

## THE VIRGINIA BOARD OF ACCOUNTANCY

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The Virginia Board of Accountancy (VBOA) met on Wednesday, July 1, 2009 in Board Room 4 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  
Stephen D. Holton, CPA  
Tyrone E. Dickerson, CPA  
Regina P. Brayboy, MPA  
William E. Hunt, CPA

**MEMBERS ABSENT:** NONE

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

**PRESENT FOR A PORTION OF THE MEETING:** Jean Grant, Enforcement Manager

**OTHERS PRESENT:** Cynthia H. Norwood, Assistant Attorney General  
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants  
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants  
Douglas Bowles, CPA, Virginia Society of Certified Public Accountants Peer Review Committee, McPhillips, Roberts & Deans PLC  
James Brackens, CPA, Vice President, Firm Quality and Practice Monitoring for the American Institute of Certified Public Accountants  
James Walker, CPA, Chairman, Virginia Society of Certified Public Accountants

### CALL TO ORDER

Chairman Calderone called the meeting to order at 9:46 a.m.

### SECURITY BRIEFING

After the declaration of a quorum, Mr. Jewell provided the emergency evacuation procedures.

### ELECTION OF OFFICERS

Chairman Calderone presented Dr. Broome for Chairman and Mr. Dickerson for Vice Chairman.

Upon a motion by Mr. Hunt and duly seconded, the Board by unanimous vote approved the motion to elect Dr. Broome as Board Chairman and Mr. Dickerson as Vice Chairman. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Ms. Brayboy, Mr. Holton, and Mr. Hunt.

Chairman Calderone passed the gavel to Vice Chairman, Dr. Broome, who effective July 1, 2009 becomes the Board Chairman.

### **SPECIAL PRESENTATION**

Dr. Broome presented Chairman Calderone with a plaque on behalf of the members and thanked her for her service during her term.

### **INTRODUCTORY REMARKS**

Chairman Broome stressed the importance of the VBOA’s mission and the need to incorporate it in all aspects of the Board’s actions and decisions, throughout the upcoming year.

Dr. Broome also announced the Committee appointments for FY09-10.

Enforcement: Mr. Dickerson and Mr. Holton  
Legislative/Regulatory: Mr. Holton  
Education/Examination: Mr. Samuel  
Peer Review Oversight/Plan Development: Mr. Hunt  
Communications: Ms. Calderone  
Liaison to Executive Director on administrative matters: Ms. Brayboy

### **APPROVAL OF AGENDA**

Upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the July 1, 2009 agenda with amendments.

### **APPROVAL OF MEETING MINUTES**

Upon a motion by Ms. Brayboy and duly seconded, the members voted unanimously to approve the April 22, 2009 meeting minutes.

Upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the May 27, 2009 Annual Strategic Planning meeting minutes.

### **PUBLIC COMMENT**

Members of the public were in attendance but no public comment was given at this time.

### **LEGISLATIVE/REGULATORY REPORT**

Mr. Holton led the discussion regarding the comprehensive review of the VBOA statutes and regulations. He continues to work on the proposed regulations in preparation for submission to the Department of Planning and Budget (DPB). The Virginia Society of Certified Public Accountants (VSCPA) expressed

they have no firm position at this time. However, they are comfortable with the proposed changes to the regulations with two exceptions. Mr. Holton is scheduled to meet with members of the VSCPA to discuss their concerns.

Following the VSCPA meeting, Mr. Holton, Chairman Broome and Mr. Jewell will meet with DPB and a representative of the Governor's office to discuss submitting the regulation as a Fast-Track package.

#### **PEER REVIEW PRESENTATION/DISCUSSION**

James Brackens, CPA, Vice President, Firm Quality and Practice Monitoring for the AICPA, Douglas Bowles, CPA, McPhillips, Roberts & Deans PLC, VSCPA Peer Review Committee, and Emily Walker, Government Affairs Director for the VSCPA provided an in-depth overview of Peer Review.

The presentation included a comprehensive review and discussion of the Peer Review processes, the types of reviews performed, and quality control standards performed by the AICPA and VSCPA.

#### **RECESS FOR BOARD LUNCH**

#### **RECONVENE**

#### **CONFERENCE/MEETING UPDATES**

Dr. Broome led the discussion regarding the NASBA Eastern Regional Meeting. He provided a summary of the session topics.

The Accountancy Licensing Database is currently being used by 18 states and NASBA executives are promoting 100% participation.

The NASBA State Board Profile effective as of May 2009 provided detailed information regarding each state board's composition, number of full-time staff, annual budget, number of individuals and firms regulated, quality review, and centralization.

Dr. Broome and Mr. Samuel led the discussion regarding their presentations at the VSCPA Educator's Symposium in June.

Dr. Broome provided a copy of the results of the CPA Examination Review Board's analysis of the uniformity, integrity and credibility of the Uniform CPA Examination and the International Qualification Examination (IQEX) given in 2008. Upon completion of the evaluation, the CPA Examination Review Board stated that boards of accountancy may rely on the 2008 Uniform CPA Examination and the IQEX in carrying out their licensing responsibilities.

In addition, the CPA Examination Review Board has also performed an analysis of the accumulated costs associated with the Computer Based Test (CBT). Upon completion of the analysis, the CPA Examination Review Board found no material exceptions to the NASBA CBT operational expenses for the fiscal year ended July 31, 2008. The analysis of projected future CBT operational expenses did not detect any unreasonable assumptions in such projections.

