

# THE VIRGINIA BOARD OF ACCOUNTANCY

## MEETING MINUTES

The Virginia Board of Accountancy (BOA) met on Wednesday, July 30, 2003, in Salon III at the Holiday Inn-Richmond, 6531 West Broad Street, Richmond, Virginia 23230. The following members were present:

Barbara S. Pocalyko, CPA, Chairman  
Howard L. Rogers, Vice Chairman  
Ellis M. Dunkum, CPA, Past Chairman  
Harry D. Dickinson, CPA  
Jane M. Little, CPA  
Stephen D. Holton, CPA

The Board member absent for the entire meeting was:

O. Whitfield Broome, Ph.D., CPA

The Board staff present for the entire meeting included:

Nancy Taylor Feldman, Executive Director  
Mark D'Amato, Administrative Staff Assistant

Also in attendance for the entire meeting were:

Guy W. Horsley, Jr., Senior Assistant Attorney General  
Joseph Brown, National Society of Accountants

Also in attendance for a portion of the meeting were:

Stephanie Peters, Vice President, Virginia Society of Certified Public Accountants  
Erin Collins, Government Affairs Team Leader, Virginia Society of Certified Public Accountants  
Richard Pontynen, Chairman, Board of Directors, Virginia Society of Certified Public Accountants  
Glenn DuBois, Chancellor, Virginia Community College System  
Toni Cleveland, Vice Chancellor, Academic Services and Research, Virginia Community College System

Chairman Pocalyko called the meeting to order at 10:05 a.m. She welcomed those in attendance to the meeting.

**Call to Order**

Chairman Pocalyko introduced Mr. Holton to the other members. Mr. Holton stated that he is looking forward to the opportunities and challenges of working with the Board. The other members welcomed Mr. Holton to the Board. Chairman Pocalyko informed the other members that Dr. Broome was unable to attend the meeting due to a previously scheduled vacation.

**Introduction of  
New Board  
Members: Stephen  
D. Holton, CPA of  
Glen Allen and O.  
Whitfield Broome,  
Ph.D., CPA of the  
McIntire School of  
Commerce, UVA**

Chairman Pocalyko determined that a quorum was present.

**Determination of  
Quorum**

Mr. Dunkum proposed adding an item titled “Personnel and Related Matters – Executive Session” to the agenda as item E. Ms. Feldman mentioned that representatives from the Virginia Community College System (VCCS) wanted to address the Board on the Proposed Emergency Regulations, and suggested postponing the Public Comment period until before the Board’s discussion in agenda item C – Regulatory Review. Upon a motion by Mr. Dickinson, and seconded by Ms. Little, the Board approved by unanimous vote the agenda as amended. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

**Approval of  
Agenda**

The Board’s Final Agenda as amended was as follows:

Call to Order

Introduction of New Board Members:

Stephen D. Holton, CPA of Glen Allen

O. Whitfield Broome, Ph.D., CPA of the McIntire School of  
Commerce, UVA

Determination of Quorum

Approval of Agenda

A. Approval of Minutes from June 25, 2003 Board Meeting

B. Legislation for 2004 – *HANDOUT*

C. Regulatory Review:

Ellis M. Dunkum, CPA

Chairman, Regulatory Review Committee

1. Public Comment Period for Emergency Regulations
2. Review of Draft Response to DPB Economic Impact Analysis for the Repeal of the CPE Sponsor Registration Regulations
3. Proposed Emergency Regulations
4. Approval of NOIRA for Proposed Regulations

Recess for Board and Staff Luncheon

Reconvene

Continuation of Agenda Item C – Regulatory Review

D. Review of the BOA IT Strategic Plan for FY2004-2007 –  
*HANDOUT*

E. Personnel and Related Matters – Executive Session

Sign Conflict of Interest Forms  
Complete Travel Expense Vouchers

Adjournment

The members reviewed the draft minutes from the June 25, 2003 Board meeting. Upon a motion by Mr. Dickinson, and seconded by Ms. Little, the Board approved by unanimous vote the minutes from the Board meeting on June 25, 2003 as amended. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

