

The Virginia Board of Accountancy Annual Strategic Planning Session

- Date and Location:** May 21, 2010 at 9960 Mayland Drive – 2nd Floor
Conference Center/Board Room #1
- Board members present:** O. Whitfield Broome, Ph.D., CPA, Board Chairman
Tyrone Dickerson, CPA, Vice Chairman
Dian Calderone, MTX, CPA, Immediate Past Chairman
Lawrence Samuel, CPA, Board Member
Stephen Holton, CPA, Board Member
William Hunt, CPA, Board Member
- Board members absent:** Regina Brayboy, MPA, MBA, Board Member
- Board staff present:** Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator
- Board staff present for a portion of the meeting:** Mary Charity, Licensing/Examinations Manager
Jean Grant, Enforcement Manager
Chaundra Jones, Customer Service Representative
- Others present:** Emily Walker, Government Affairs Director, Virginia
Society of Certified Public Accountants
- Maureen Dingus, Executive Vice President, Virginia
Society of Certified Public Accountants
- Others present for a portion of the meeting:** Cynthia H. Norwood, Senior Assistant Attorney General
Mike Gallini, Systems Analyst, Department of Health
Professions
Darshae Dabney, Technical Services Coordinator, Virginia
Society of Certified Public Accountants
- Public Comments:** While members of the public were present, no public
comment was received.

Chairman Broome called the meeting to order at 9:12 a.m. in Board Room #1 of the Perimeter Center. Ms. Gilliam provided the emergency evacuation procedures and Dr. Broome made the declaration of a quorum.

Upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the May 21, 2010 agenda.

Dr. Broome provided an update regarding a meeting with James Cheng, Secretary of Commerce and Trade. VBOA Vice Chairman, Tyrone Dickerson, VBOA Executive

Director, Wade Jewell, and Dr. Broome met with Secretary Cheng on May 18, 2010 to discuss the proposed regulations and general VBOA business. Mr. Jewell advised the members that the meeting went well and would be instrumental in building a positive relationship with the Secretary's office. Mr. Cheng expressed that he would like to attend a future VBOA board meeting. Mr. Jewell will keep the Secretary abreast of future meeting dates.

Dr. Broome requested an update from Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants, regarding the VSCPA meeting with the Governor's Director of Policy, Eric Finkbeiner. Ms. Walker informed the members that VSCPA staff met with Mr. Finkbeiner and the meeting was very positive. The meeting was held to discuss general issues pertaining to the VBOA. The discussion included but was not limited to recommendations for VBOA appointments, a potential fee increase, and the concerns with the Governor's Commission on Government Reform and Restructuring and rumors of a possibility of the VBOA losing its independent status and returning under the direction of an umbrella agency.

Following a discussion regarding VBOA autonomy, the members identified several board members (Calderone & Holton) to spearhead a response to address any recommendations for the VBOA to return to an umbrella agency. In addition, NASBA is providing support to all Board's of Accountancy in jeopardy of being placed under or returned to an umbrella agency.

Mary Charity, Licensing/Examinations Manager provided an update regarding NASBA issues as a result of the flooding experienced in Nashville. Following an extensive recovery effort, NASBA staff has returned to their offices and resolved all flood related issues regarding authorizations to test, payment coupons, and notices to schedule.

Dr. Broome turned the meeting over to the Vice Chairman and strategic planning facilitator, Mr. Dickerson.

Mr. Dickerson opened the strategic planning portion of the meeting with an introduction of the guests in attendance and a review of action items from the 2009 Strategic Planning Meeting. Mr. Jewell provided status updates regarding regulant social security numbers in the VBOA database, comparison of prior and current databases, development of internal policies and procedures for staff, revision of the VBOA strategic plan, annual conflict of interest training, CPE and peer review issues, revision of consent order verbiage, and website redesign.

Mr. Jewell informed the members that social security numbers are only requested by statute during the application process. Comparison of data between the new system and old system is addressed on a case-by-case basis. The staff is currently working to resolve a system error with initial certification dates. The random date, 11/17/1858 was used as a "filler" when a previous database was converted. The Department of Human Resource Management has policies that cover all state agencies. Internal agency policies have not

been formally addressed at this time. Website redesign is currently in progress and all other issues will be addressed at future board meetings.

