

**THE VIRGINIA BOARD OF ACCOUNTANCY
MEETING MINUTES**

The Virginia Board of Accountancy (Board) met on Tuesday, October 9, 2007, in Board Room 4 of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

The following Board members present for the entire meeting were:

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

The following Board members absent for the entire meeting was:

None

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director/Agency Head
Katherine Idrissi, Special Assistant to the Executive Director
Dreana L. Gilliam, Licensing and Examination Coordinator

Also in attendance for the meeting was:

Cynthia H. Norwood, Assistant Attorney General

In attendance for a portion of the meeting were:

Stephanie Peters, President and CEO, Virginia Society of Certified Public Accountants
Emily Walker, Grassroots & Regulatory Specialist, Virginia Society of Certified Public Accountants
Jean Grant, Enforcement Manager/Investigator
Kenneth Zelubowski, CPA
Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants
Rebecca McCoy, CPA, Vice Chair Virginia Society of Certified Public Accountants Board of Directors

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

Call to Order

Chairman Samuel determined that a quorum was present.

Determination of Quorum

Upon a motion by Mr. Samuel, and seconded by Mr. Hunt, the Board by unanimous vote approved the agendas as amended. The members voting “**AYE**” were Ms. Calderone, Mr. Holton, Dr. Broome, Mr. Dickerson, and Mr. Hunt. Absent during the motion: Ms. Brayboy

Approval of Agenda

The Board’s July 31, 2007 Final Agenda was as follows:

Call to Order
Determination of Quorum
Approval of Agenda
Public Comment Period

A. Consent Agenda
a. Minutes

B. Board Reports

1. Legislative/Regulatory:

Stephen D. Holton, CPA, Immediate Past Chairman

- a. Review of Public Comments and Approval of Proposed Regulation-CPA Exam Education Deadline
- b. Regulatory Review Update

2. BOA Trust Account Policy – Steve Holton

3. Proposed Amnesty Program

Recess for Board Lunch

C. Introduction and Recognition – Amigo Wade

Reconvene

D. Board Reports (cont’d):

2. Enforcement

Steve Holton, CPA Immediate Past Chairman

a. Final Board Orders:

- (1) File Number 2006-D13 (Gregory Estep)
(Calderone & Dickerson)
- (2) File Number 2006-PR01 (Biswahjit Dahr)
(Calderone & Dickerson)

- (3) File Number 2005-D13 (KPMG)
- b. Consent Orders:
 - (1) File Number 2006-U02 (George Nearhood)
(Calderone & Dickerson)

E. Additional Discussion Topics – Nancy T. Feldman, Executive Director

- a. Accounting Ethics Question
- b. Examination Review Board (ERB) Report

F. NASBA Annual Meeting (October 28-31, 2007)

G. Future Meeting Dates

The members agreed to move up this item in the agenda.

H. Sign Conflict of Interests Forms

Complete Travel Expense Vouchers

Adjournment

Tour of new board office

The Board's September 24, 2007 Final Agenda was as follows:

Call to Order

Determination of Quorum

Begin Closed Meeting

End Closed Meeting

Sign Conflict of Interests Forms

Complete Travel Expense Vouchers

Adjournment

Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants thanked the Board members who were able to attend the recently held CPA Inauguration event. Ms. Collins provided an update regarding the VSCPAs initiatives to meet with Legislators during the upcoming year. The VSCPA has participated in positive discussion with Legislators and received positive feedback.

Public Comment
Period

Upon a motion by Mr. Dickerson, and seconded by Mr. Hunt, the Board by unanimous vote approved the consent agenda, which included the minutes as amended from the Board meeting on July 31, 2007 and the Special Board Meeting on September 24, 2007. The members voting "AYE" were Mr. Samuel, Dr. Broome, Ms.

1. Consent Agenda

Calderone, Mr. Holton, and Ms. Brayboy.

Ms. Feldman led the discussion regarding the move to the Perimeter Center. The move incurred a one time cost of a little more than \$100,000. The initial technical difficulties experienced by Board staff were expected and have since been resolved. The Telework Program has temporarily been placed on hold. When resumed after the first of the year Board staff will be allocated one day per week to ensure compliance with the Governor's Telework initiative.

Pam Kamalakkannan, Department of Professional and Occupational Regulation is currently preparing a revision of the fee analysis which will be presented at the December Board meeting.

