

THE VIRGINIA BOARD OF ACCOUNTANCY

The Virginia Board of Accountancy (VBOA) met on Wednesday, June 29, 2011 in Board Room 4 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Tyrone E. Dickerson, CPA, Chairman
Lawrence D. Samuel, CPA, Vice Chairman
O. Whitfield Broome, Ph.D., CPA, Immediate Past Chairman
Stephen D. Holton, CPA
Regina P. Brayboy, MPA, MBA
Dian T. Calderone, MTX, CPA

MEMBERS ABSENT: Andrea M. Kilmer, CPA, CFF

STAFF PRESENT: Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator
Chantal Scifres, Deputy Director
Jean Grant, Enforcement Manager
Lisa J. Carson, Communications & Training Director
Mary Charity, Licensing & Examinations Manager
Patti Hambright, Licensing & Examinations Coordinator

**PRESENT FOR A
PORTION OF
THE MEETING:**

Joshua Leif, Senior Assistant Attorney General
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
James Walker, Immediate Past Chairman, Virginia Society of Certified Public Accountants
Carrie Cantrell, Deputy Secretary of Commerce and Trade
Cory Kirchert, Attorney
Ronna Cenelea
Margo Caldwell, CPA

CALL TO ORDER

Chairman Dickerson called the meeting to order at 10:05 a.m.

SECURITY BRIEFING

Ms. Gilliam provided the emergency evacuation procedures.

DETERMINATION OF QUORUM/APPROVAL OF AGENDA

After the declaration of a quorum, upon a motion by Mr. Dickerson and duly seconded, the members voted unanimously to approve the June 29, 2011 agenda with amendments. The members voting “**AYE**” were Dr. Broome, Mr. Dickerson, Mr. Holton, Ms. Calderone, Ms. Brayboy, and Mr. Samuel.

PEER REVIEW OVERSIGHT COMMITTEE PRESENTATION

Mr. Samuel, as Board liaison of the Peer Review Oversight Committee (PROC), provided a summary of the PROC’s June 8, 2011 meeting. Discussions during the June 8 meeting centered on current processes and the potential availability of statistics/information from the VSCPA. The PROC members continue the development of methodologies to be used for the oversight of the peer review process. A presentation to the full Board will be scheduled in the upcoming months.

BOARD MEMBER/COMMITTEE UPDATES

Mr. Holton, as chair of the Regulatory/Legislative Committee, provided a summary of the March 30 meeting with Deputy Secretary of Commerce & Trade, Carrie Cantrell. Chairman Dickerson, Mr. Holton, and Mr. Jewell met with Ms. Cantrell to discuss the Administration’s concerns regarding the fee proposal. Following the March 30 meeting, the VBOA submitted additional documentation to support the request. Mr. Holton advised that he has spoken with Ms. Cantrell following her review of the documentation to support the proposed fee increase and is awaiting approval.

Mr. Samuel and Mr. Jewell led the discussion regarding the 2011 NASBA Eastern Regional Meeting held in Point Clear, Alabama on June 22 – June 24, 2011. Summaries were provided of the sessions attended. Sessions included but were not limited to NASBA leadership/activities update, emerging ethics issues, overview from legal counsel, UAA Committee status report (Firm Names), private company standards, the Exam Review Board’s (ERB) and Board of Examiners’ Report to boards, international administration of the exam, and the Professional Ethics Executive Committee (PEEC). Breakout sessions included 1) Communicating with Licensees and the Public, 2) Becoming and Maintaining a Semi-Independent Board, 3) The IRS PTIN Program, and 4) Addressing CPA Firm Names and Other New UAA Issues. Concluding presentations included a Technology Implementation and ALD update, Boards Under Scrutiny (legislation), and a Report from NASBA’s Executive Directors Committee.

Mr. Jewell advised the members that effective June 30 Prometric will begin the use of hand held metal detectors to enhance security measures. All candidates will be scanned prior to each entry into the test room, including returns from breaks. Candidates will still be required to turn their pockets out, and the scan will be done immediately afterward.