**A. Approval of  
Minutes from June  
25, 2003 Board  
Meeting**

Mr. Dunkum informed the other members that due to insufficient time, he was unable to prepare a memorandum on the proposed legislative changes for the 2004 General Assembly session. He stated that he would prepare a draft proposal to submit to the Secretary of Commerce and Trade (SCT) by the August 15<sup>th</sup> deadline. Two suggested changes to the Code of Virginia discussed by the members included: (i) the renewal period for a firm permit be changed from the current two-year period to a one-year period; and (ii) the creation of a trust fund set aside for specific purposes. Mr. Dickinson stated that, as Chairman of the Enforcement Committee, such a fund made sense because the Committee had expressed concern about how the Board could move forward with a case should it entail huge costs. The Board agreed that a legislative proposal be prepared and presented to

**B. Legislation for  
2004 – HANDOUT**

the SCT's office, along with a notification that the proposal had also been sent to the Attorney General's office, and that, as soon as a Board counsel had been assigned and reviewed the proposal, the SCT would be notified.

Ms. Feldman introduced Mr. DuBois, the Chancellor of the Virginia Community College System (VCCS) and Ms. Cleveland, a Vice-Chancellor at VCCS to the members.

Mr. Dunkum opened the floor for public comment on the Emergency Regulations. Chancellor DuBois briefly discussed several points about the community college system in Virginia: (i) there are 23 colleges in the system; (ii) there are 1,000s of business and accounting students throughout Virginia who transfer their credits to other colleges in preparation for the CPA exam; and (iii) there had been no complaints about the portability of these credits. Mr. Dunkum responded that the Board's goal is to establish fair criteria that made sense, and that adhered to the Board's standards in the three "E's" – Education, Examination, and Experience. Vice-Chancellor Cleveland suggested that the VCCS could submit a list of the accredited colleges and universities that accept VCCS course credits to the Board. Mr. Dickinson stated that his concern is whether certain community college course credits are accepted as upper level (Junior- and Senior-level) course credits in colleges and universities for an accounting degree. As a result of discussion between the Board members and the community college system representatives, there appeared to be agreement on the part of these representatives that the addition of subsection 5 to 18 VAC 5-21-30 B (as amended) to the regulations was acceptable since the community college system could provide to the Board a list of one or more accredited institutions that would accept community college accounting or business course credits in meeting the semester hour requirements in accounting and business courses for the accredited institution's accounting program requirements for a baccalaureate degree.

The Board recessed from 12:20 p.m. to 1:05 p.m. for a luncheon.

**C. Regulatory Review:**  
**Ellis M. Dunkum,**  
**CPA, Chairman,**  
**Regulatory Review**  
**Committee**

**1. Public Comment**  
**Period for**  
**Emergency**  
**Regulations**

**Recess for Board**  
**and Staff Luncheon**

Ms. Feldman presented the Economic Impact Analysis (EIA) prepared by the Department of Planning and Budget (DPB) about the Board's proposed action to repeal its CPE Sponsor Registration Regulations, along with the draft response prepared by the Board staff. Upon a motion by Mr. Dunkum, and seconded by Vice Chairman Rogers, the Board approved by unanimous vote the Board response to the EIA as amended. The members voting "AYE" were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

**C. Regulatory Review: (Cont'd)**  
**2. Review of Draft Response to DPB Economic Impact Analysis**

The Board reviewed a copy of the Proposed Emergency Regulations (Draft #8 – July 15, 2003), and several memoranda on language changes about community college credits and the standards of conduct.

