

THE VIRGINIA BOARD OF ACCOUNTANCY
New Board Member Orientation

The Virginia Board of Accountancy (VBOA) held a New Board Member Orientation at 10:00 am on Monday, September 10, 2012 in Training Room #1 (A-C) of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

Board members present:

Tyrone E. Dickerson, CPA, Chairman

New Board Members:

Marc B. Moyers, CPA
Stephanie S. Saunders, CPA

Board staff members present:

Wade A. Jewell, Executive Director
Dreana L. Gilliam, Board Administrator
Chantal K. Scifres, Deputy Director
Mary T. Charity, Director of Operations

Board staff present for a portion of the meeting:

Lisa J. Carson, Communications & Training Director
Jean Grant, Enforcement Manager
Patti B. Hambright, Licensing & Examinations Coordinator
Valeria S. Ribeiro-Quimpo, Financial and Procurement Coordinator
Krystal D. Hambright, Executive Assistant
Nicholas R. Tazza, Licensing & Examinations Coordinator

In attendance for a portion of the meeting:

Andrea M. Kilmer, CPA, CFF, Vice Chairman, Virginia Board of Accountancy
Stephanie Peters, CAE, CEO, Virginia Society of Certified Public Accountants
Emily Walker, Government Affairs Director, Virginia Society of Certified Public Accountants

WELCOME AND INTRODUCTIONS

Chairman Dickerson called the meeting to order at 10:17 a.m. He then welcomed the newly appointed members. Mr. Dickerson advised that the meeting was an informal working session specifically designed to prepare them to actively and effectively exercise their roles and responsibilities as members of the Board of Accountancy. He advised that the experience over their freshman term as regulators will be both fulfilling and enlightening. He thanked them for accepting the responsibility to serve and advised that staff and board members are available to answer any questions they may have.

Mr. Jewell congratulated Mr. Moyers and Ms. Saunders on their appointments to the Board. He advised that staff is here to support and assist them so feel free to contact him at any time. He reported both Mr. Moyers and Ms. Saunders were nominated by the Virginia Society of CPAs (VSCPA) and this is the second year their nominees were chosen as new board members. He thanked the VSCPA for their recommendations. He stated that the VBOA and the VSCPA have a positive working relationship. He then opened the floor for comments by the VSCPA.

Stephanie Peters, CAE, CEO, VSCPA welcomed Mr. Moyers and Ms. Saunders. Ms. Peters provided a historical overview of the positive working relationship between the Society and the VBOA. Thomas M. Berry, Jr. former VSCPA President and CEO worked very hard to establish the relationship. She reported that the first opportunity to work with the VBOA was tackling the legislative process to get the Accountancy Reform Act passed. The VBOA was under the Department of Professional and Occupational Regulation (DPOR) at the time and unable to get the legislation passed. The VSCPA was able to take on the task and was successful. The VSCPA also assisted in the campaign to obtain independence of the VBOA from under the DPOR umbrella. The VSCPA still monitors and keeps a close watch on any activity that may threaten VBOA independence. Ms. Peters stated that it is the goal of the VSCPA to support the Board. She appreciates that the VBOA is willing to work through any differences of opinion. She stated that the Society brings a reality check to the VBOA with the hope of being a very valuable asset. The improved lines of communication by the VBOA have enhanced the relationship and enabled us to provide information to members of the profession. Lastly, she reported that the VBOA members are very much respected and in the forefront of the profession on the national level.

Emily Walker, Government Affairs Director, VSCPA stated that the Society and the VBOA work collaboratively with Mr. Jewell on behalf of the VSCPA members and the public to oversee industry specific activity.

Ms. Peters led the discussion regarding the recent passing of the Freedom of Information Act (FOIA) legislative action. Per Mr. Jewell the issue of tax returns, financial statements, and other financial information not generally available to the public through regulatory disclosure was raised by Ms. Kilmer. The VSCPA obtained a Patron and the Bill was able to be addressed during the last year's General Assembly session and passed without opposition.

Ms. Peters reported that a representative of the VSCPA regularly attends VBOA, NASBA, and AICPA meetings.

