information only)
- b. FY 2006 – Period ending October 31, 2005 (For information only)

E. Meetings and Training

1. Report on NASBA Annual Meeting – October 30–November 2, 2005
2. Future Meeting Dates

Sign Conflict of Interests Forms  
Complete Travel Expense Vouchers

Adjournment

Chairman Little noted that with no members of the public present, she moved to the next item of business.

**Public Comment Period**

The members reviewed the draft minutes from the Board meeting held on October 25, 2005.

**A. Approval of Minutes from October 25, 2005 Board meeting**

Upon a motion by Mr. Samuel, and seconded by Ms. Brayboy, the Board by unanimous vote approved the minutes from its meeting on October 25, 2005. The members voting “**AYE**” were Ms. Little, Mr. Holton, Dr. Broome, Ms. Brayboy, Ms. Calderone, Mr. Samuel and Mr. Dickerson.

Mr. Richardson led the Board members in a review of its draft

**B. Strategic**

strategic planning document, and assisted the Board to make revisions. The members agreed to finalize the draft and send it to Mr. Richardson for any final comments.

**Planning Session –  
Greg Richardson,  
Facilitator**

The Board recessed from 12:00 p.m. to 1:00 p.m. for lunch.

**Lunch**

Ms. Collins and Mr. Brackens arrived at 1:00 p.m.

Ms. Little, as committee chair, reviewed the reports on the Executive Committee meetings held on November 15<sup>th</sup> and 28<sup>th</sup>.

**C. Committee  
Reports:**

During this review, the Enforcement Committee was tasked with drafting a policy for CPAs who did not take the Board's annual Ethics CPE course.

**1. Executive –  
Jane M. Little,  
CPA, Committee  
Chairman**

**a. Meetings:  
November 15<sup>th</sup> &  
28<sup>th</sup>**

Ms. Little noted that the other members now had a working draft of the new Board Handbook. They were asked to review the handbook and provide any comments to Ms. Feldman.

**b. Board Handbook  
(Policies &  
Procedures)**

Ms. Little then presented the draft Peer Review Reporting Form to the other Board members.

**c. Peer Review  
Audit**

After a discussion, the Board agreed that this form, once it was revised according to comments made by the members, should be sent to all CPA firms beginning at the first of the year—2006—on a date that is six months prior to their expiration dates, similar to the procedure undertaken in the Board's random monthly CPE audit of its licensed CPAs.

The members also discussed what procedures to undertake once the forms are returned. The Enforcement Committee was then tasked with drafting policy/guidelines about handling CPA firms that are not in compliance with the Board's peer review requirement—as a result of the peer review audit.

Since Ms. Brayboy had to leave the meeting, the Board agreed to

**2. Administrative/**

move her committee's items forward.

Ms. Brayboy, as committee chair, noted that the host of "HearSay," a radio call-in talk show in Hampton Roads, needed a contact for questions. It was agreed that Ms. Feldman would serve that function.

Since the Board needs to identify topics to be discussed on the show, it was agreed that Ms. Little and Ms. Feldman would create a list of topics to be discussed during the talk show, which would be presented to the Board for review.

Ms. Brayboy stated that, at present, the Administrative/Personnel/Finance/Public Relations Committee had no FAQs.

Ms. Brayboy then left the meeting at 2:00 p.m.

Ms. Little stated that, at present, the Executive Committee had no FAQs.

Ms. Little led the discussion about the draft responses to the focus questions submitted by the Regional Directors of the National Association of State Boards of Accountancy (NASBA). The responses were to be sent to Jacob Cohen, the Mid-Atlantic Regional Director by February 6, 2006. The members agreed to review the questions further, and to provide any changes to Ms. Feldman by the end of the year.

The members requested Ms. Feldman to provide the "work-at-home" plan to the Board for review at its next meeting.

Dr. Broome, as committee chair, presented some background information on the establishment of the 150-hour education requirement. Mr. D'Amato provided the members with the results of a quick poll that was submitted to other state boards. The poll was about whether they would allow individuals any alternatives to meet the balance of the 150 hours. A majority of the boards responded that they do not allow such alternatives; some of these boards indicated their openness to internships with CPA firms, as long as these internships appeared on the individual's college transcript.

The Board requested that the Education/Examination Committee review alternatives to the 150-hour requirement, including any recommended additional business courses to make up the extra 30

**Personnel/Finance/  
Public Relations –  
Regina P. Brayboy,  
MPA, Committee  
Chairman**  
**a. Questions for  
Radio Talk Show  
and Update on  
Progress**

**b. FAQs for Board  
Website**

**1. Executive  
(cont'd)  
d. FAQs for Board  
Website**

**e. Regional  
Directors' Focus  
Questions**

**3. Education/  
Examination – O.  
Whitfield Broome,  
Ph.D., CPA,  
Committee  
Chairman**  
**a. 150-Hour  
Education  
Alternative**

semester credit hours.

Dr. Broome next led a discussion about the possibility of the Board establishing and monitoring an apprenticeship program for high school students. This matter was also referred to the Education/Examination Committee for review.

**b. Apprenticeship Program**

Ms. Collins suggested that the VSCPA would be willing to work with the Board on this program.

The members then discussed a matter that was referred to the Board by Mr. Brackens. It concerned a course offered by the Virginia Polytechnic Institute and State University, also known as Virginia Tech, which claimed to adhere to the Board's Ethics CPE course outline. Ms. Feldman informed the members that she had been in communication with the director in charge of the course, and that corrections are being made so that the course will adhere to the Board's 2006 Ethics CPE course outline.

