

**Tuesday, December 4, 2018**

**Board Meeting Agenda**

Training Room A, B, C  
2nd Floor Conference Center  
9960 Mayland Drive  
Henrico, VA 23233  
Phone: (804) 367-8505

- 10 a.m. Call to Order – **Susan Quaintance Ferguson, CPA, Chair**  
Security Briefing – **Patti Hambright, Administrative Assistant**  
Determination of Quorum  
Approval of December 4, 2018, Agenda  
Approval of Consent Agenda:
- Approval of November 7, 2018, Board meeting minutes
  - Consent Orders:
    - 2017-541-019D (Brown and Ferguson)
- Public comment period\*
- 10:10 a.m. 1. Committee/NASBA Updates – **Susan Quaintance Ferguson, CPA, Chair**
- NASBA Committee Updates, as available
  - NASBA Board of Directors – **Stephanie S. Saunders, CPA**
- 10:20 a.m. 2. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
  - October 2018 Board Report – **Mary Charity, Deputy Director for Operations**
  - October 2018 Financial Report – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 10:40 a.m. 3. Board Discussion Topics – **Rebekah E. Allen, Information and Policy Advisor**
- Regulatory/legislative updates
  - JLARC Report on DPOR
  - Regulatory reduction pilot program
  - Delegations of authority
  - Review of VBOA policies
  - Virginia-Specific Ethics Course 2020 and beyond – **Stephanie S. Saunders, CPA**
- 12 p.m. Recess for Board lunch
- 12:30 p.m. 4. Board Discussion Topics, continued if necessary – **Rebekah E. Allen, Information and Policy Advisor**
- 1:30 p.m. 5. Additional Items for Discussion
- Carry over items/potential future topics
    - Publication of VBOA disciplinary actions (On-going)
    - Potential changes to 18VAC5-22-90 and 18VAC5-22-140 (To be determined)

- CPE guidelines (To be determined)
- Active – CPE Exempt status (To be determined)
- Trust Fund Reserve Policy (To be determined)
- Virginia-Specific Ethics Course (On-going)
- Required coursework for CPA examination/licensure
- Use of Confidential Consent Agreements
- Volunteer services and the Active-CPE Exempt status
- Sign Conflict of Interest forms
- Sign Travel Expense vouchers
- Future meeting dates
  - January 8, 2019
  - February 5, 2019

1:45 p.m.

6. Closed Session  
Enforcement – **Amanda E. M. Blount, Enforcement Director**
- OAG updates
  - Status of open cases
  - Consent Orders:
    - 2017-229-030U (Bradshaw and Moyers)
  - Final Orders:
    - 2017-319-253C (Jewell and Allen)

4:00 p.m.

Adjournment

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**\*Five-minute public comment, per person, on those items not included on the agenda.**

Persons desiring to attend the meeting and requiring special accommodations/interpretive services should contact the VBOA office at (804) 367-8505 at least five days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The VBOA fully complies with the Americans with Disabilities Act.

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**Board Meeting  
November 7, 2018  
Draft/Unapproved minutes**

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The Virginia Board of Accountancy met on Wednesday, November 7, 2018, at George Mason University, Dewberry Hall, Johnson Center, 4477 Aquia Creek Lane, Fairfax, Virginia 22030.

**MEMBERS PRESENT:** Susan Quaintance Ferguson, CPA, Chair  
D. Brian Carson, CPA, Vice Chair  
Matthew P. Boshier, Esq.  
W. Barclay Bradshaw, CPA  
William R. Brown, CPA  
Laurie A. Warwick, CPA

**MEMBER ABSENT:** Stephanie S. Saunders, CPA

**LEGAL COUNSEL:** Robert Drewry, Assistant Attorney General,  
Office of the Attorney General

**STAFF PRESENT:** Nancy Glynn, CPA, Executive Director  
Mary Charity, Deputy Director for Operations  
Renai Reinholtz, Deputy Director for Finance and Administration  
Amanda E. M. Blount, Enforcement Director  
Nicholas Tazza, Assistant Manager, Licensing and Examination  
Kelli Anderson, Communications Manager  
Patti Hambright, CPE Coordinator and Administrative Assistant

**MEMBERS OF THE PUBLIC PRESENT:** JK Aier, Associate Professor of Accounting and Area Chair, George Mason University  
Dr. Bill Hawk, James Madison University Professor of Philosophy and Chair, The Madison Collaborative  
Stephanie Peters, CAE, President and CEO, Virginia Society of Certified Public Accountants  
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of Certified Public Accountants  
Linda Newsom-McCurdy, CAE, Senior Director of Member Value, Virginia Society of Certified Public Accountants  
Molly Wash, CPA, Academic Engagement Director, Virginia Society of Certified Public Accountants  
More than 240 George Mason University students and faculty attended

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**CALL TO ORDER**

Ms. Ferguson called the meeting to order at 10:00 a.m.

**SECURITY BRIEFING**

Ms. Hambricht provided the emergency evacuation procedures.

**DETERMINATION OF QUORUM**

Ms. Ferguson determined there was a quorum present.

**APPROVAL OF AGENDA**

Upon a motion by Mr. Bradshaw and duly seconded, the members voted unanimously to approve the November 7, 2018, agenda as presented. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Warwick.

**APPROVAL OF MINUTES**

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to approve the September 25, 2018, Board meeting minutes as amended. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Bradshaw, Mr. Boshier and Mr. Brown. (Ms. Warwick was not in attendance for the full September 25, 2018 Board meeting. She has abstained from the vote.)

**PUBLIC COMMENT PERIOD**

There were no public comments at this time.

**WELCOME**

Mr. Aier welcomed the VBOA, George Mason University faculty and students. He provided a brief history of the institution and educational programs available at George Mason University.

**BOARD MEMBER INTRODUCTIONS AND VBOA OVERVIEW**

Ms. Ferguson extended a thank you from the Board to George Mason University for hosting the Board meeting. Board members introduced themselves. Ms. Ferguson provided a brief overview of the VBOA’s mission and Board duties. Board members fielded questions.

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**EXECUTIVE DIRECTOR'S REPORT**

**General Updates**

Ms. Glynn presented the following general updates regarding the VBOA:

- Ms. Glynn updated the Board regarding the new licensing system. She noted the tentative go-live date as August 2019.
- Ms. Glynn noted she would transition to project sponsor for the new licensing system.
- Ms. Glynn noted she had reviewed and edited the agency Biennial report.
- Ms. Glynn noted the Fast Track rule making has been finalized.

**September Board Report**

Ms. Charity presented and fielded questions regarding the September 2018 Board Report.

**September Financial Report**

Ms. Reinholtz presented and fielded questions regarding the September 2018 Financial Report.

**ETHICAL REASONING IN ACTION: ASKING QUESTIONS TO FOSTER AN ETHICAL CULTURE**

Dr. Hawk provided a PowerPoint presentation. The presentation included discussions regarding ethical decision-making, statistical research involving cheating, and morality. He provided examples of well-known individuals who had made bad decisions. Dr. Hawk fielded questions from the Board members, faculty and students.

**RECESS FOR LUNCH 12:00 p.m.**

**RECONVENE 1:00 p.m.**

**BOARD DISCUSSION TOPICS**

**Approval of Delegation of Authority Policy and Procedure**

After a brief discussion, Board members agreed to table the approval of the Delegation of Authority Policy and Procedure for a later date. Ms. Glynn will review the Delegation of Authority Policy and Procedure prior to the Board's discussion.

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**Completion of motion for the periodic review of 18VAC5-22**

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to amend its regulations in 18VAC5-22 through the initiation of rulemaking to ensure its regulations continue to be necessary for the protection of public health, safety, and welfare or for the economical performance of important governmental functions; minimize the economic impact on small businesses in a manner consistent with the stated objectives of applicable law; and are clearly written and easily understandable; and Board staff be directed to post this decision regarding periodic review to Town Hall via the appropriate forms and to concurrently file a Notice of Intended Regulatory Action. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Warwick.

**NASBA UPDATES**

Ms. Ferguson led the discussion regarding the NASBA Committee Assignments. The NASBA Committee assignments are:

Susan Quaintance Ferguson – Education Committee  
D. Brian Carson – Communications Committee  
Laurie A. Warwick – Audit Committee

**NASBA Annual Meeting**

Ms. Ferguson noted she had attended NASBA’s annual meeting held in Scottsdale, Arizona from October 28 through October 31, 2018. She noted that the National Association of State Boards of Accountancy (NASBA), the American Institute of Certified Public Accountants (AICPA) and Prometric were exploring the possibility of eliminating or shortening blackout periods for CPA examination test takers.

At this time there was a brief complete power failure. Partial power has been restored. The time is 1:30 p.m. Due to the power outage the Board has briefly postponed Ms. Wash’s Virginia Society of CPAs Student Programs Overview.

**ADDITIONAL ITEMS FOR DISCUSSION**

**Carry Over Items/Potential Future Topics**

- Trust Fund Reserve Policy (To be determined)
- CPE guidelines (To be determined)
- Virginia-Specific Ethics Course (On-going)
- Required coursework for CPA examination/licensure

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- Active-CPE Exempt Status (To be determined)
- Use of Confidential Consent Agreements
- Publication of Board disciplinary action (Ongoing)
- Volunteer services and the Active-CPE Exempt status

**Sign Conflict of Interest forms**

**Sign Travel Expense vouchers**

**Future meeting dates**

- December 4, 2018
- January 8, 2019
- February 5, 2019

The Board, VBOA staff, faculty and students exit the building due to the firm alarm activation at approximately 1:45 p.m.

The Board, VBOA staff, faculty and students regain entry to the building at approximately 2:20 p.m. However, restoration of the power is incomplete.

**VIRGINIA SOCIETY OF CPAs – STUDENT PROGRAMS OVERVIEW**

Ms. Wash provided students with an overview to the Virginia Society of Certified Public Accountants. She noted the VSCPA would be holding a CPA Ready Workshop for George Mason University students on campus on January 11, 2019. She noted there was no charge for students to attend the workshop; however, they would need to register.

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**Begin closed meeting**

Upon a motion by Mr. Carson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases and cases listed on our agenda, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7)(27).” The following non-members will be in attendance to reasonably aid in the consideration of this topic: Nancy Glynn and Robert Drewry. The following non-member will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Amanda Blount.

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**End closed meeting**

Upon a motion by Mr. Carson, and duly seconded, the Virginia 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 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 laws 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:**

Susan Quaintance Ferguson, CPA – Aye  
D. Brian Carson, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye  
William R. Brown, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Six (6)  
Nays: None

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

Upon a motion by Mr. Boshier, and duly seconded, members voted unanimously to approve Final Order 2018-073-064C as presented.

**CALL FOR VOTE:**

Susan Quaintance Ferguson, CPA – Aye  
D. Brian Carson, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye  
William R. Brown, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Six (6)



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Nays: None

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Upon a motion by Mr. Carson, and duly seconded, members voted unanimously to approve Final Order 2018-188-167C as presented.

Ms. Ferguson, Ms. Warwick and Ms. Blount were not in attendance and did not participate in the discussion.