STAFF OVERVIEW

Mr. Jewell provided a historical overview of his tenure with the VBOA. Mr. Jewell was hired to fill the vacant at-will position as Executive Director in April 2009. He has served state government since 1988. He has a strong finance/budgetary background. Prior to joining the state he was employed by Reynolds Metals and was the Controller for a small company.

Mr. Jewell reported there are eight (8) full-time staff and two (2) part-time VBOA staff. Three (3) report directly to Mr. Jewell and the remaining staff reports to either the Deputy Director or the Director of Operations.

Ms. Scifres provided a historical overview of her tenure with the VBOA. She joined the staff in February 2011 and has served state government just shy of 24 years. As the Deputy Director, Chantal is responsible for managing the fiscal administration, strategic planning and information technology functions of the VBOA. She also is responsible for providing support to the Executive Director and Board members. Three VBOA staff report directly to Ms. Scifres, the Communications and Training Director, the Financial and Procurement Coordinator, and the Executive Assistant. Ms. Scifres provided an overview of the responsibilities of her direct reports.

Ms. Charity provided a historical overview of her tenure with the VBOA. Mary joined the VBOA in July 2001, becoming one of the first employees upon the VBOA gaining independent agency status. As the Director of Operations, Mary is responsible for managing licensing and examination processes. Three VBOA staff report directly to Ms. Charity, the Board Administrator/CPE & Peer Review Coordinator, and two Licensing and Examinations Coordinators. Ms. Charity provided an overview of the responsibilities of her direct reports.

Mr. Jewell reported that upon his acceptance of the position he implemented a short-term business plan and following a period of observation two positions were abolished. Currently he cannot hire additional, full-time staff unless Governor/General Assembly approved. His long-term goal is to create two new positions, one to assist with CPE processes and one to assist with Enforcement processes. The two wage employees are part-time positions and are only allowed to obtain 30 hours per week. Mr. Jewell also plans to try and convert the part-time staff to full-time. Mr. Jewell will work with Ms. Scifres to determine whether or not the request for additional staff will be made again this year.

Mr. Jewell asked the remaining staff to introduce themselves. Each of the staff provided information regarding their current duties and responsibilities.

ENFORCEMENT

Ms. Grant led the discussion regarding Enforcement. She provided an overview of the enforcement processes and provided a copy of the VBOA Enforcement Resource guide for further review. As a member of the NASBA Enforcement Practices Committee, Mr. Dickerson advised the members that the committee is comprised of 14 members and supported by NASBA staff. NASBA used the VBOA guide as a foundation for the development for their recently implemented Enforcement Resource guide for use by all 55 jurisdictions. Mr. Jewell provided additional detailed information regarding the VBOA enforcement processes.

STATUTES and REGULATIONS

Mr. Jewell led the discussion regarding the revision of the statutes and regulations. The VBOA made significant revisions to its statutes in 2007, and again most recently effective July 1, 2011. The most recent revision incorporated an addition to the statutes which exempts, under FOIA, tax returns, financial statements, and other financial information that is not generally available to the public through regulatory disclosure or otherwise from the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

The regulations were revised effective September 16, 2010. The Board set 5 criteria in developing changes to the regulations that:

- 1) Removed regulations that are now addressed by *Chapter 44 of Title 54.1, Code of Virginia*;
- 2) Added the emergency regulation (education required to take the CPA examination) that became effective May 14, 2009;
- 3) Added interpretations required as a result of the 2007 revisions to the Code of Virginia;
- 4) Clarified the existing guidance that continues to be applicable; and
- 5) Eliminated the time-sensitive regulations no longer needed and the current regulations that only referred to other regulations.

The new regulations eliminated the confusion that existed from inconsistencies between the statutes revised in 2007 and the previous regulations.

Mr. Jewell also led the discussion regarding the recently submitted proposed legislative changes for this year's General Assembly session. He has submitted the following recommendations: 1) Statute of limitations for filing a complaint, 2) Mandatory enrollment in the AICPA Facilitated State Board Access (FSBA) Program, and 3) Summary Suspension of licensure.