Mr. Samuel reported NASBA will hold a PROC meeting on August 16, 2011 in Charleston, SC. Mr. Jewell will request approval from the Secretary’s office for Mr. Johnson and himself to attend.

Mr. Jewell reported that he plans to meet with the Executive Director of the North Carolina Board to discuss their Enforcement processes. In addition, he will revisit North Carolina’s posting of Enforcement cases for public viewing.

INTRODUCTION/WELCOME/PUBLIC COMMENT

Ms. Peters, Ms. Dingus, Mr. Walker and Ms. Walker introduced themselves but did not have a comment at this time. Ms. Walker was asked to provide a summary of the District of Columbia's June 1 meeting regarding practice mobility legislation (B 616). Per Ms. Walker, the DC Board continues to fear loss of revenue if it accepts mobility. No actions were taken following the hearing; however, Ms. Walker will keep the VBOA members informed of any changes.

APPROVAL OF MEETING MINUTES

Upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the April 26, 2011 meeting minutes.

EXECUTIVE DIRECTORS REPORT

Mr. Jewell presented general updates regarding the VBOA.

- Deputy Director Chantal Scifres attended the SA Annual User's Conference in May. Mr. Jewell reported there is an improvement in SA communication efforts and response to inquiries following the development of a tracking system. The SA tracking system was developed to document, update and resolve customer problems. The browser issue has not been resolved but has been logged into the SA tracking system.
- Mr. Jewell recommended that prior to issuing licenses new licensee's be required to sign a document indicating that they have read and are familiar with the requirements of licensure. The Board supported this administrative action to be taken by the Executive Director.
- Mr. Jewell advised the members that NASBA sold Professional Credential Services Inc. (PCS) for a profit to a management team and private investment firm. NASBA retains a minority ownership in PCS.
- Mr. Jewell reported that Virginia Tech Ph.D. candidates have requested a list of CPAs that are 35 and older for a research project. This request is being handled as a FOIA request.
- Mr. Jewell advised the members that he mandated a licensee to come before the Board this afternoon. Mr. Jewell provided a brief summary of past events and described the licensee's behavior as unprofessional.
- Mr. Jewell provided a sample format of how VBOA disciplinary actions would be posted to the web and newsletter. In the event the information was accessed in NASBA's ALD, the record would be flagged and the individual advised to contact the VBOA for further information.

Upon a motion by Ms. Brayboy and duly seconded, the members voted unanimously to approve the format of the disciplinary actions table with the necessary revisions.

RECESS FOR BOARD LUNCH

SPECIAL PRESENTATION

Mr. Dickerson introduced Ms. Carrie Cantrell, Deputy Secretary for Commerce and Trade. Mr. Dickerson presented Dr. Broome and Mr. Holton with a certificate of resolution in recognition of their dedicated service to the VBOA over the past eight years. Ms. Cantrell also thanked Dr. Broome and Mr. Holton on behalf of the Governor's office. Ms. Peters thanked them on behalf of the VSCPA. Mr. Walker thanked Dr. Broome and Mr. Holton for the years of support and assistance. Mr. Jewell, Mr. Samuel and Mr. Dickerson each thanked Dr. Broome and Mr. Holton for their commitment and dedication.

The following resolution was made:

Resolution for the Virginia Board of Accountancy

Whereas, the mission of the Virginia Board of Accountancy is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms; and

Whereas, the Virginia Board of Accountancy is comprised of seven members who are appointed by the Governor to serve a four-year term and may not serve for more than two consecutive terms; and

Whereas, O. Whitfield Broome, Ph.D., CPA, and Stephen D. Holton, CPA, have completed eight years as members of the Virginia Board of Accountancy; and

Whereas, each of these gentlemen have faithfully served their terms actively, dutifully and with integrity and professionalism; and

Now, be it resolved, that the Virginia Board of Accountancy recognizes June 29, 2011 as a special day of recognition on behalf of O. Whitfield Broome, Ph.D., CPA, and Stephen D. Holton, CPA, for their contributions, dedication and great respect for the CPA profession, and declare this day as:

Broome / Holton Recognition Day

Chairman Dickerson was presented with a plaque and thanked for his service as chairman for the fiscal year ending June 30, 2011.