**CALL FOR VOTE:**

Susan Quaintance Ferguson, CPA – Abstain  
D. Brian Carson, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye  
William R. Brown, CPA – Aye  
Laurie A. Warwick, CPA – Abstain

**VOTE:**

Ayes: Four (4)  
Abstain: Two (2)  
Nays: None

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Upon a motion by Mr. Brown, and duly seconded, members voted unanimously to approve Final Order 2018-190-169C as presented.

Ms. Ferguson and Ms. Blount were not in attendance and did not participate in the discussion.

**CALL FOR VOTE:**

Susan Quaintance Ferguson, CPA – Abstain  
D. Brian Carson, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye  
William R. Brown, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Five (5)  
Abstain: One (1)  
Nays: None

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**Begin closed meeting**

Upon a motion by Mr. Carson, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act to discuss and consider a personnel matter relating to the Board of Accountancy Staff, a matter lawfully exempted from open meeting requirements under the ‘personnel matters’ exemption contained in Virginia Code § 2.2-3711(A)(1).” The following non-member will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn.

**End closed meeting**

Upon a motion by Mr. Carson, and duly seconded, the Virginia 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 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 laws 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:**

Susan Quaintance Ferguson, CPA – Aye  
D. Brian Carson, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye  
William R. Brown, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Six (6)  
Nays: None

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**ADJOURNMENT**

There being no further business before the VBOA, upon a motion by Mr. Bradshaw, and duly seconded, the meeting adjourned by unanimous vote at 3:20 p.m. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Warwick.

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**APPROVED:**

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Susan Quaintance Ferguson, CPA, Chair

**COPY TESTE:**

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Nancy Glynn, CPA, Executive Director

DRAFT

## REGIONAL DIRECTORS' FOCUS QUESTIONS

To State Board Chairs/Presidents, Members and Executive Directors:

The input received from our Focus Questions is reviewed by all members of NASBA's Board of Directors, committee chairs and executive staff and used to guide their actions. **Please submit your Board's responses by Monday, January 7, 2019.**

Board of Accountancy:

Email:

Name of person submitting form:

Phone:

### Questions

1. (a) Does your Board specify what courses qualify for the 150 hour requirement beyond the basic requirements in the UAA Model Rules?

No.  Yes.

Give details below.

(b) Has your Board been asked to provide more specificity and, if so, how did your Board respond? If yes, please explain below.

No.  Yes.

2. (a) What process does your Board have for granting hardship exceptions for meeting CPE requirements?

(b) Approximately how frequently are these requested?

3. (a) Does your Board have the ability to influence the selection of Board members?

No.  Yes.

(b) If yes, what have you done to increase the diversity of the membership of your Board?

4. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?

5. Can NASBA be of any assistance to your Board at this time?

Yes. Please explain below.  No.

6. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

- Input only from Board Chair.  Input only from Executive Director.  Input only from Board Chair and Executive Director.  Input from all Board Members and Executive Director.  Input from some Board Members and Executive Director.  Input from all Board Members.  Input from some Board Members.  Other (please explain).

If other, please describe below:

## NASBA REGIONAL DIRECTORS REPORT

The following is a summary of the written responses to focus questions gathered from the member Boards by NASBA's Regional Directors between August 2 and October 16, 2018. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Stephanie S. Saunders (VA) – Chair, Committee on Relations with Member Boards  
– Middle Atlantic Regional Director*

*Catherine R. Allen (NY) – Northeast Regional Director*

*Jack Emmons (NM) – Southwest Regional Director*

*Sheldon P. Holzman (IL) – Great Lakes Regional Director*

*Sharon A. Jensen (MN) – Central Regional Director*

*Katrina Salazar (CA) – Pacific Regional Director*

*Nicola Neilon (NV) – Mountain Regional Director*

*Casey Stuart (TN) – Southeast Regional Director*

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### BOARDS RESPONDING – 36

**Alabama, Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Guam, Idaho, Illinois BOE, Illinois DFPR, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New York, North Carolina, Ohio, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, Wyoming**

**1. Has legislation that seeks to deregulate professions been introduced in your state? If so, please give details.**

**Yes:** AL, AR, AZ, CA, KS, LA, MT, NE, VA

**Please Explain:**

**AR** – “Right to a lawful occupation” bills were filed in 2015 and 2017.

**AZ** – There were several bills this past legislative session that dealt with either some consolidation or full repeal of a Board or Commission. There was a bill that passed which moved the Radiation Regulatory Board to the Arizona Department of Health Services. There were also bills that were introduced but did not pass to repeal boards that regulate athletic trainers, barbers, behavioral health practitioners, dispensing opticians, funeral directors, massage therapists, geologists & landscape architects and homeopathic physicians.

**CA** - The following bills were introduced in the California State Legislature in 2018, but were not approved:

**Assembly Bill 2409 (Kiley)** would have established a right to engage in a profession or

vocation without being subject to an occupational regulation that imposes a substantial burden on that right, and creates a private right of action for individuals to sue a regulatory board in court, wherein the board must prove through a preponderance of evidence that any challenged occupational regulation is limited to what is demonstrably necessary and narrowly tailored to fulfill a legitimate public health, safety, or welfare objective.

**Senate Bill 247 (Moorlach)** would have repealed the requirements for an individual to obtain a license to perform the following activities: fitting or selling hearing aids, locksmithing, barbering or the application of makeup, disposing of cremated human remains, and performing custom upholstery services. Modifies the regulation of certain landscapers, tree service contractors, and private investigators.

**Senate Bill 999 (Morrell)** would have removed the practices of shampooing, arranging, dressing, curling, and waving hair from the practices of barbering and cosmetology, allowing any individual to perform these services for compensation without training or licensure by the state. The bill would also remove the practice of cleansing or beautifying the hair of any person from the practice of cosmetology.

**ID** – I would like to add that Idaho self-regulated agencies recently were under Executive Order 2018-06 which asked us to report on our licensing requirement statutes and rules and identify those statutes and rules that are found to be “unnecessary” and/or “obstacles” to licensing. While we had previously identified some rules that we would consider amending or eliminating to make the process less challenging to candidates, it is now our understanding that these reports were submitted to the Office of the Lt. Governor to an Interim Committee called the Occupational Licensing and Certification Laws Committee. It is my opinion that legislation may come out of this committee for presentation during the 2019 legislative session, but all that is known at this point is that agencies will be assigned to members of this committee to review the agencies’ licensing requirements in statute and rules. Stay tuned.

**KS** – Legislation was passed to eliminate barriers to obtain licensure for felony convictions; however, the Board of Accountancy was able to obtain an exemption from this legislation.

**LA** – NASBA (John Johnson and Nathan Standley) have worked with our state society to respond to deregulation legislation bills filed this past March. It has mostly been successful in defeating the legislation or excluding the CPA profession to date. Our state society continues to work with other professional associations that could be affected by

deregulation legislation, as it often seems the legislative language proposed has far-reaching consequences. We expect continued attempts from organizations seeking to pass deregulation legislation.

**MT** – Last legislative session a bill was introduced to eliminate the Board of Public Accountants and three other professions. It didn't make it out of committee.

**NE** – LB 299 was passed into law last year. It requires, along with other provisions, that the Public Accountancy Act and Board regulations be reviewed every five years by a Legislative Committee to ensure the “least restrictive means” of regulations is utilized. Other provisions require the Board to review prospective licensees before a permit is issued and other provisions. Before adoption LB 299 was “watered down” removing provisions for a separate review by a new agency and specific requirements needed to remove barriers to licensure. The Board concluded it could live with the Bill and remained neutral in the process.

**NV** – Nevada Legislature meets every odd year therefore the session won't begin until January 2019. There has been extensive oversight this past year through Sunset Review and Executive Branch Audit Committee audits of Boards. There is a consolidation tone to these requests however there has not been any movement at this point to deregulate or consolidate Boards.

**VA** – Historically, laws have been routinely introduced with no significant impact on the Virginia Board of Accountancy. However, the Joint Legislative and Review Commission recently released a report, which will likely spawn additional bills. Here is a link to a recent news article describing the report:

[https://www.richmond.com/news/virginia/government-politics/audit-finds-virginia-regulates-too-many-occupations-lacks-fraud-prevention/article\\_102e2482-5b58-5b7c-9fc8-82eaae3c037f.html](https://www.richmond.com/news/virginia/government-politics/audit-finds-virginia-regulates-too-many-occupations-lacks-fraud-prevention/article_102e2482-5b58-5b7c-9fc8-82eaae3c037f.html)

**WY** – The staff and the Society are remaining alert to the possibility that legislation to deregulate may be filed.

**No:** AK, CO, DE, GA, GU, ID, IL BOE, IL DFPR, MD, MN, MS, NC, NV, NY, SD, TN, UT, WY

**TN** – Tennessee has previously passed the Right to Earn a Living Act, an Apprenticeship bill, and the Fresh Start Act (related to felony convictions).



**2. It has been mentioned that many colleges are bringing IT courses into their accounting programs.**

**(a) Can you identify any schools in your jurisdiction which have done so?**

**Yes:**

- **CA** – The California Board of Accountancy has received transcripts from schools that offer IT related courses in their accounting and business programs. Although the California Board does not have a complete listing for California schools, two examples are: California State University, East Bay offers “Information Technology in Business” in their Accounting Department; California State University, Sacramento also offers IT courses in their accounting programs.
- **DE** - University of Delaware.
- **IL BOE** – There are several, some of which are requiring data analytics as part of their graduate programs.
- **KS** – Kansas requires an MIS and AIS course to sit for the Exam, so these are incorporated in the business and accounting programs at our colleges. Other courses, such as data analytics, etc., are not currently in the accounting program, but there is discussion to do so.
- **MD** – Smith School of Business at the University of Maryland.
- **MS** – University of Mississippi; Mississippi State University, University of Southern Mississippi, and possibly others.
- **NC** – 16
- **NV** – We believe there are IT courses at University of Nevada, Reno, and are waiting for response from the University of Nevada, Las Vegas, to confirm.
- **SC** – The University of South Carolina is offering IT classes as part of their masters of accounting programs. The programs in South Carolina are quickly moving to these courses. Some courses may have accounting designator while others may have computer science or information technology designator.
- **TN** – The Board has previously approved a Management Information Systems course from the University of Tennessee to count towards the upper division accounting hours requirement. Belmont University is revamping their MAcc program and intends to allow

an IT/Data Analytics track. However, they still incorporate enough accounting hours to meet our state requirements for licensure.

- **WV** – I believe that West Virginia University is working to bring IT courses into the accounting curriculum.
- **VA** – Virginia Tech joined KPMG’s expanded Master of Accounting with Data and Analytics Program; Virginia Commonwealth University offers a Master of Accountancy with concentration in data analytics; University of Virginia began offering a new course this year to MS in Accounting students entitled Data Management and Analytics for Accountants; other Virginia colleges and universities are actively working to incorporate Data Analytics into the accounting curriculum.
- **VT** – There are several we know of that have IT courses built into their programs either at the undergraduate or Masters level. Another has an IT requirement as part of the liberal arts requirement.