Ms. Calderone led the discussion regarding her presentation at the VSCPA Industry Conference and provided a summary of discussion topics.

The conference included updates on the economic climate in Virginia, state and federal taxes, as well as updates for any new activities at the VBOA, the AICPA and the VSCPA.

## **EXECUTIVE DIRECTOR REPORT**

Mr. Jewell presented general updates regarding VBOA. Since the reduction of the education requirement to sit for the Uniform CPA Exam, the agency is experiencing a high volume of inquiries and applications. As a result, a contract employee has been hired to assist staff in customer service delivery.

He advised the members that Pragmatic has completed their ARMICS re-certification review and document preparation. Pragmatic's evaluation is that the "BOA can provide reasonable assurance that internal controls as of June 30, 2009 were operating effectively and no significant weaknesses were found in the design and operation of the internal controls on an agency level."

Mr. Jewell was awarded a scholarship and will attend NASBA University's training for new Executive Directors August 6-7, 2009 in Nashville, Tennessee.

Mr. Jewell presented a reminder on discretionary spending restrictions, which were established July 2008. Effective July 1, 2009, the previously existing restrictions remain in effect without exception.

Mr. Jewell requested guidance from the members regarding the current statutes and regulations and applications for licensure. Following a discussion, the members agreed that in general no exceptions would be made to current statutes and regulations.

Mr. Jewell presented the FY09 Financial Report and the VBOA proposed FY10 Budget. Upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the proposed FY10 budget.

## **FUTURE MEETING DATES**

Tuesday, August 11, 2009 – 10a.m.  
Friday, September 11, 2009 – 10a.m.  
Tuesday, October 20, 2009 – 10a.m.  
Tuesday, November 17, 2009 – 10a.m.  
Tuesday, December 15, 2009 – 10a.m.

## **ENFORCEMENT REPORT**

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.

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

### **Board Orders:**

**File Number 2008-U10 (Morse) (Dickerson & Holton)**  
**File Number 2008-D23 (Stahl) (Dickerson & Holton)**

### **Consent Orders:**

**File Number 2009-0021 (Howland) (Dickerson & Holton)**  
**File Number 2008-D16 (Wiggins) (Dickerson & Holton)**

**BEGIN CLOSED MEETING**

Upon a motion by Ms. Calderone, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately reconvene in closed meeting to discuss and consider a disciplinary matter lawfully exempted from open meeting requirements within the jurisdiction of the VBOA as permitted by § 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, Jean Grant, Enforcement Manager, and Wade A. Jewell, Executive Director. The members voting “**AYE**” were Mr. Samuel, Mr. Hunt, Dr. Broome, Ms. Brayboy, and Ms. Calderone.

**END CLOSED MEETING**

Upon a motion by Ms. Calderone, 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 Ms. Calderone, 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: None.

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

**File Number 2008-U10 (Morse) (Dickerson & Holton)**

In the matter of **File Number 2008-U10** (Morse), Mr. Morse 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-D23 (Stahl) (Dickerson & Holton)**

In the matter of **File Number 2008-D23** (Stahl), Mr. Stahl was not present nor represented by counsel:

Upon a motion by Mr. Samuel, and duly seconded, the Board by unanimous vote amended the recommendations of the presiding officer.

**File Number 2009-0021 (Hovland) (Dickerson & Holton)**

In the matter of **File Number 2009-0021** (Hovland), Ms. Hovland was not present nor represented by counsel:

Upon a motion by Ms. Brayboy, and duly seconded, the Board by unanimous vote ratified the consent order as written.

**File Number 2008-D16 (Wiggins) (Dickerson & Holton)**

In the matter of **File Number 2008-D16** (Wiggins), Ms. Wiggins was not present nor represented by counsel:

Upon a motion by Mr. Hunt, and duly seconded, the Board by unanimous vote amended the consent order.

**REQUESTS FOR BOARD CONSIDERATION**

Mr. Jacobs and Mr. Carpenter requested the VBOA waive the \$250 reinstatement fee for licensure. Following a review of the written requests for consideration and a discussion, the members made the following determination:

Upon a motion by Mr. Holton, and duly seconded, the VBOA by unanimous vote denied Mr. Jacobs request for a waiver of the reinstatement fees. The members voting “**AYE**” were Ms. Brayboy, Mr. Holton, Mr. Dickerson, Dr. Broome, Ms. Calderone, Mr. Hunt and Mr. Samuel.

Upon a motion by Mr. Holton, and duly seconded, the VBOA by unanimous vote denied Mr. Carpenter’s request for a waiver of the reinstatement fees. The members voting “**AYE**” were Ms. Brayboy, Mr. Holton, Mr. Dickerson, Dr. Broome, Ms. Calderone, Mr. Hunt and Mr. Samuel.

**CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS**

Chairman Broome 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 Dr. Broome and duly seconded, the meeting was adjourned by unanimous vote at 5:08 p.m. The members voting “**AYE**” were Ms. Calderone, Mr. Samuel, Mr. Holton, Dr. Broome, Mr. Hunt, Ms. Brayboy, and Mr. Dickerson.

**APPROVED:**

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

**COPY TESTE:**

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Wade A. Jewell, Executive Director