The transition to the VITA/Northrup Grummond Partnership may result in a fee increase from the previous contract with Dyntek.

Katherine Idrissi, Special Assistant was able to assist BELNIS in obtaining a contract with the VITA-Northrup Grummond Partnership. This partnership will allow BELNIS to continue performing services for BOA.

Ms. Feldman recently attended a demonstration for an Oracle based Licensing software package. The Illinois State Board is currently utilizing the software and Ms. Feldman has already spoken to the Illinois Board's Executive Director. Ms. Feldman will continue to gather information regarding the pros and cons of the software and will present her findings at a later date.

Chairman Samuel explained the AICPA Peer Review Transparency Program. Ms. Walker indicated that full availability of the Internet based program for state boards of accountancy is expected by 2009 however, the opportunity is available for states to implement the program in 2008. Ms. Walker stated that it will take a few years before reaching full firm compliance. Firms do have the option to "opt out" however; this will not provide any protection and will result in a review by state boards if they opt out.

Mr. Samuel led the discussion regarding the NASBA Quick Poll. The Board determined that a Communications Officer is not needed at this time.

Mr. Holton led the discussing regarding the Comprehensive Review of Regulations. Mr. Holton provided a handout to Board members to review. The primary focus was to review the working draft and reach a general consensus on concepts. A thorough review of the 31 topics for discussion was completed and will be revised accordingly by Mr. Holton based on comments from the Board. The revised draft will be sent to Board members for review.

The Board recessed from 12:00 p.m. – 12:30 p.m. for lunch.

2. Executive

3. Legislative/ Regulatory

Recess for Board Lunch

The members agreed to move File Number 2006-D06 up on the agenda because Mr. Zelubowski was present.

Due to their involvement with this case, Ms. Calderone and Mr. Dickerson left the room and did not participate in the discussion or vote.

Chairman Samuel informed the other members about their task. In the matter of **File Number 2006-D06 (Kenneth Zelubowski)**, Mr. Zelubowski was present, but was not represented by counsel.

Ms. Grant provided an overview of the case. Mr. Zelubowski commented on his behalf.

Upon a motion by Dr. Broome, and seconded by Mr. Holton, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Ms. Feldman, Ms. Idrissi, Ms. Grant, Ms. Norwood, and Ms. Gilliam. The members voting “**AYE**” were Mr. Samuel, Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Hunt. Mr. Dickerson and Ms. Calderone were not present and did not vote.

This motion was made with respect to the matter identified as agenda item: Final Board Order: File Number 2006-D06.

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel, Mr. Holton, Ms. Brayboy, and Mr. Hunt. Mr. Dickerson and Ms. Calderone were not present and did not vote.

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, the Board made the following certification:

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, § 2.2-3712.A of the *Code of Virginia* requires a

Enforcement - .
Dian T. Calderone
CPA, Committee
Chairman
Final Board Orders:
File Number 2006-
D06 (Kenneth
Zelubowski)
[Calderone and
Dickerson]

Begin Closed
Meeting

End Closed Meeting

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.

Mr. Dickerson, Ms. Calderone, and Mr. Zelubowski were notified the meeting was reconvening as an open public meeting.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye
Stephen D. Holton, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Not Present/No Vote
Tyrone E. Dickerson, CPA – Not Present/No Vote
William E. Hunt, CPA – Aye

VOTE:

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Ms. Calderone

ABSENT DURING MEETING:

Upon a motion by Mr. Holton, and seconded by Mr. Hunt, the Board by unanimous vote to accept the recommendation of the presiding officer.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye
Stephen D. Holton, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Not Present/No Vote

Tyrone E. Dickerson, CPA – Not Present/No Vote
William E. Hunt, CPA – Aye

Ms. Calderone and Mr. Dickerson left the room due to their involvement with this case, and did not participate in the discussion or vote.

Chairman Samuel informed the other members about their task. In the matter of **File Number 2007-U09-UC06-2007 (Alan Campbell)**, Mr. Campbell was not present, nor represented by counsel.

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board by unanimous vote to accept the recommendation of the presiding officer.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye
Stephen D. Holton, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Not Present/No Vote
Tyrone E. Dickerson, CPA – Not Present/No Vote
William E. Hunt, CPA – Aye

VOTE

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Ms. Calderone

ABSENT DURING MEETING:

In the matter of **File Number 2007-E01 (Dominic D. Henriques)**, Mr. Henriques was not present and was not represented by counsel.