**No:** AK, AL, AR, AZ, CO, GA, GU, ID, MN, UT

**N/A:** WY

**(b) Does your Board permit IT courses to be counted as accounting or business courses?**

- **Accounting** - Yes: CA, AL, IL DFPR, NE, VT, GU, NV
- **Business** – Yes: AR, AZ, CO, GA, GU, ID, IL BOE, LA, MD, MI, MN, MS, NC, NV, NY, SC, TN, WV, WY

**(c) If so, are there additional criteria those courses must meet?**

**Yes:** AK, DE, MD, ME, MI, MN, MT, RI, SC, VT

- **AL** – If a course is labeled as Accounting IT then it can count towards the required accounting hours, if labeled business/IT then it counts toward the required business hours.
- **AR** – We require Accounting Information Systems – other IT courses may be acceptable for the accounting or business component, it would depend on the particular course.
- **AZ** – The Board’s statutes do not address this issue. A.R.S. 32-701(25) defines “related course” which includes computer science, information systems or data processing.

- **CA** – The California Board will accept IT courses towards CBA’s accounting or business-related subject requirement if the course was completed (and the student received credit) in the accounting or business department or if “accounting” is in the course title. This is in accordance with Business and Professions Code section 5093.
- **CO** – No more than six hours can be in any single subject area.
- **CT** – The Board would accept IT courses to be counted as accounting or business provided the IT courses further the students’ accounting or business education (such as MIS considerations for auditing).
- **GA** – Must be part of a General Business curriculum.
- **ID** – We would accept IT classes as part of the business requirement if the “IT” courses are housed within the business department of the school in question. No changes would be required.
- **IL BOE** – They must be identified as either from the Accounting Department or the Business Department.
- **LA** – Louisiana will accept “Accounting Information Systems” typically offered as an Accounting elective. We may accept other IT courses if offered through the Accounting College. Business courses offered/accepted must be offered through the institution’s College of Business, and that is where we typically see IT courses offered.
- **MS** – They must be noted as accounting curriculum by the college. Changes would be required.
- **NC** – Changes would be required.
- **NV** – No additional criteria, however, the response in (b) should be Yes to Accounting & Business. We allow one ACC IT course toward accounting requirement.
- **NY** – Accounting IT courses that are accepted and counted toward the 33 semester hour requirement in Accounting: Accounting Information Systems. The course needs to be out of the accounting department with a focus on accounting. Business IT courses that are accepted and counted toward the 36 semester hour requirement in business: **No**. Changes would be required.

- **SC** – If the courses have the ACCT prefix, then they would be able to be counted as accounting courses.
- **VT** – Not specifically, but Section 4-2 of our Rules gives the Board discretion in determining if the course meets the criteria described.
- **WY** – Accounting courses may not include IT course work AND Business courses may include IT course work. No additional criteria applies.

**3. (a) As your rules are currently written, could your candidates take the Uniform CPA Examination continuously throughout the year?**

**(a) Yes:** AZ, CO, GA, GU, MT, NV, VT, WV

**No:** AL, AR, CA, ID, KS, LA, SD, TN, UT

**(b) Can they only take sections once per window?**

**Yes:** AL, AR, AZ, CA, GA, GU, ID, IL BOE, KS, LA, MD, MN, MS, MT, NC, NE, SC\*, SD, TN, VA, WY

**No:** AK, CO, RI, VT, WV

\*South Carolina’s statute defines a window as “a three-month period in which candidates have an opportunity to take the CPA Examination.” So, even if testing was allowed 365 days a year, they would only be able to take each section a maximum of four times per year, due to the limitations imposed by Section 440-2-35-(1)(b).

**4. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?**

- **AL** – The Board is currently reviewing CPE rules and should approve changes to be effective 10.01.19.
- **AK** – Continued travel approval restrictions.
- **CA** - The CBA supports legislation (Senate Bill 795) that would make permanent the CBA’s mobility program, which allows qualified out-of-state CPAs to practice public accountancy in California without providing notice or paying a fee. The bill was approved by Governor Edmund G. Brown, Jr. on September 17, 2018, and filed with the Secretary of State on the same date. Last year, the CBA determined that the enforcement practices of all state boards of accountancy are substantially equivalent to NASBA’s Guiding Principles of Enforcement. Given the strong possibility that the CBA’s mobility program will be made permanent, the CBA’s Mobility Stakeholder Group (MSG) is reviewing and considering recommendations to the CBA regarding the methods to continue ongoing oversight of the various states’ enforcement practices. Ongoing

oversight would help ensure the protection of California consumers. In 2019, the CBA will undergo a thorough review by the California State Legislature, known as a Sunset Review. The CBA's first key step in that process is to submit a comprehensive report detailing its activities since the prior Sunset Review. Included in that report will be an analysis of the benefits of the CBA's peer review program. The report will be submitted to the California State Legislature by December 1, 2018 and posted on the CBA's website.

- **CO** – An Accountancy Sunset Review report will be published October 15, 2018. The State Board of Accountancy recently held a rulemaking to improve clarity, update references and address technical changes. Rules were adopted on September 19, 2018. Colorado has three new board members, two professional and one public, with a total of seven board members.
- **District of Columbia** – Currently updating regulations, transitioned to a new licensing platform, and ongoing renewals of licenses – 12/31/2018 is when licenses will expire.
- **IL DFPR** – Getting ready to update the CPA Rules at this time.
- **KS** – Budget.
- **MD** – Notification to state legislature on license denials applicable to actions that took place more than 5 years ago.
- **MS** – The Mississippi Board is in the process of updating Rules and Regulations to revise the definition of an exam window and other minor changes. The Rules changes must be reviewed and approved by the new Occupational Licensing Review Commission before becoming effective.
- **NC** – Joint Task Force with state CPA Association to review all CPE rules.
- **NE** – The Board is reviewing current CPE requirements to consider allowing for CPE reciprocity.
- **NV** – The Board continues to respond to the State's audit of regulatory Boards.
- **NY** – The impact of the AICPA revisions to the Peer Review Standards Chapter 3 have significantly impacted the PROC duties.
- **SC** – The Board's Administrator, Doris Cubitt, retired on October 2, 2018. LLR is currently considering candidates for the position. Also, we are requesting authorization to keep the Assistant Administrator/staff position that was created in anticipation of the Administrator's retirement. The Board currently has several on-going committee

projects, which include the Regulation/Legislative committee, Education Committee, Guidelines Ad Hoc Committee for Consistence of Sanctions, Inspections Ad Hoc Committee to set expectation of and processes for firm inspections. Board staff are working with NASBA's CPT to develop Ethics courses for licensee candidates, a triennial South Carolina-specific course for all licensees, and a disciplinary course which the Board would require sanctioned licensees to complete.

- **SD** – We have proposed legislation on the definition of attest and we also have a rules package with proposed changes to CPE and peer review.
- **Virginia** – Working on database conversion.
- **WV** – Two new members were appointed to the Board on September 4, 2018. One is a CPA and one is a public member.
- **WY** – The Board's practice act is being modified for consideration by the Legislature during the 2019 session. A new Board member has also been appointed to replace one whose term of service expired.

**5. Can NASBA be of any assistance to your Board at this time? If yes, please explain.**

- **AK** – Continue to work with Board on scholarship requests as necessary. Possibly charge more in annual dues and then fund both staff and board member attendance at meetings (this would allow AK participation).
- **CA** – Yes. The California Board is requesting NASBA's assistance in future Mobility Stakeholder Group activities associated with on-going state-level determinations specific to states' substantial equivalency to enforcement best practices. Further, the California Board would like to explore the possibility of allowing California CPA Exam candidates to view their CPA Exam scores in the Gateway system.
- **District of Columbia** – Yes. We would like more information on the CPE audit service.
- **ME** – Yes. This was covered when Cathy Allen and Dan Dustin met with the Maine Board in September.
- **MN** – Yes. We will be reaching out to talk about gaining access to the videos you have created.
- **NE** – Dan Dustin and John Johnson attended a recent meeting of the Board and Pat Hartman attended the Board's Education Advisory Committee meeting. This is of great assistance to the Board!

- **NY** – Yes. NASBA can provide continued support to the SBOA/PROCs with the AICPA peer review issue.
- **South Carolina** – Yes. We look forward to guidance from NASBA regarding cost-effective PROC function when multiple states use one Administering Entity to oversee the peer review process. We are also looking forward to the NASBA CPE Audit service being rolled out.
- **TN** – Developing a PROC is still our biggest challenge.
- **UT** – We are in need of education comparisons nationwide. Specifically, we have received applications from two candidates with undergrad degrees from institutions which do not carry the accepted accreditation, but then the masters’ degree is from an accepted accreditation. As our Rule is written, this causes a deficiency of 120 hours of general education. Do other states allow for the education requirement to be met if the Masters’ comes from an institution that is accredited by their Rule even if the undergrad degree doesn’t? Or do they require all hours be from an accepted accreditation?
- **VA** – Yes. Welcome our new Executive Director, Nancy Glynn.
- **VT** – Continue to keep us apprised of issues affecting the accounting profession and providing the assistance necessary to deal with them.
- **WV** – With the legislative season fast approaching, we could need help from NASBA.

**6. NASBA’s Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.**

- **Input only from Board Chair:** DE, MD, MI, MN
- **Input only from Executive Director:** AK, AL, AR, AZ, CO, DC, GA, LA, MN, MT, NE, WV
- **Input only from Board Chair and Executive Director:** IL BOE, ME, MT, TN
- **Input from all Board Members and Executive Director:** CA, GU, NC, SD, UT, WY
- **Input from some Board Members and Executive Director:** KS, NV, RI, SC, A
- **Input from all Board Members:**
- **Input from some Board Members:**
- **Other (please explain):** MS – Executive Director, Licensing Administrator and all Board Members; VT – Some Board Members and our Licensing Administrator.