TOPIC I – Website Presentation & Discussion

Mr. Jewell and Mr. Samuel led the discussion regarding the website redesign. Mike Gallini, Systems Analyst, Department of Health Professions presented a demonstration of the new website completed to date. In addition, Mr. Gallini responded to questions and feedback from the members. Mr. Jewell and Mr. Samuel will continue preparing the necessary documents for submission to Mr. Gallini for website redesign. Additional work sessions will be scheduled to discuss and review revisions. The tentative completion deadline is three to four months. Upon completion of the redesign, it was suggested that VBOA staff and Board members, followed by members of the Communications Committee will perform testing and provide feedback before the go live date.

General Board Business

Board members were asked to submit a bio by June 4. Board member bios will be included in the website redesign.

Following a discussion it was determined the member login link on the VBOA website will be removed. The members agreed to defer discussion regarding the posting of enforcement cases until the June meeting.

Mr. Jewell advised the members that the Monthly Flash Report will be renamed the Monthly Board Report to better reflect the information provided.

The members agreed to discuss linking individual CPA licenses with firm licenses. Currently many of the regulants that maintain individual and firm licenses have differing expiration dates. Further discussion will be held at the June meeting.

A general discussion was held regarding possibly performing background checks. Cindy Norwood will look into the legal ramifications of performing fingerprint checks. Further discussion may be held at a future meeting.

TOPIC II – Peer Review Oversight Committee (PROC)

Mr. Hunt led the discussion regarding the development and implementation of the VBOA PROC. The AICPA and VSCPA conduct reviews; however, it is the responsibility of the VBOA to oversee the process. Ms. Walker obtained feedback from the VSCPA staff, VSCPA Peer Review Committee members, and James Brackens, Vice President of Firm Quality and Practice Monitoring at the American Institute of Certified Public Accountants (AICPA) following their review of the draft documents and reported the findings for discussion. VBOA members will review the draft and will vote on implementation at the June meeting.

Mr. Dickerson led the discussion regarding the 2010 VSCPA Outstanding Member award. The members congratulated Ms. Calderone, the 2010 recipient of the award.

RECESS FOR BOARD LUNCH

RECONVENE

The members congratulated Dr. Broome on his pending retirement from the University of Virginia.

TOPIC III – Revenue Expenditures Projections & Proposed Fee Increase

Mr. Jewell distributed copies of the revised FY11-FY18 Budget Projections and a comparison of Board of Accountancy fees for all jurisdictions. He advised the members that adjustments to the previously reported FY11-FY18 Budget Projections were made to address realistic factors that may affect the VBOA going forward. Following a review and discussion of the revised budget, Mr. Jewell informed the members that additional adjustments for staff training, in state and out-of-state travel, occupancy, and technology upgrades will be presented at the next meeting.

Mr. Jewell reported that he plans to consider re-establishing the two full-time vacancies in different capacities at some point during the next fiscal year, pending approval of the FY11 budget and proposed fee increase. In addition, he plans to add a Customer Service Representative (wage position) to provide phone coverage and general clerical functions. The goal is to convert both the existing and the pending wage positions to full-time employees by 2013.

Mr. Samuel and Mr. Hunt agreed to meet on June 22, 2010 with Mr. Jewell to review and discuss the FY11-FY18 budget projections and the proposed fee increase to ensure future agency needs are met. Recommendations for a fee increase will be formally presented to the Board at the June 30 meeting.

Mr. Jewell reported that his review of the identified Board Policies is ongoing. Mr. Holton has agreed to review the current information and determine statutory and regulatory relevance. Mr. Holton will present his findings at the June or July 2010 meeting. Mr. Hunt agreed to review the peer review guidelines and Mr. Holton will review all others.

Mr. Hunt recommended that Mr. Jewell develop individual training plans for each staff member. Further discussion would be deferred to the October meeting, when employee performance plans must be completed. Mr. Hunt also requested that the staff create telephone logs to report the frequency and types of questions received by staff.

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

Comprehensive discussions in relation to each topic enabled members of the Board to have a clear understanding of the course of action to ensure adherence to the agency's mandate to protect the citizens of the Commonwealth.

Looking forward, the Board remains committed to maintaining a leading position in the regulation of the accounting profession through the development and implementation of innovative changes impacting the examination, licensing and standard setting for CPAs.

The members adjourned the annual strategic planning session at 3:59 p.m.

MAY 21, 2010 MINUTES APPROVED:

Dr. O. Whitfield Broome, Ph.D., CPA, Chairman
Board of Accountancy

COPY TESTE:

Wade A. Jewell, Executive Director