**c. VA Tech Ethics Course Discrepancy**

Dr. Broome stated that, at present, the Education/Examination Committee had no FAQs.

**d. FAQs for Board Website**

Dr. Broome informed the members about the reply from the Global Education Group, Inc. (GEG), in response to the Board's questions submitted to the GEG as a result of the Board's October meeting. Based upon the reply, Dr. Broome recommended that the GEG be approved, and added to the Board's list of academic credentialing services.

**e. Response from Global Education Group, Inc.**

Upon a motion by Dr. Broome, and seconded by Ms. Calderone, the Board by unanimous vote agreed to approve GEG as a provider of academic credentialing services for the Board. The members voting "AYE" were Ms. Little, Mr. Holton, Dr. Broome, Ms. Calderone, Mr. Samuel and Mr. Dickerson.

Dr. Broome provided the other members with a report about the work of the ad-hoc Ethics committee, and about the new 2006 Ethics CPE course outline, which was now available on the Board's website. He also noted the enthusiasm of the volunteers, who stated that they would be willing to work with the Board on other projects.

**f. Brief Report on Ad-hoc Ethics Committee**

Finally, Dr. Broome requested an update on the staff's progress on preparing to take over the administration of the CPA exam. The members were informed that a second coordinator had been added to

**g. Administration of CPA Exam**

the Virginia staff at CPA Examination Services, Inc. (CPAES), the Board's vendor.

Mr. Holton, as committee chair, reviewed a petition for rulemaking, which was recently submitted to the Board. It requested that the Board consider creating an exception to its current education requirements to sit for the Uniform CPA examination and to obtain a license to practice public accountancy. The exception would be based upon an individual's experience. The petition was submitted for publication in the Virginia Register of Regulations. The Board agreed that education, examination and experience—the "3 Es"—are absolutely essential elements required to perform work in the field of public accounting. Therefore, a regulatory change cannot be proposed by the Board.

Ms. Feldman was assigned to work with Dr. Broome on drafting a response letter to the petitioner, informing her of the Board's decision.

Mr. Holton noted that the Legislative/Regulatory Committee is still reviewing its options about how to move the legislative package forward.

Mr. Holton, as committee chair, stated that, at present, the Legislative/Regulatory Committee had no FAQs.

Mr. Samuel, as committee chair, presented the report from the Enforcement Committee meeting held on November 18<sup>th</sup> to the other members.

Mr. Samuel and Ms. Calderone stated that they would recuse themselves from any action on this enforcement case due to their involvement as members of the Enforcement Committee.

In the matter of **Consent Order UC03-2005 (Thomas)**, the Board reviewed the Consent Order, and made the following motion:

Upon a motion by Dr. Broome, and seconded by Mr. Dickerson, the Board by majority vote approved Consent Order UC03-2005 whereby J. Chris Thomas, Jr. is ordered to pay a monetary penalty of \$3,000 within ninety (90) days of the entry date of the order. The members voting "AYE" were Ms. Little, Mr. Holton, Dr. Broome and Mr.

**4. Legislative/  
Regulatory –  
Stephen D. Holton,  
CPA, Committee  
Chairman**  
**a. Petition for  
Rulemaking**

**b. Progress on  
Legislative Package**

**c. FAQs for Board  
Website**

**5. Enforcement –  
Lawrence D.  
Samuel, CPA,  
Committee  
Chairman**  
**a. Meeting:  
November 18<sup>th</sup>**

**b. Case:  
Consent Order  
UC03-2005  
(Thomas)**

Dickerson. Mr. Samuel and Ms. Calderone were not present and did not participate in the discussion or vote.

After rejoining the meeting, Mr. Samuel, as committee chair, stated that the Enforcement Committee is currently reviewing a draft of its FAQs.

The Board received a financial statement for the period ending September 30, 2005, from the Board staff for information purposes only, and took no action.

The Board received a financial statement for the period ending October 31, 2005, from the Board staff for information purposes only, and took no action.

Chairman Little stated that the Board had already discussed this item, so she moved to the next item of business.

The members confirmed that the schedule for next Board meetings is as follows: (1) Monday, January 9, 2006, to begin at 9:00 a.m.; and (2) Wednesday, May 17, 2006, to begin at 9:00 a.m. The latter meeting would be located near the site of the VSCPA Leadership Conference scheduled for May 18<sup>th</sup> and 19<sup>th</sup>. As soon as that location was determined, it would be announced to the public.

Chairman Little asked the members to complete and sign their conflict of interests forms.

**c. FAQs for Board Website**

**D. Board Reports:**

**1. Financial:**

**a. FY2006 – Period ending September 30, 2005 (For information only)**

**b. FY2006 – Period ending October 31, 2005 (For information only)**

**E. Meetings and Training:**

**1. Report on NASBA Annual Meeting – October 30-November 2, 2005**

**2. Future Meeting Dates**

**Conflict of Interests Forms**



Chairman Little asked the members to complete and sign their travel expense vouchers.

**Travel Expense  
Vouchers**

With no further business coming before the Board, upon a motion by Dr. Broome, and seconded by Ms. Calderone, the meeting was adjourned by unanimous vote at 4:00 p.m. The members voting “**AYE**” were Ms. Little, Mr. Holton, Dr. Broome, Ms. Calderone, Mr. Samuel and Mr. Dickerson.

**Adjournment**

**APPROVED:**

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Jane M. Little, CPA, Chairman

**COPY TESTE:**

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Nancy Taylor Feldman, Executive Director