**Virginia Board of Accountancy**  
**FY18 Board Report**  
**As of October 31, 2018**

<b>REPORT CATEGORIES</b>	<b>FY2019 - YTD as of 10/31/18</b>	<b>FY2018 - YTD as of 10/31/17</b>	<b>Fiscal Year Ending 6/30/18</b>	<b>Fiscal Year Ending 6/30/17</b>	<b>Fiscal Year Ending 6/30/16</b>	<b>Fiscal Year Ending 6/30/15</b>
<b>LICENSEES</b>						
<b>Individuals:</b>						
Number of Active, licensed CPAs	26,509	25,889	26,318	25,452	24,648	24,791
Number of Active - CPE Exempt, licensed CPAs	1,647	1,403	1,585	1,326	1,158	898
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPAs	0	474	0	933	1,516	1,142
<b>Total Number of Licensed CPAs</b>	<b>28,156</b>	<b>27,766</b>	<b>27,903</b>	<b>27,711</b>	<b>27,322</b>	<b>26,831</b>
Number of out-of-state licensees	8,429	8,324	8,330	8,290	8,152	8,086
Reinstatements - Individuals	40	62	178	92	79	106
Number of new CPA licenses issued	381	470	1,227	1,378	1,322	1,240
Net change in number of expired/voluntary surrendered licenses (>12 months)	168	477	1,213	1,081	910	863
<b>Firms:</b>						
Number of Active, licensed CPA firms	1,176	1,149	1,177	1,123	1,092	1,115
Number of Active - Renewal Fee Delinquent (<12 months), licensed CPA firms	0	25	0	44	65	71
<b>Total Number of Licensed CPA Firms</b>	<b>1,176</b>	<b>1,174</b>	<b>1,177</b>	<b>1,167</b>	<b>1,157</b>	<b>1,186</b>
Reinstatements - Firms	1	3	10	5	5	0
Number of new CPA firm licenses issued	12	26	74	65	29	40
Net change in number of expired/voluntary surrendered firm licenses (>12 months)	14	22	74	60	63	72
<b>EXAM CANDIDATES</b>						
Number of first time candidates applying to sit for CPA exam	515	457	1,675	1,819	2,136	1,904
<b>ENFORCEMENT</b>						
Number of complaints	26	37	85	82	145	84
Types of complaints:						
Unlicensed activity	9	16	20	45	41	24
Other disciplinary matters	17	21	65	37	104	60
<b>CPE AUDITS</b>						
Number of CPE audits selected	847 (a)	933	2,402	2,022	1,578	1,088
Status of CPE Audits:						
# of CPE audits resulting in compliance	527	588	2,001	1,594	1,291	819
# of CPE audit deficiencies	43	65	401	428	286	269
# of CPE audit deficiencies resulting in surrender of license	2	4	32	52	30	17
# of CPE audit deficiencies resulting in suspension of license	1	0	23	34	19	19
# of CPE audits open/pending review	277	394	0	0	1	0
CPE Audit Deficiency Rate	8%	12%	17%	21%	18%	25%
<b>BUDGET/EXPENDITURES</b>						
Total YTD expenditures	\$717,380	\$639,412	\$2,271,239	\$1,727,506	\$1,642,512	\$1,424,978
Total fiscal year budget	<b>\$2,476,080</b>	<b>\$2,417,446</b>	<b>\$2,417,446</b>	<b>\$2,414,828</b>	<b>\$1,886,458</b>	<b>\$1,648,449</b>
% of expenditures vs. budget	29.0%	26.4%	94.0%	71.5%	87.1%	86.4%

**NOTES:**

(a) CPE audits selected through October 2018.



**Virginia Board of Accountancy  
Financial Report  
FY19 Budget vs. Actual Expenses  
As of October 31, 2018**

<u>Expenditure Type</u>	<u>FY19 Operating Budget</u>	<u>FY19 YTD Expenditures</u>	<u>% Expended</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>
<b><u>Salaries &amp; Benefits</u></b>	1,294,020	441,004	34.1%	1,174,172	1,103,143	999,185
<b>Total Salaries &amp; Benefits</b>	<b>\$ 1,294,020</b>	<b>\$ 441,004</b>	<b>34.1%</b>	<b>\$ 1,174,172</b>	<b>\$ 1,103,143</b>	<b>\$ 999,185</b>
<b><u>Contractual Services</u></b>						
1209 Charge Card Purchases (not distributed)	-	-	---	-	-	-
1211 Express Services	800	77	9.6%	722	-	-
1214 Postal Services	13,000	2,206	17.0%	12,886	7,975	9,144
1215 Printing Services	5,500	1,796	32.7%	5,487	5,245	4,163
1216 Telecommunications - VITA	13,500	4,465	33.1%	11,613	12,272	10,021
1217 Telecommunications - Nonstate (CallFire)	300	25	8.3%	100	600	-
1219 Inbound Freight	150	43	28.6%	160	418	858
1221 Organization Memberships (primarily NASBA)	7,255	6,860	94.6%	7,255	7,250	7,030
1222 Publication Subscriptions	1,250	126	10.1%	1,266	4,730	5,254
1224 Training - Courses, Workshops, Conferences	6,955	534	7.7%	11,459	8,914	8,566
1225 Employee Tuition Reimbursement	1,618	1,618	100.0%	-	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	15,000	23	0.2%	23,825	10,933	16,123
1228 Employee IT Training Courses/Workshops and Conferences	100	-	0.0%	-	91	91
1242 Fiscal Services (Credit Card Merchant Fees)	50,000	11,044	22.1%	48,558	53,790	47,883
1243 Attorney Services (Including OAG)	62,020	31,010	50.0%	51,736	24,844	36,671
1244 Mgmt. Services - NASBA/special accommodations - IT Support	29,800	6,786	22.8%	21,736	75,641	64,564
1246 Public Info/Public Relations (subscriptions)	5,100	360	7.1%	3,538	5,015	1,756
1247 Legal Services (Includes court reporting services)	18,000	5,226	29.0%	19,562	12,977	10,306
1248 Media Services	-	-	---	-	-	235
1249 Recruitment Advertising	-	-	---	-	-	-
1252 Electrical Repair/Maintenance	-	-	---	-	90	-
1253 Equipment Repair/Maintenance	-	-	---	-	-	-
1257 Plant Repair & Maintenance Services	-	-	---	-	-	-
1263 Clerical / Temp Services	-	-	---	2,754	2,475	-
1264 Food and Dietary Services	3,500	649	18.5%	3,236	2,156	2,170
1265 Laundry & Linen Services	-	-	---	-	25	-
1266 Manual Labor Services (Includes shredding services)	720	140	19.4%	394	1,122	380
1267 Production Services	-	-	---	-	-	1,771
1268 Skilled Services	-	-	---	-	-	960
1272 VITA Pass Thru Charges (SA Maintenance, IT Upgrades, and ISO services)	131,677	35,055	26.6%	135,170	122,620	87,475
1273 Info Mgmt Design and Development Services (Project Manager)	166,530	46,000	27.6%	94,600	-	-
1278 VITA Information Technology Infrastructure Services	144,000	47,410	32.9%	119,126	90,483	118,041
1279 Computer Software Development Services (MicroPact and Data Conversion)	531,670	34,000	6.4%	346,155	-	-
1282 Travel - Personal Vehicle	8,000	1,555	19.4%	8,099	6,980	5,926
1283 Travel - Public Carriers	-	-	---	-	589	543
1284 Travel - State Vehicles	1,000	-	0.0%	652	619	1,347
1285 Travel - Subsistence and Lodging	1,500	-	0.0%	2,182	1,250	1,749
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	-	0.0%	1,423	730	917
<b>Total Contractual Services</b>	<b>\$ 1,219,945</b>	<b>\$ 237,008</b>	<b>19.4%</b>	<b>\$ 933,694</b>	<b>\$ 459,834</b>	<b>\$ 487,145</b>
<b><u>Supplies and Materials</u></b>						
1312 Office Supplies	5,000	1,464	29.3%	5,023	4,338	6,726
1313 Stationery and Forms	2,500	984	39.4%	2,028	2,214	2,249
1323 Gasoline (Enterprise vehicles)	250	-	0.0%	221	155	308
1335 Packaging and Shipping Supplies	500	647	129.4%	485	958	715
1342 Medical & Dental Supplies	50	-	0.0%	-	260	48

<u>Expenditure Type</u>	<u>FY19 Operating Budget</u>	<u>FY19 YTD Expenditures</u>	<u>% Expended</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>	<u>FY16 YTD Expenditures</u>
<b><u>Supplies and Materials, continued</u></b>						
1352 Custodian Repair & Maintenance	300	-	0.0%	389	41	48
1362 Food & Dietary Supplies	525	56	10.7%	498	561	260
1363 Food Service Supplies	100	-	0.0%	62	107	15
1364 Laundry & Linen Supplies	-	-	---	-	24	-
1373 Computer Operating Supplies	5,500	1,957	35.6%	3,194	7,004	3,402
<b>Total Supplies &amp; Materials</b>	<b>\$ 14,725</b>	<b>\$ 5,108</b>	<b>34.7%</b>	<b>\$ 11,900</b>	<b>\$ 15,919</b>	<b>\$ 14,635</b>
<b><u>Transfer Payments</u></b>						
1413 Awards & Recognition	900	138	15.3%	848	863	717
1415 Unemployment Compensation	-	-	---	-	-	-
1418 Incentives	-	-	---	-	410	-
<b>Total Transfer Payments</b>	<b>\$ 900</b>	<b>\$ 138</b>	<b>15.3%</b>	<b>\$ 848</b>	<b>\$ 1,273</b>	<b>\$ 717</b>
<b><u>Continuous Charges</u></b>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,500	1,448	17.0%	8,645	8,460	4,865
1539 Building Rentals - Non-State Owned Facilities	93,417	30,932	33.1%	90,982	88,126	76,350
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	38,424	405	1.1%	38,169	36,071	32,411
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	978	-	0.0%	978	968	978
<b>Total Continuous Charges</b>	<b>\$ 143,002</b>	<b>\$ 32,785</b>	<b>22.9%</b>	<b>\$ 140,457</b>	<b>\$ 135,308</b>	<b>\$ 116,287</b>
<b><u>Equipment</u></b>						
2216 Network Components	1,200	-	0.0%	341	1,117	530
2217 Other Computer Equipment	500	507	101.3%	685	300	744
2218 Computer Software Purchases	-	379	---	540	2,157	3,556
2223 Exhibit Equipment	-	-	---	-	-	-
2224 Reference Equipment	50	32	64.5%	80	26	181
2231 Electronic Equipment	-	-	---	-	164	-
2232 Photographic Equipment	-	-	---	552	845	-
2233 Voice and Data Transmission Equipment	-	233	---	164	-	1,691
2238 Electronic and Photo Equipment Improvements (Board Rooms)	3,000	-	0.0%	6,125	-	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	350	-	0.0%	94	-	880
2262 Office Furniture	15,000	127	0.8%	555	3,375	14,385
2263 Office Incidentals	1,500	59	3.9%	969	2,646	1,627
2264 Office Machines	-	-	---	65	928	821
2268 Office Equipment Improvements	150	-	0.0%	-	129	129
2271 Household Equipment	-	-	---	-	342	-
<b>Total Equipment</b>	<b>\$ 21,750</b>	<b>\$ 1,337</b>	<b>6.1%</b>	<b>\$ 10,168</b>	<b>\$ 12,030</b>	<b>\$ 24,543</b>
<b>Total Expenses</b>	<b>\$ 2,694,342</b>	<b>\$ 717,380</b>	<b>29.0%</b>	<b>\$ 2,271,239</b>	<b>\$ 1,727,506</b>	<b>\$ 1,642,512</b>
<b>Chapter 2 Appropriation</b>	<b>\$ 2,476,080</b>					
<b>Decision Package Appropriation Requests (To be requested)</b>	<b>\$ 218,262</b>					
<b>Total Projected Appropriation</b>	<b>\$ 2,694,342</b>					

**Virginia Board of Accountancy  
Financial Report  
Cash Balance  
As of October 31, 2018**

	Operating Fund (09226)		Special Fund (02020)	
	FY2019 - YTD as of 10/31/18	FY2018 - YTD as of 10/31/17	FY2019 - YTD as of 10/31/18	FY2018 - YTD as of 10/31/17
<b>Beginning Fund Balance July 1:</b>	\$ 614,003	\$ 511,346	\$ 3,700,807	\$ 3,677,602
YTD Revenue Collected *	591,669	905,008	17,505	11,211
Accounts Payable **	20,000	109	0	0
Interfund Cash Transfers In/(Out), based on September 30th balance	43,805	(267,307)	(43,805)	267,307
Interfund Cash Transfers In/(Out), based on December 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on March 31st balance	0	0	0	0
Interfund Cash Transfers In/(Out), based on June 30 balance	0	0	0	0
YTD Expenditures	(717,380)	(639,412)	0	0
<b>Cash Balance before annual transfers</b>	<b>\$ 552,098</b>	<b>\$ 509,745</b>	<b>\$ 3,674,507</b>	<b>\$ 3,956,120</b>
<b>Projected Cash Transfers:</b>				
Transfers to Central Service Agencies ***	(\$11,302)	(\$10,155)	\$0	\$0
<b>Cash Balance after transfers</b>	<b>\$ 540,796</b>	<b>\$ 499,590</b>	<b>\$ 3,674,507</b>	<b>\$ 3,956,120</b>

\* Includes Interest Earnings - Per Virginia Acts of Assembly - Chapter 732 - §3-3.03 - Approved April 10, 2016, the State Comptroller shall allocate revenue for interest earnings effective FY2016. Interest Earnings had not been allocated since FY2010.