RECONVENE

Mr. Jewell provided copies of the May Financial and Board Reports. He advised the members that the VBOA budget for the current fiscal year is currently in good standing. Mr. Jewell reviewed the Board Report statistics with the Board. The number of licensees in Virginia continues to grow. The number of first time exam candidates remains steady, while there has been an increase in the number of complaints received. CPE compliance reviews are current and also show signs of an increase in the number of licensees selected for audit.

Mr. Jewell led the discussion regarding the FY12 proposed budget. Deputy Director Ms. Scifres has performed a detailed analysis of historical and current expenditures prior to the development of the FY12 budget. VITA fees are less than previously expected. Mr. Jewell informed the Board that until such time the fee increase package is approved and becomes effective, significant efforts will be made to reduce spending, particularly in the personal services area (staff hiring) to ensure the fiscal integrity of the

Board's cash balances and revenues. Following a discussion and review of the proposal, upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the FY12 proposed budget.

Mr. Jewell led the discussion regarding the possibility of Virginia exam candidates to test internationally. NASBA's has created an Informed Consent Agreement for international candidates, and is asking for Board approval to allow for international testing. Mr. Jewell reminded the Board that international candidates must still meet Virginia requirements for examination and licensure. He also presented the Informed Consent Agreement for Board review. Following a comprehensive discussion and upon a motion by Mr. Samuel and duly seconded, the members voted unanimously to approve Virginia candidates' ability to test internationally.

Mr. Jewell also led the discussion regarding NASBA's public version of the Accountancy Licensee Database (ALD) – CPA Verify. Following a review of the CPA Verify Participation Agreement, upon a motion by Mr. Holton and duly seconded, the members voted unanimously to approve the CPA Verify Agreement subject to verification of verbiage as discussed.

ENFORCEMENT

Due to their involvement with **Case # 2010-E004**, Ms. Calderone and Mr. Samuel were not present during this discussion in the closed meeting and did not participate in the discussion (or subsequent vote).

BEGIN CLOSED MEETING

Upon a motion by Dr. Broome, 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 **Case # 2010-E004**, a disciplinary matter relating to an enforcement case 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: Jean Grant, Enforcement Manager, Joshua Lief, Senior Assistant Attorney General and Wade A. Jewell, Executive Director.

The members voting “**AYE**” were Mr. Dickerson, Ms. Brayboy, Mr. Holton, and Dr. Broome.

END CLOSED MEETING

Upon a motion by Dr. Broome, 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.

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 Board 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 – Did not participate in discussion or vote.
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Did not participate in discussion or vote.
Tyrone E. Dickerson, CPA – Aye
Stephen D. Holton, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – ABSENT

VOTE

AYES: Four (4)
NAYS: None.

Case # 2010-E004 Kirchert (*Calderone and Samuel*)

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

In the matter of **Case # 2010-E004** (Kirchert), Mr. Kirchert was present but was not represented by counsel.

Upon a motion by Mr. Holton and duly seconded the members agreed to take no action regarding **Case # 2010-E004**.

CALL FOR VOTE:

Dian T. Calderone, MTX, CPA – Did not participate in discussion or vote.
O. Whitfield Broome, Ph.D., CPA – Aye
Lawrence D. Samuel, CPA – Did not participate in discussion or vote.
Tyrone E. Dickerson, CPA – Aye
Stephen D. Holton, CPA – Aye
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – ABSENT

VOTE

AYES: Four (4)
NAYS: None.

PROFESSIONAL MISCONDUCT

Mr. Jewell conducted an internal review of events surrounding a February 2011 telephone call to the Board office from Ms. Margo Caldwell. During the call to Ms. Hambright and Ms. Charity, Ms. Caldwell conducted herself in a manner unbecoming of the profession. Following numerous conversations and emails with Ms. Caldwell, Mr. Jewell required that she come before the members of the Board and respective staff and present a public apology to Patti Hambright, Licensing & Examination Coordinator and Mary Charity, Licensing & Examination Manager. Ms. Caldwell presented reasons for her actions and ultimately acknowledged that her conduct was inappropriate.