**3. Proposed Emergency Regulations**

Upon a motion by Mr. Dunkum, and seconded by Ms. Little, the Board approved by unanimous vote the Proposed Emergency Regulations (Draft #8 – July 15, 2003) as amended. The members voting "AYE" were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

Upon a motion by Mr. Dickinson and seconded by Mr. Holton, the Board approved by unanimous vote the filing of a Notice of Intended Regulatory Action (NOIRA) of the proposed regulatory changes. The members voting "AYE" were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

**4. Approval of NOIRA for Proposed Regulations**

The members discussed Parts 1 and 2 of the BOA IT Strategic Plan for FY2004-2007.

**D. Review of the BOA IT Strategic Plan for FY2004-2007 – HANDOUT**

Upon a motion by Mr. Dickinson, and seconded by Vice Chairman Rogers, the Board approved by unanimous vote Parts 1 and 2 of the BOA IT Strategic Plan as amended. The members voting "AYE" were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

Upon a motion by Mr. Dunkum, and seconded by Mr. Dickinson, the Board approved by unanimous vote that the meeting be recessed and

**E. Personnel and Related Matters –**

that the Board immediately reconvene in closed meeting for the purpose of consultation with the Board counsel on personnel and related matters within the jurisdiction of the Board as permitted by § 2.2-3711 A 1 of the *Code of Virginia*. The following non-members will be in attendance to reasonably aid the consideration of the topic: **Mr. Horsley**.

**Executive Session:**  
**Begin Closed**  
**Meeting**

This motion is made with respect to the matter identified as agenda item: **E. Personnel and Related Matters – Executive Session**.

The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

Upon a motion by Mr. Dunkum, and seconded by Mr. Dickinson, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711 A 1 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

**End Closed**  
**Meeting**

Upon a motion by Mr. Dunkum, and seconded by Mr. Dickinson, the Board made the following certification:

**Certificate of**  
**Closed Meeting**

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3711 A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy 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 Board of Accountancy.

CALL FOR VOTE:

Barbara S. Pocalyko, CPA- Aye  
Howard L. Rogers – Aye  
Ellis M. Dunkum, CPA- Aye  
Harry D. Dickinson, CPA – Aye  
Jane M. Little, CPA – Aye  
Stephen D. Holton, CPA – Aye

VOTE

AYES: Six (6)

NAYS: None.

ABSENT DURING VOTE: O. Whitfield Broome, Ph.D., CPA.

ABSENT DURING MEETING: O. Whitfield Broome, Ph.D., CPA.

Upon a motion by Mr. Dunkum, and seconded by Mr. Dickinson, the Board authorizes by unanimous vote Ellis Dunkum and Barbara Pocalyko to meet with the Secretary of Commerce and Trade with respect to the Executive Director's compensation and reiterates that the intent of the salary increases approved at the June 25, 2003 Board meeting was to adjust her base compensation. The members voting "AYE" were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

**E. Personnel and  
Related Matters:  
(Cont'd)**

Upon a motion by Mr. Dunkum, and seconded by Mr. Dickinson, the Board re-approves by majority vote 5 members of the Board attending the National Association of State Boards of Accountancy (NASBA) 96<sup>th</sup> Annual Meeting in October 2003 at Board expense. The members voting "AYE" were Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton. The member voting "NAY" was Ms. Pocalyko.

Chairman Pocalyko asked the members to complete their conflict of interest forms.

**Conflict of  
Interest Forms**

Chairman Pocalyko asked the members to complete their travel expense vouchers.

**Travel Expense  
Vouchers**

With no further business coming before the Board, upon a motion by Mr. Dunkum, and seconded by Mr. Holton, the meeting was adjourned by unanimous vote at 3:20 p.m. The members voting “**AYE**” were Ms. Pocalyko, Mr. Rogers, Mr. Dunkum, Mr. Dickinson, Ms. Little, and Mr. Holton.

**Adjournment**

**APPROVED:**

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Barbara S. Pocalyko, CPA, Chairman

**COPY TESTE:**

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Nancy Taylor Feldman, Executive Director