\*\* Prior to October 1, 2014 and the implementation of the Commonwealth's new financial accounting and reporting system (Cardinal) all payments immediately reduced cash when processed (in CARS). The new Cardinal financial system operates on a modified accrual basis and cash balances are not affected until the voucher's due date. The Cardinal system generates an offsetting entry to a liability account (accounts payable) when the voucher is processed. Once the voucher due date arrives, the payment is made, the liability is relived and cash is now reduced.

\*\*\* Non-general fund Transfers required by Virginia Acts of Assembly Part 3-1.01F for expenses incurred by central service agencies due on or before June 30.

**Virginia Board of Accountancy  
Financial Report  
Revenue by Fee Type  
Source: VBOA Licensing System (MLO)**

Fee Type	FY2019 - YTD as of 10/31/18	FY2018 - YTD as of 10/31/17	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16
(a) Pre-Evaluation of Transcripts Application Fee	\$ -	\$ -	\$ -	\$ -	\$ 3,975
(b) Re-Exam Application	\$ 101,115	\$ 96,140	\$ 309,965	\$ 333,960	\$ 369,945
(c) Renewal Fee	\$ 433,705	\$ 747,320	\$ 1,859,054	\$ 2,086,540	\$ 1,864,290
Reinstatement Fee	\$ 18,000	\$ 19,200	\$ 64,570	\$ 45,775	\$ 35,450
Duplicate Wall Certificate Fee	\$ 675	\$ 875	\$ 1,950	\$ 1,775	\$ 1,750
License Verification Fee	\$ 6,975	\$ 7,800	\$ 20,025	\$ 20,487	\$ 19,963
CPA Exam Score Transfers	\$ 750	\$ 750	\$ 2,325	\$ 2,075	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ 5,100	\$ 4,300
Administrative Fee	\$ -	\$ -	\$ 1,000	\$ 5,100	\$ 4,100
Bad Check Fee	\$ -	\$ -	\$ 150	\$ 50	\$ 100
<b>Total Revenue</b>	<b>\$ 595,580</b>	<b>\$ 905,545</b>	<b>\$ 2,349,619</b>	<b>\$ 2,616,342</b>	<b>\$ 2,367,168</b>
<b>(d) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)</b>	<b>\$ 588,926</b>	<b>\$ 902,170</b>	<b>\$ 2,338,729</b>	<b>\$ 2,604,132</b>	<b>\$ 2,378,598</b>
<b>(e) Difference</b>	<b>\$ 6,654</b>	<b>\$ 3,375</b>	<b>\$ 10,890</b>	<b>\$ 12,210</b>	<b>\$ (11,430)</b>

**NOTES:**

- (a) Effective October 15, 2015, VBOA no longer collected fees for Pre-Evaluation of Transcripts.
- (b) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (c) Renewal Fee also includes associated late fees prior to FY19.
- (d) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (e) Revenue Totals from the VBOA Licensing System (MLO) will not always match Revenue collected and reported on the VBOA Cash Report (Cardinal), due to timing differences in dates transactions are posted into each system and pending adjustments.

**Virginia Board of Accountancy  
Financial Report  
Accounts Receivable  
As of October 31, 2018**

	<b>FY2019 - YTD as of 10/31/18</b>	<b>FY2018 - YTD as of 10/31/17</b>	<b>Fiscal Year Ending 6/30/18</b>	<b>Fiscal Year Ending 6/30/17</b>	<b>Fiscal Year Ending 6/30/16</b>
<b>Fines levied/collected/receivable:</b>					
\$ amount of fines levied	\$ 62,650	\$ 83,075	\$ 326,285	\$ 187,925	\$ 284,528
\$ amount of fines collected	\$ 82,320	\$ 81,358	\$ 258,879	\$ 198,771	\$ 252,626
\$ OAG Fees	\$ -	\$ -	\$ -	\$ -	\$ 342
\$ Discharged	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 71,535	\$ 21,059	\$ 92,026	\$ 25,442	\$ 51,538
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 593,044	\$ 597,500	\$ 592,222	\$ 591,400	\$ 576,150

**NOTE:**

(a) All accounts uncollected after one year are deemed uncollectible, are written off of the VBOA's financial account records, and are no longer recognized receivables for financial reporting purposes; however, the legal obligation to pay the debt still remains.

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# Discussion Topic: JLARC Report on DPOR

## Background

On July 10, 2017, the Joint Legislative Audit and Review Commission (“JLARC”) passed a resolution to have its staff perform a comprehensive study of the Department of Professional and Occupational Regulation (“DPOR”).<sup>1</sup> JLARC specifically focused on DPOR’s staffing and organization, its processing of occupational licenses, and enforcement of occupational rules. JLARC also assessed the affordability of fees and processes for adjusting fees. In addition to speaking with DPOR staff, JLARC also reached out to the staff of the Department of Health Professions (“DHP”) and the Virginia Board of Accountancy (“VBOA”) due to the similarity in regulatory responsibilities and activities between the agencies. Both DHP and the VBOA made key staff available for interview by JLARC and provided documentation upon request to JLARC.<sup>2</sup>

In October 2018, JLARC published its draft report on DPOR, along with recommendations for improvement. The final report is due by December 15, 2018.

## VBOA perspective

JLARC made 36 recommendations in its report on DPOR, which not only provides the VBOA with specific ways in which it can proactively improve but also gives a broader conceptual foundation on which VBOA process improvement can be based. It should be noted that DPOR and the VBOA do not have identical processes and procedures; it should not be assumed that since JLARC did not find a deficiency in one area of DPOR, it therefore follows it would find no deficiency in that same area of VBOA.

The chart below addresses which of the 36 recommendations could be co-opted by the VBOA for its own improvement. Each recommendation has received one of five classifications:

- **Not applicable** – the recommendation has no relation to current or contemplated VBOA legal authority or policies and procedures.
- **Non-issue** – the recommendation has already been implemented by the VBOA.
- **Probable non-issue** – the recommendation was already in the process of being implemented before the JLARC report was issued.
- **Potential improvement** – the VBOA may have an existing process, policy, or functionality that may address the concerns raised by the recommendation, but the VBOA might wish to revise the process, policy, or functionality in light of the recommendation.
- **Improvement needed** – the VBOA does not have an existing process, policy, or functionality that addresses the concerns raised by the recommendation.
  - A few recommendations have been notated as “**Improvement needed – in progress**” because while the process or policy is not in place yet, the issue had already been identified by the VBOA and staff were in the preliminary planning stages of introducing a new process or policy.

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<sup>1</sup> JLARC last reviewed DPOR in 1982, when the agency was previously named the Department of Commerce.

<sup>2</sup> Pursuant to Va. Code §§ 30-59 and 30-69, all state agencies are required to provide JLARC with information, records, and “ample opportunity to observe agency operations.”

<b>Recommendation</b>	<b>VBOA Perspective</b>
1 General Assembly may wish to consider amending the Code of Virginia to eliminate the occupational regulation of common interest community managers, opticians, and residential energy analysts and firms.	Not applicable.
2 Board for Professional Occupational Regulation should review the need for continued regulation of soil scientists, waste management facility operators, and landscape architects. In carrying out these reviews, BPOR should follow the guidelines set in Va. Code § 54.1-311 for determining the need for regulation and the appropriate degree of regulation for an occupation. BPOR should begin reporting its evaluation findings to the General Assembly by December 31, 2019 and complete these evaluations by December 31, 2020.	Not applicable.
3 Board for Professional Occupational Regulation should review the need for continued state certification of (i) common interest community manager employees; (ii) interior designers; (iii) backflow prevention device workers; and (iv) wetland delineators. BPOR should begin reporting its evaluation findings to the General Assembly by December 31, 2019 and complete these evaluations by December 31, 2020.	Not applicable.
4 General Assembly may wish to consider eliminating regulation of natural gas automobile mechanics and technicians by repealing Va. Code §§ 54.1-2355 through 54.1-2358.	Not applicable.
5 General Assembly may wish to consider amending the Code of Virginia to require that any proposed legislation to increase or begin regulation of an occupation under DPOR must first be evaluated by the Board for Professional and Occupational Regulation using the criteria described in Va. Code § 54.1-311.	Non-issue.
6 DPOR should establish one or more new positions vested with the following agency-wide duties: (i) coordinating and assisting in the development of agency regulations; (ii) coordinating agency legislative efforts; (iii) leading agency communications with external parties; and (iv) serving as staff to the Board for Professional and Occupational Regulation.	Non-issue.
7 Secretary of Commerce and Trade should complete the executive review of two pending regulatory actions: (i) lead-based paint renovation, repair, and painting regulations; and (ii) the proposed fee increase for hearing aid specialists.	Not applicable.