BEGIN CLOSED MEETING

Upon a motion by Dr. Broome, and duly seconded, the members approved by unanimous vote that the meeting be recessed and the VBOA immediately reconvene in closed meeting to consult with legal counsel on issues relating to possible litigation, a matter lawfully exempted from open meeting

requirements within the jurisdiction of the VBOA as permitted by § 2.2-3711.A.7 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Joshua Lief, Senior Assistant Attorney General, and Wade A. Jewell, Executive Director.

The members voting “**AYE**” were Mr. Dickerson, Mr. Samuel, Ms. Brayboy, Mr. Holton, Ms. Calderone and Dr. Broome.

END CLOSED MEETING

Upon a motion by Dr. Broome, 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.

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 Board 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, MBA – Aye
Andrea M. Kilmer, CPA, CFF – ABSENT

VOTE

AYES: Six (6)
NAYS: None.

No actions were taken as a result of the closed meeting.

Due to their involvement with **Case # 2010-D004**, Mr. Dickerson and Mr. Holton were not present during this discussion in the closed meeting and did not participate in the discussion (or subsequent vote).

BEGIN CLOSED MEETING

Upon a motion by Dr. Broome, 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 **Case # 2010-D004**, a disciplinary matter relating to an enforcement case 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: Jean Grant, Enforcement Manager, Joshua Lief, Senior Assistant Attorney General and Wade A. Jewell, Executive Director.

The members voting “**AYE**” were Mr. Samuel, Ms. Calderone, Ms. Brayboy, and Dr. Broome.

END CLOSED MEETING

Upon a motion by Dr. Broome, 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.

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 Board 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 – Did not participate in discussion or vote.
Stephen D. Holton, CPA – Did not participate in discussion or vote.
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – ABSENT

VOTE

AYES: Four (4)
NAYS: None.

Case # 2010-D004 Emery (*Dickerson and Holton*)

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

In the matter of **Case # 2010-D004** (Emery), Mr. Emery was not present nor represented by counsel.

Upon a motion by Ms. Calderone and duly seconded the members unanimously agreed to accept the Consent Order as written.

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 – Did not participate in discussion or vote.
Stephen D. Holton, CPA – Did not participate in discussion or vote.
Regina P. Brayboy, MPA, MBA – Aye
Andrea M. Kilmer, CPA, CFF – ABSENT

VOTE

AYES: Four (4)
NAYS: None.

FUTURE MEETING DATES

Thursday, September 8, 2011 – 10:00 a.m., Board Room #2, 9960 Mayland Drive, Henrico, VA 23233.

ADDITIONAL ITEMS FOR DISCUSSION

Chairman Dickerson & Mr. Jewell recommended to the members that they nominate Mr. Holton for NASBA's William H. Van Rensselaer Public Service award. Board members present unanimously supported this nomination.

BEGIN CLOSED MEETING

Upon a motion by Dr. Broome, 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 personnel matter relating to Board of Accountancy staff, lawfully exempted from open meeting requirements within the jurisdiction of the VBOA as permitted by § 2.2-3711.(A)(1) of the *Code of Virginia*. The following non-members were 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. Dickerson, Mr. Samuel, Ms. Calderone, Ms. Brayboy, Mr. Holton, and Dr. Broome.

END CLOSED MEETING

Upon a motion by Dr. Broome, 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.

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 Board 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, MBA – Aye
Andrea M. Kilmer, CPA, CFF – ABSENT

VOTE

AYES: Six (6)

NAYS: None.

No public actions were taken as a result of the closed meeting.

CONFLICT OF INTEREST FORMS/TRAVEL EXPENSE VOUCHERS

Chairman Dickerson asked the members to complete and sign their conflict of interest forms, and to complete and sign their travel expense vouchers.

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Dickerson and duly seconded, the meeting was adjourned by unanimous vote at 3:30 p.m. The members voting “**AYE**” were Mr. Dickerson, Mr. Samuel, Ms. Calderone, Mr. Holton, Ms. Brayboy, and Dr. Broome.

APPROVED:

Tyrone E. Dickerson, CPA, Chairman

COPY TESTE:

Wade A. Jewell, Executive Director