Upon a motion by Mr. Hunt, and seconded by Ms. Brayboy, the Board by unanimous vote to accept the recommendation of the presiding officer.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye
Stephen D. Holton, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye

**File Number 2007-
U09-UC06-2007
(Alan Campbell)**

**File Number 2007-
E01 (Dominic D.
Henriques)**

Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Not Present/No Vote
Tyrone E. Dickerson, CPA – Not Present/No Vote
William E. Hunt, CPA – Aye

VOTE

AYES: Five (5)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Ms. Calderone

ABSENT DURING MEETING:

Ms. Calderone led the discussion regarding the BOA Trust Account. It was agreed that before policy determination is made, a more extensive report must be completed to identify the need. The Board will adjust the amount to reflect a \$3 million limit. Ms. Calderone and Mr. Samuel will meet with Ms. Feldman to further discuss the issues. A revised version of the Board Trust Account Policy will be presented at the December Board meeting.

4. Vice Chairman's Report

Ms. Calderone led the discussion regarding the Amnesty Proposal. Ms. Norwood advised members of the Board that statutory authority would be required. Ms. Calderone indicated that the Amnesty Proposal would be put on hold until further notice.

Ms. Calderone led the discussion regarding Enforcement concerns. Board issued penalty fines will need to be reviewed to ensure the monetary penalties fit the violation. Virginia CPAs have no control regarding Internet based advertising and should not be penalized as an individual who has intentionally held himself out as a CPA without the requisite license.

Dr. Broome led the discussion regarding the CPA Exam Issue-Kansas Board of Accountancy and AICPA. He indicated that the AICPA has the ability to track key strokes of test takers, and a complete investigation revealed the exam candidate in question failed to perform the proper procedures.

5. Education – O. Whitfield Broome, PhD, CPA Board Member

Dr. Broome led the discussion regarding extending an invitation to Craig Mills to speak with the Board. Dr. Broome agreed to speak

with Mr. Mills to determine his availability.

Dr. Broome led the discussion regarding the CBT evolution. He stated that it is a work in progress. Simulations which are included in three parts of the CPA exam will be broken into “mini-sims” to allow for pre-testing and within the next two years we will see an improvement in Uniform CPA exam grade releases.

Dr. Broome led the discussion regarding the 2008 Ethics CPE outline. The CPE Ethics Ad Hoc Committee agreed not to cover the same standards each year. The Committee’s reference to the article written by Mr. Holton and Mr. Samuel originally published in the VSCPA Disclosure periodical may have to be removed because of copyright issues. Ms. Norwood agreed to research the issue.

The members agreed to move this item up on the agenda.

Ms. Feldman provided a copy of her responses to the questionnaire to Board members for review. The Board agreed on the responses and stated it should be sent to NASBA.

Ms. Feldman requested Board approval to attend the 2008 Executive Directors/Legal Counsel Conference in Austin, Texas for herself and Ms. Norwood . Board approval received. Ms. Feldman will provide further information regarding travel expenses at the December Board meeting.

Ms. Feldman advised the Board: the NASBA Quarterly Communication was emailed to each member of the Board on August 7, 2007.

Ms. Idrissi led the discussion regarding the BOA Work Plan. BOA is currently on track with 23% completion for the 1st quarter.

Ms. Idrissi led the discussion regarding the October Flash Report. The due date for the Flash Report has been changed to mid-month to coincide with the CARS report. This enables Board members to receive the most current information from a budgetary standpoint. Chairman Samuel asked the members to complete and sign their conflict of interest forms and complete and sign their travel expense vouchers.

**6. Enforcement-
Dian T. Calderone,
MTX, CPA
Committee
Chairman**

**7. Draft Focus
Questions**

**8. 2008 Executive
Directors/Legal
Counsel Conference**

**9.NASBA Quarterly
Communications**

**10. BOA Work
Plan Update**

**11. October Flash
Report**

**Conflict of
Interests Forms/
Travel Expense**

Vouchers
Adjournment

There being no further business before the Board, upon a motion by, Mr. Holton and seconded by Ms. Calderone, the meeting was adjourned by unanimous vote. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Mr. Hunt, Ms. Calderone and Mr. Dickerson.

APPROVED:

Lawrence D. Samuel, CPA, Chairman

COPY TESTE:

Nancy Taylor Feldman, Executive Director/Agency Head