8	DPOR boards should develop formal guidance describing when board review of an application for a license is necessary based on the applicant's reported criminal convictions. Guidance should describe the types of felonies and misdemeanors that warrant board review and how long they remain relevant to an application.	<b>IMPROVEMENT NEEDED.</b>
9	DPOR should begin performing reviews of randomly selected applications to verify work experience. Reviews should be conducted on an ongoing basis and should include at least five percent of the completed applications received by each of DPOR's boards each year.	<b>POTENTIAL IMPROVEMENT.</b> Experience is currently verified by an actively licensed CPA from any jurisdiction.
10	General Assembly may wish to consider amending the Code of Virginia to give DPOR authority to request and receive criminal record name searches as part of the review of individuals for initial licensure for any of the occupations that it regulates.	Non-issue.
11	DPOR should perform checks of new applicants for past occupational disciplinary violations when there is evidence that the applicant may have recently worked in another state.	<b>IMPROVEMENT NEEDED.</b> No such check currently conducted.
12	DPOR should perform regular unannounced site audits of education providers for personal care occupations and real estate professionals to confirm that they are operating legitimately. Audits should include at least five percent of education providers for those occupations, each year. Every newly approved education provider should be audited within a year of approval.	Non-issue.
13	DPOR should develop an internal plan to replace or upgrade the current licensing system. The new or improved licensing system should have the capacity to (i) accept and process applications and payments online; (ii) improve the ease of online renewals; and (iii) integrate licensing data with enforcement case management data. The plan should identify the expected staffing needs during and after the system upgrade or replacement project, how staffing needs will be met, and the cost of the proposed upgrade or project. The plan should be submitted to the Department of Planning and Budget, along with the agency's appropriation request, by July 1, 2019.	<b>PROBABLE NON-ISSUE.</b> Procurement of a new integrated licensing and enforcement management system is already underway.
14	DPOR should conduct a comprehensive assessment of the staffing needs of its five licensing sections and take	Not applicable.



	steps to address unmet staffing needs. The purpose of the assessment is to ensure that each section has sufficient staffing resources to (i) meet DPOR’s performance goals for processing transactions and handling customer inquiries and (ii) perform the needed verifications and audits recommended in this report. If the assessment finds additional positions are needed, DPOR should evaluate whether existing part-time positions in the licensing sections should be converted to full-time positions and if existing positions elsewhere in DPOR can be reallocated to the licensing sections.	
15	The Board for Contractors should require all licensed contractors to complete an in-person education course that explains all of their occupational rules before they can receive their license. This requirement should go into effect by December 31, 2019.	<b>POTENTIAL IMPROVEMENT.</b> The Virginia-Specific Ethics Course is not required prior to licensure.
16	DPOR staff should email regulants of the Board for Contractors and the Board for Barbers and Cosmetology at least annually to inform them of all changes to occupational rules.	<b>POTENTIAL IMPROVEMENT.</b> Major changes to statute and regulation are announced by email and newsletter.
17	DPOR should establish an evidentiary standard for evaluating whether to advance regulatory enforcement cases from the intake to the investigation stage. The standard should be a relatively low burden of proof, such as “reasonable suspicion.” Cases that meet the standard should not be closed.	<b>IMPROVEMENT NEEDED – IN PROGRESS.</b> This is a planned part of the new adjudication manual.
18	DPOR should establish “preponderance of evidence” as the evidentiary standard for advancing regulatory enforcement cases from the investigation stage. Cases that meet the standard should not be closed.	<b>IMPROVEMENT NEEDED – IN PROGRESS.</b> This is a planned part of the new adjudication manual.
19	DPOR should develop an internal policy that defines specific criteria that must be met before a case can be closed by enforcement staff for lack of jurisdiction or reasons other than insufficient evidence or compliance.	<b>POTENTIAL IMPROVEMENT.</b> The delegations currently under discussion would grant the Executive Director the power to deny complaints (i.e. not progress to the investigation stage) when it is “clear” there is a lack of subject matter jurisdiction or the complaint is untimely filed. Investigations already open (with the exception of CPE-related cases) would have to go the Enforcement Committee for closure.
20	All DPOR regulatory boards should develop a process through which board members, or board staff with delegated authority, review and approve all decisions made by enforcement staff to close regulatory enforcement cases for insufficient evidence, or reasons other than compliance or lack of jurisdiction, at the intake and investigation stages.	Non-issue.

21	All DPOR regulatory boards should develop formal guidance that addresses (i) whether they wish to delegate authority to DPOR staff to close enforcement cases for compliance and (ii) the circumstances under which cases cannot be closed for compliance. Each board should have its guidance in place no later than December 31, 2019.	<b>IMPROVEMENT NEEDED – IN PROGRESS.</b> This is a planned part of the new adjudication manual.
22	DPOR, in consultation with its regulatory boards, should develop formal guidance that prescribes whether and under what circumstances DPOR staff should fully investigate and act on violations identified during an investigation. Guidance should be finalized no later than December 31, 2019.	<b>IMPROVEMENT NEEDED – IN PROGRESS.</b> This is a planned part of the new adjudication manual.
23	The Board for Barbers and Cosmetology should direct DPOR staff to conduct unannounced inspections of personal care shops and salons in Virginia to ensure compliance with occupational rules. Inspections should begin by July 1, 2019.	Not applicable.
24	The Board for Contractors should direct DPOR staff to conduct unannounced audits of contracting documents to ensure compliance by contractors with occupational rules. Audits should begin by July 1, 2019.	Not applicable.
25	DPOR should establish a standardized process through which regulants under each board can formally request that their regulatory enforcement case, which has reached the full board, be remanded for an informal fact finding (IFF) conference. This process should be available to any regulant who (i) has a reasonable basis to claim that the initial IFF conference was unfair; (ii) has new evidence to present that is integral to the case; or (iii) did not initially opt for an IFF conference but would like one.	<b>IMPROVEMENT NEEDED – IN PROGRESS.</b> This is a planned part of the new adjudication manual.
26	DPOR should develop detailed sanction guidelines for occupational rule violations. The guidelines should provide direction on (i) factors to be considered in sanction decisions; (ii) appropriate sanctions for particular violations; and (iii) how sanctions should escalate for multiple or subsequent violations.	<b>IMPROVEMENT NEEDED – IN PROGRESS.</b> This is a planned part of the new adjudication manual.
27	General Assembly may wish to consider amending Va. Code § 54.1-111 to authorize the director of DPOR, or a designee, to issue cease and desist notices to individuals and businesses that are found through investigation to be engaged in the unlicensed practice of occupations overseen by DPOR.	Not applicable.

28	<p>DPOR should develop criteria for determining when to issue cease and desist notices to individuals and businesses determined to be practicing a profession or occupation without the required license. DPOR should begin issuing cease and desist notices for unlicensed practice when the criteria are met. The notices should explain DPOR’s requirements for obtaining a license, and make clear that Va. Code § 54.1-111 establishes criminal penalties for unlicensed practice and gives DPOR authority to initiate a civil court action to enjoin unlicensed practice and to recover civil penalties for violations.</p>	Not applicable.
29	<p>DPOR should base staffing cost assumptions on historical staffing costs when calculating the expense projections that are used to determine when fee changes should occur and what the new fees should be.</p>	Non-issue.
30	<p>DPOR should report, at least annually, the fund status of each of the regulatory boards to its members. At a minimum, DPOR should provide a detailed explanation of revenues and expenditures for the previous year in comparison to what was projected, the board’s current fund balance, and revenue and expense projections for two biennia into the future.</p>	<p><b>POTENTIAL IMPROVEMENT.</b> Revenue and expense projections are not part of the current financial report.</p>
31	<p>General Assembly may wish to consider amending Va. Code § 54.1-113 as follows, effective July 1, 2022: (i) to require that a regulatory board must reduce its fees if the board’s fund balance exceeds a certain percentage of expenses allocated to it for the previous biennium or a set dollar amount, whichever is greater; and (ii) to require that, at the close of any biennium, all unspent or unencumbered revenue in excess of the cap be distributed to current regulants. This amendment should only apply to the DPOR.</p>	Not applicable.
32	<p>DPOR should (i) immediately fill the assistant director position in its Human Resources division and (ii) assess whether additional full-time or part-time staff positions are needed in the HR division to address current hiring backlogs.</p>	Not applicable.
33	<p>DPOR’s director, deputy directors, and division directors should rank all vacant positions based on how critical they are to DPOR’s ability to fulfill its responsibilities. HR staff should use the rankings to prioritize the advertising and filling of positions, using hiring processes that reflect best practices.</p>	Not applicable.

<p>34 DPOR should transfer IT-related responsibilities for its licensing system and technical aspects of website management, records management, and electronic forms, from the licensing division to the Information Technology division.</p>	<p><b>IMPROVEMENT NEEDED.</b> IT-related responsibilities (as identified in the recommendation) are currently shared amongst no less than four persons.</p>
<p>35 DPOR should reassign to other divisions the following functions that are currently assigned to the licensing division: (i) handling Freedom of Information Act requests; (ii) scanning documents; (iii) managing policies and procedures; (iv) evaluating business processes; and (v) agency-wide training.</p>	<p><b>NON-ISSUE.</b></p>
<p>36 DPOR should develop an internal plan that describes its objectives for resolving long-standing problems. The plan should, at a minimum, include actions and timelines for addressing (i) DPOR's licensing fraud vulnerabilities; (ii) lack of guidance for enforcement decisions; (iii) key staff position vacancies; (iv) excessive fund balances; and (v) outdated information technology licensing system. DPOR should report on progress toward meeting objectives in its biennial report, starting with its next report.</p>	<p><b>POTENTIAL IMPROVEMENT.</b> While the VBOA currently is not required to make a similar report in its biennial report, the VBOA may wish to develop some form of internal plan or review process to make sure these areas of concern for DPOR are not present within or are being addressed by the VBOA.</p>

# Discussion Topic: Regulatory Review Pilot Program

## Program Overview

Chapters 444 and 445 (2018 Acts of Assembly) require the Department of Criminal Justice Services (“DCJS”) and the Department of Professional and Occupational Regulation (“DPOR”) to develop a baseline regulatory catalog by October 1, 2018<sup>1</sup> and submit them to the Department of Planning and Budget (“DPB”). These catalogs—which were presented using a spreadsheet template provided by DPB—are self-reported by the pilot agencies. The ultimate goal of the program is to reduce the existing regulatory requirements by 25%.

The catalogs has to include “the (i) total number and type of regulations and regulatory requirements currently promulgated or administered by the two agencies and (ii) any specific federal or state mandates or statutory authority that requires the regulations and associated requirements.”

OVERALL BASELINE REGULATORY CATALOG		
	DCJS	DPOR
<b>Mandatory Requirements exempt from Program</b>		
Non-discretionary agency requirements	116	241
Non-discretionary regulant requirements	414	505
<b>Subtotal</b>	<b>530</b>	<b>746</b>
<b>Baseline Requirements covered by Program</b>		
Discretionary agency requirements	490	60
Discretionary regulant requirements	2,487	1,924
<b>Subtotal</b>	<b>2,977</b>	<b>1,984</b>
<b>TOTAL</b>	<b>3,507</b>	<b>2,730</b>

To meet the goals the program, DCJS will have to cut 744<sup>2</sup> requirements and DPOR will have to cut 496 requirements.

Allowing the pilot agencies to self-report their regulatory requirements and to determine whether a requirement is mandatory or discretionary has potentially led to mis-reporting of regulatory requirements and mis-categorization. Under-reporting regulatory requirements gives the appearance of a lower regulatory burden, but it does leave less discrete requirements available for an agency to cut in order to meet the 25% threshold. Conversely, over-reporting regulatory requirements gives an agency more to sacrifice, but a high regulatory burden may become a point of contention in future policy discussions. Categorizing a regulation as mandatory exempts it from the program.

While comparison of the regulatory requirements calculation between the two agencies is difficult, DCJS and DPOR both have public participation regulations that are based on model regulations created by DPB. Despite near-identical language, DCJS and DPOR came up with divergent regulatory baselines, in both the overall number of requirements and in whether a requirement was exempt from the program, as indicated on page 2.

<sup>1</sup> The catalogs are available for review on Town Hall (<http://townhall.virginia.gov/>).