CONTACTS and BOARD STRUCTURE

Mr. Jewell provided board member and staff directories to Mr. Moyers and Ms. Saunders. In addition, he provided an overview of the state government organizational chart paying close attention to the Secretary of Commerce and Trade composition. He also provided an overview of the VBOA organizational chart.

GENERAL INFORMATION

Mr. Jewell led the discussion regarding the background and current status of the proposed fee increase. He provided information regarding the VBOA Trust account and Operating funds. He provided an overview of his short and long term strategies.

Mr. Jewell advised the new members of the “do’s and don’ts” regarding taking calls and answering questions. As members of the board they are expected to set policy and direction for the Board. Answering questions and addressing the needs of regulants and exam candidates are the responsibility of the staff.

Ms. Scifres provided an overview of the current external contracts and Memorandum of Understanding (MOU) agreements of the VBOA. The Department of Health Professions (DHP) provides IT support and Systems Automation (SA) is the current database provider. Department of Human Resources Management (DHRM) handles all HR related issues. The Department of Accounts (DOA) provides fiscal and payroll services. Virginia Information Technologies Agency (VITA) is a mandatory source for IT related services also. The Office of the Attorney General (OAG) provides legal services. Each agency referenced receives an annual fee for their services from the VBOA.

CURRENT ISSUES/PROJECTS

Ms. Scifres provided an overview of the VBOAs recent launch of social media (Twitter, Facebook, and LinkedIn), the database application, and the e-Newsletter.

Mr. Jewell led the discussion regarding Board policies. His goal is to rescind any policy previously voted on by the board and implement the new policies as the need arises. He is currently working with legal counsel to ensure the VBOA has the statutory authority to implement the suggested policies. Currently there are 5-6 items on the table for discussion and approval by the full board.

Ms. Scifres led the discussion regarding the annual audit with financial statements. Last year was the first time she completed the audit and is pleased to report there were no audit findings. In addition she reported on the IT Security Audit plan. The plan must be submitted to VITA and the actual audit is performed by DHP on behalf of the VBOA. The last audit resulted in no findings and was completed in June. She also led the discussion regarding the budget development process. Mr. Jewell stated that he developed and implemented a transparent process in relation to the budget in June 2009. Although it is not required, Mr. Jewell reported that a vote for approval of the budget by the members is requested annually.

Mr. Jewell provided an overview of the Acknowledgment of Notification of Provisions of the Appropriation Act Relating to Indebtedness of State Agencies.

Ms. Charity provided an overview of the Board report. Ms. Scifres provided an overview of the Financial report.

Mr. Jewell led the discussion regarding the Strategic Plan and advised the members review it at their leisure. He provided examples of letterhead, member signatures on the wall certificates, and information regarding travel reimbursement for board related attendance. He also led the discussion regarding the VBOA committees, The Communications Committee consists of one Board member (Liaison) and 17 volunteers, including students, CPAs, exam candidates, Virginia educators and communications personnel in the private sector. The Education Committee consists of the Board Educator. The Enforcement Committee consists of two Board members and other Board members may be rotated on/off for specific areas of expertise. The Ethics CPE Committee consists of one Board member (Liaison) and six volunteer CPAs. The Peer Review Committee consists of one Board member (Liaison) and three volunteer CPAs.

FREEDOM OF INFORMATION ACT (FOIA) POLICY

Mr. Jewell provided an overview of the FOIA policy which included but was not limited to determination of a quorum, voting, conflicts of interest, what constitutes a meeting, access to public records, and the annual FOIA training.

CPA ORGANIZATIONS

Mr. Jewell led the discussion regarding CPA organizations. Former Board members Larry Samuel and O. Whitfield Broome held very high profile positions within the AICPA. Mr. Jewell currently serves on three NASBA committees (Executive Directors Committee, Strategic Planning Committee, and the Accounting Licensing Database Committee). He encouraged the new members to continue the tradition by becoming actively engaged on the national level.

There being no further business before the VBOA, the meeting was adjourned at 2:58 p.m.

APPROVED:

Tyrone E. Dickerson, CPA, Chairman

COPY TESTE:

Wade Jewell, Executive Director