<sup>2</sup> DCJS’s baseline requirements, when divided by four, yield a result of 744.25, so it was rounded to the nearest whole number. It is unknown if DPB will round the number in the same way or if it will round it up.

**PUBLIC PARTICIPATION BASELINE REGULATORY CATALOG**

	DCJS	DPOR
<b>Mandatory Requirements exempt from Program</b>		
Non-discretionary agency requirements	3	13
Non-discretionary regulant requirements	3	1
<b>Subtotal</b>	<b>6</b>	<b>14</b>
<b>Baseline Requirements covered by Program</b>		
Discretionary agency requirements	29	1
Discretionary regulant requirements	1	1
<b>Subtotal</b>	<b>30</b>	<b>2</b>
<b>TOTAL</b>	<b>36</b>	<b>16</b>

DPB’s summation of current events in the regulatory review pilot program has referred to DCJS and DPOR’s catalogs as first drafts. It is unclear if DPB will be revising its guidance on how to calculate requirements or if DPB will be introducing checks on an agency’s self-reported requirements when the remaining executive branch agencies report their respective catalogs.

By July 1, 2019, DCJS and DPOR will:

1. Report to DPB (a) all requirements, “initially identified for elimination, amendment, or streamlining,” and (b) any statutory changes required before a regulation can be eliminated or modified; and
2. Initiate reforms, through a rulemaking or non-regulatory action, that produce a reduction equivalent to 7.5% of the regulations and regulatory requirements contained in its baseline.

If an agency is unable to reach this goal, it must report the reasons to the Secretary of Finance. Similar milestones are required by July 1 in each of the following two years, with increasing percentages that total 25% by July 1, 2021. A summary of the program’s steps are outlined on page 3.

Please note that the final step regarding a report on the feasibility of implementing a 2-for-1 regulatory reduction program, budgetary audits, and JLARC review is conditioned on the performance of DCJS and DPOR. If these agencies are unable to meet the 25% goal, then the Secretary of Finance must file the 2-for-1 feasibility report. The budgetary audit and JLARC report are optional, but are also conditioned on DCJS and DPOR being unable to meet the 25% goal.

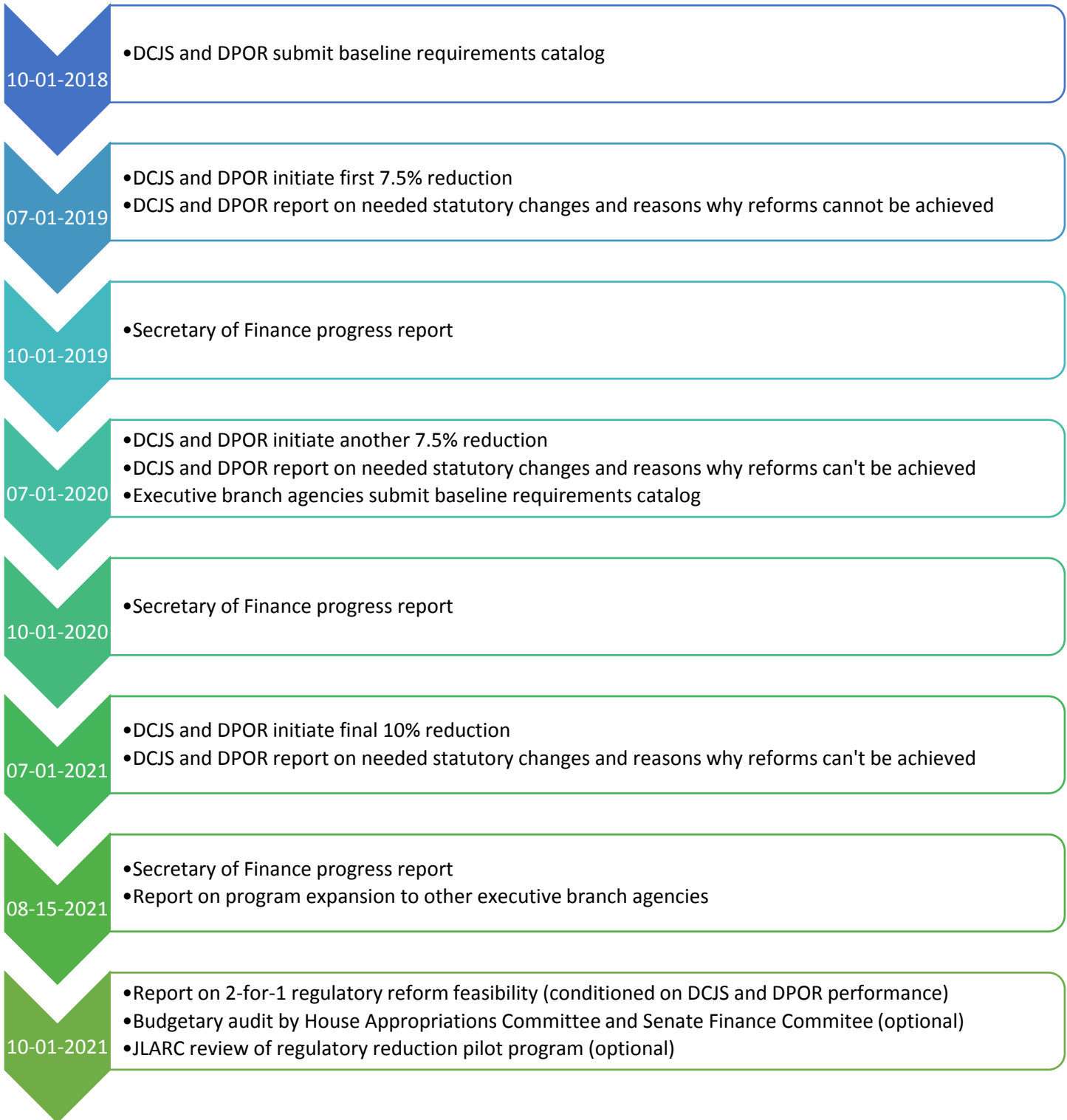
## VBOA Obligations

By July 1, 2020, all executive branch agencies subject to the Administrative Process Act will have to develop and submit their own baseline regulatory catalog to DPB. At this time, the program does not require agencies other than DPOR and DCJS to initiate any rulemaking to reduce requirements.

DPB has encouraged all agency regulatory coordinators to use the legislative mandate tracking feature on Town Hall to make it easier to identify non-discretionary regulatory requirements when it comes time for the agency to create its own baseline regulatory catalog.

Additionally, DPB must report on an agency’s compliance with the four-year periodic review requirement. The VBOA is currently in compliance with this requirement. The next periodic review for 18VAC5-11 is due no later than August 31, 2021 and the next periodic review for 18VAC5-22 is due no later than November 9, 2022.

## Pilot Program Timeline



## Administrative Policy and Procedure

Policy name: Delegations of Authority

Effective date: December 4, 2018

Authority: Code of Virginia § 54.1-4400 *et seq.*

Policy: The Virginia Board of Accountancy delegates to staff and its committees the authority to act without requiring prior approval from the full Board under the following circumstances.

Procedures: The VBOA Executive Director has the authority to:

- Sign Consent Orders that involve CPE deficiencies and any associated false statements on renewal applications.
- Sign Orders Permitting Reinstatement for those applicants who have fully complied with the terms and conditions of disciplinary orders where the VBOA suspended their Virginia CPA license for CPE deficiencies.
- Waive all or part of a licensee’s CPE requirements for one or more calendar years or grant additional time for complying with the CPE requirements in the event of circumstances beyond the control of the licensee.
- Examine and determine on a case-by-case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation 18VAC5-22-90(E).
- Deny complaints if it is clear that the VBOA lacks subject matter jurisdiction, the complaint has been untimely filed, or both.
- Preside over proceedings held pursuant to Code of Virginia § 2.2-4019 for matters involving:
  - CPE deficiencies and any associated false statements on renewal applications
  - Eligibility matters where reinstatement applicants have not fully complied with the terms and conditions of disciplinary orders wherein their Virginia CPA license was suspended for CPE deficiencies
- Close enforcement cases involving CPE deficiencies and any associated false statements on renewal applications if the Executive Director determines there is no finding of fact to indicate the VBOA has cause to impose discipline or if the violation is so minor that disciplinary action is not in the public’s best interest.
- Designate, in writing, a staff member to have the same authority in the event of the Executive Director’s absence.

VBOA staff have the authority to:



## Administrative Policy and Procedure

- Examine and approve applications for initial licensure, renewal of licensure, and reinstatement of licensure, provided no information is disclosed or discovered that calls into question an applicant’s suitability to use the CPA title in Virginia.
- Examine and approve eligibility for taking the CPA exam and examine and grant requests for necessary and reasonable exam accommodations under the Americans with Disabilities Act.
- Examine and make the initial determination to approve or deny requests changing the status of a Virginia CPA license,
- Examine and approve or deny requests to become an approved sponsor or instructor of the current year’s Virginia-Specific Ethics Course.
- Examine a licensee’s compliance with the continuing professional education requirements and suspend such review if the licensee voluntarily surrenders their Virginia individual CPA license.
- Collect payments of fees and monetary penalties, to request additional appropriation, and to prepare its financial statements.
- Prepare and submit the biennial report prescribed by Code of Virginia § 54.1-4421.

**Deleted:** or the name or address of a licensee

**Deleted:** provider/

**Deleted:** <#>Work with the Department of Planning and Budget and the Virginia Information Technologies Agency to prepare and submit an agency strategic plan and information technology strategic plan, respectively.¶

**Deleted:** <#>to establish an annual operating budget,

VBOA investigators are persons appointed by the Executive Director who are sworn to enforce the statutes and regulations of the VBOA through investigations into alleged violations and who are vested with the authority to engage in those acts identified in Code of Virginia § 54.1-4407.

VBOA investigators have the authority to:

- Initiate or receive complaints concerning compliance with any statutes or regulations pertaining to the VBOA or any of the programs that may be in another title of the Code of Virginia for which the VBOA has regulatory responsibility.
- Initiate a complaint if after two peer reviews, a firm receives “pass with deficiency,” “fail,” or any combination thereof, for review and determination as to whether there has been any violation of the VBOA’s statutes and/or regulations.
- Offer Consent Orders for CPE deficiencies and any associated false statements on renewal applications in conformity with the guidelines set by the VBOA.
- Suspend proceedings for CPE deficiencies and any associated false statements on renewal applications if the licensee voluntarily surrenders their Virginia individual CPA license.

## Administrative Policy and Procedure

The VBOA Enforcement Committee has the authority to:

- Examine and determine on a case-by-case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation 18VAC5-22-90(E).
- Offer Consent Orders for any enforcement matter.
- [Suspend investigations in any enforcement matter if criminal charges have been filed against a Respondent involving the same matter under investigation by the VBOA, until such time as the criminal matter has been concluded and all appeals have been exhausted.](#)
- Close enforcement cases if determined that there is no finding of fact to indicate the VBOA has cause to impose discipline or if the violation is so minor that disciplinary action is not in the public's best interest.
- Preside over proceedings held pursuant to Code of Virginia § 2.2-4019 for any enforcement matter.

Scope:	The policy and procedures provided herein apply to classified and hourly-wage employees, contractors, and at-will appointees of the VBOA.
Policy review:	The Delegations of Authority Policy and Procedure was initiated on December 4, 2018.
Staff awareness:	Employees are made aware of this policy through initial orientation and staff meeting review.
Supersession:	This policy is new.
Executive Director:	Nancy J. Glynn, CPA

## Discussion Topic: Delegations of Authority

### Purpose of delegating authority

The Virginia Board of Accountancy has numerous powers and duties granted to it in Chapter 44 of Title 54.1 and in other statutory provisions. In the absence of a delegation of authority, the VBOA would have vote to either exercise a particular power or to fulfill a certain duty. Delegating authority allows the VBOA to grant specific responsibility or authority to a person or group of persons to carry out certain activities, within parameters set by the VBOA.

### Delegations to the Executive Director

	<b>Delegation</b>	<b>Source</b>	<b>Rationale</b>
1	Sign Consent Orders that involve CPE deficiencies and any associated false statements on renewal applications	Code of Virginia § 54.1-4403(14)	Without this delegation, the volume of cases at each VBOA meeting would increase dramatically and increase the administrative burden on Enforcement staff. Case resolution would also be delayed. Commonwealth Accounting Policies and Procedures (“CAPP”) Manual Topic No. 20205 <sup>1</sup> requires deposits to be completed no later than the next banking day after receipt. Staff would have to send back monetary penalty payments.
2	Sign Orders Permitting Reinstatement for those applicants who have fully complied with the terms and conditions of disciplinary orders where the VBOA suspended their Virginia CPA license for CPE deficiencies.	Code of Virginia § 54.1-4403(2) Meeting minutes, 2018-02-08	Without this delegation, the volume of cases at each VBOA meeting would increase dramatically and increase the administrative burden on Enforcement staff. Case resolution would also be delayed.
3	Waive all or part of a licensee’s CPE requirements for one or more calendar years or grant additional time for complying with the CPE requirements in	18VAC5-22-90(G)	Without this delegation, every waiver or request for additional time would have to be presented to the VBOA and would increase the administrative burden on members of the VBOA and potentially

<sup>1</sup> [https://www.doa.virginia.gov/reference/CAPP/CAPP\\_Topics\\_Cardinal/20205.pdf](https://www.doa.virginia.gov/reference/CAPP/CAPP_Topics_Cardinal/20205.pdf)

	the event of circumstances beyond the control of the licensee.		result in licensees being inadvertently noncompliant with the VBOA's CPA requirements.
4	Examine and determine on a case-by-case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation 18VAC5-22-90(E).	18VAC5-22-90(E)	A person undergoing a CPE compliance review may claim hours of CPE earned in a forum not identified in regulation. In the absence of this delegation, the person's claimed hours of CPE would have to be presented to the VBOA for its approval, delaying the conclusion of the CPE compliance review and potential enforcement action.
5	Deny complaints if it is clear that the VBOA lacks subject matter jurisdiction, the complaint has been untimely filed, or both.	Code of Virginia § 54.1-4403(6)-(8)	Without this delegation, every complaint would have to be presented to the VBOA for closure and would increase the administrative burden on members of the VBOA.
6	Preside over proceedings held pursuant to Code of Virginia § 2.2-4019 for matters involving: <ul style="list-style-type: none"> <li>• CPE deficiencies and any associated false statements on renewal applications</li> <li>• Eligibility matters where reinstatement applicants have not fully complied with the terms and conditions of disciplinary orders wherein their Virginia CPA license was suspended for CPE deficiencies</li> </ul>	Code of Virginia § 2.2-4019(A)	In the absence of a designated agency subordinate to preside, the VBOA's only other options would be either a quorum of VBOA members at each proceeding or to utilize hearing officers.
7	Close enforcement cases involving CPE deficiencies and any associated false statements on renewal applications if the Executive Director determines there is no finding of fact to indicate the VBOA has cause to impose discipline or if the violation is so minor that disciplinary action is not in the public's best interest	Code of Virginia § 54.1-4403(6)	Without this delegation, every CPE deficiency case would have to be presented to the VBOA for closure and would increase the administrative burden on members of the VBOA and delay case resolution.

8	Designate, in writing, a staff member to have the same authority in the event of the Executive Director's absence	Code of Virginia § 54.1-4403(15)  All delays and increased administrative burdens noted above would again appear in the event of the Executive Director's absence. The ability to designate an alternative staff member ensures continuity and undisrupted processes.
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## Delegations to VBOA staff

	Delegation	Source	Rationale
1	Examine and approve applications for initial licensure, renewal of licensure, and reinstatement of licensure, provided no information is disclosed or discovered that calls into question an applicant's suitability to use the CPA title in Virginia.	Code of Virginia § 54.1-4403(2)	Without this delegation, every application for initial licensure, renewal, and reinstatement would have to be presented to the VBOA for approval.
2	Examine and approve eligibility for taking the CPA exam and examine and grant requests for necessary and reasonable exam accommodations under the Americans with Disabilities Act.	Code of Virginia § 54.1-4403(2)	Without this delegation, every application for examination and request for accommodation would have to be presented to the VBOA for approval.
3	Examine and make the initial determination to approve or deny requests changing the status of a Virginia CPA license	18VAC5-22-90(C) Board Policy #9	Without this delegation, every request for either the Active – CPE Exempt status or the Voluntary Surrender status would have to be presented to the VBOA for approval.
4	Examine and approve or deny requests to become an approved sponsor or provider of the current year's Virginia-Specific Ethics Course.	Board Policy #2	Without this delegation, every request to be deemed an approved sponsor would have to be presented to the VBOA for approval.
5	Examine a licensee's compliance with the continuing professional education requirements and suspend such review if the licensee voluntarily surrenders their Virginia individual CPA license	Code of Virginia § 54.1-4403(2) & (6)	Without this delegation, every CPE deficiency case would have to be presented to the VBOA for closure and would increase the administrative burden on members of the VBOA.

6	Collect payments of fees and monetary penalties, request additional appropriation, and prepare its financial statements	Code of Virginia § 2.2-2100 Code of Virginia § 54.1-4403(4) Code of Virginia § 54.1-4420	As a supervisory board, the VBOA is responsible for requests for appropriations. Since additional appropriations can be time-sensitive (e.g. fulfilling payroll obligations), it is recommended to delegate this power. As noted above, the VBOA daily receives payments and CAPP Manual Topic No. 20205 requires deposits to be completed no later than the next banking day after receipt. Staff would have to send back payments if it could not collect upon receipt whenever the VBOA was not in session. Finally, since the VBOA must have its financial statements audited annually, there is an implicit duty to have financial statements, hence the delegation to staff since otherwise VBOA members would have an increased administrative burden put on them.
7	Prepare and submit the biennial report prescribed by Code of Virginia § 54.1-4421.	Code of Virginia § 54.1-4421	With the scheduling of VBOA meetings being done in the short-term and on unpredictable dates, the VBOA could potentially miss the statutory deadline for filing the biennial report in the absence of this delegation.

### Delegations to VBOA investigators

	<b>Delegation</b>	<b>Source</b>	<b>Rationale</b>
1	Initiate or receive complaints concerning compliance with any statutes or regulations pertaining to the VBOA or any of the programs that may be in another title of the Code of Virginia for which the VBOA has regulatory responsibility	Code of Virginia § 54.1-4403(6)-(8) Meeting minutes, 2015-09-28	Without this delegation, complaints meeting these parameters would have to be presented to the VBOA to initiate the investigation and would increase the administrative burden on members of the VBOA. It would delay the beginning of enforcement proceedings and may put the public at risk.

2	Initiate a complaint after two peer reviews, a firm receives “pass with deficiency,” “fail,” or any combination thereof	Code of Virginia § 54.1-4403(6)-(8) Meeting minutes, 2015-09-28	Without this delegation, complaints meeting these parameters would have to be presented to the VBOA to initiate the investigation and would increase the administrative burden on members of the VBOA. It would delay the beginning of enforcement proceedings and may put the public at risk.
3	Offer Consent Orders for CPE deficiencies and any associated false statements on renewal applications in conformity with the guidelines set by the VBOA	Code of Virginia § 54.1-4403(14) CPE Violation Penalties – Guidelines	While VBOA investigators cannot execute contracts on behalf of the VBOA, they can initiate the formation of contracts on the VBOA’s behalf through settlement offers. Without this delegation, the VBOA would have to vote to offer each Consent Order in every case.
4	Suspend proceedings for CPE deficiencies and any associated false statements on renewal applications if the licensee voluntarily surrenders their Virginia individual CPA license	Code of Virginia § 54.1-4403(6)-(8)	Without this delegation, every CPE deficiency case would have to be presented to the VBOA to suspend the investigation and would increase the administrative burden on members of the VBOA.

## Delegations to VBOA Enforcement Committee

	<b>Delegation</b>	<b>Source</b>	<b>Rationale</b>
1	Examine and determine on a case-by-case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation 18VAC5-22-90(E).	18VAC5-22-90(E)	As part of an investigation, CPE compliance is examined. Since the Executive Director does not participate in non-CPE cases unless and until the matter is presented at a VBOA meeting, the Executive Director cannot make this determination, especially as it may factor into determining if a person is CPE compliant. In the absence of this delegation, the person’s claimed hours of CPE would have to be presented to the VBOA for its approval, impeding the Enforcement

		Committee from attempting settlement for potential CPE violations found in an investigation.
2	Offer Consent Orders for any enforcement matter	Code of Virginia § 54.1-4403(14) While the Enforcement Committee cannot execute contracts on behalf of the VBOA, they can initiate the formation of contracts on the VBOA's behalf through settlement offers. Without this delegation, the VBOA would have to vote to offer each Consent Order in every case.
3	Suspend investigations in any enforcement matter if criminal charges have been filed against a Respondent involving the same matter under investigation by the VBOA until such time as the criminal matter has been concluded and all appeals have been exhausted.	Code of Virginia § 54.1-4403(6)-(8) Without this delegation, every case would have to be presented to the VBOA for suspension and would increase the administrative burden on members of the VBOA.
4	Close enforcement cases if determined that there is no finding of fact to indicate the VBOA has cause to impose discipline or if the violation is so minor that disciplinary action is not in the public's best interest.	Code of Virginia § 54.1-4403(6)-(8) Without this delegation, every case would have to be presented to the VBOA for closure and would increase the administrative burden on members of the VBOA.
5	Preside over proceedings held pursuant to Code of Virginia § 2.2-4019 for any enforcement matter	Code of Virginia § 2.2-4019(A) In the absence of a designated agency subordinate to preside, the VBOA's only other options would be either a quorum of VBOA members at each proceeding or to utilize hearing officers.



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## Proposed Action to be taken by VBOA

A sample motion is provided below.

(Movant \_\_\_\_\_)

I move that the Virginia Board of Accountancy delegate authority to the Executive Director, VBOA staff, VBOA investigators, and the Enforcement Committee as specified in the Administrative Policy and Procedure entitled "Delegations of Authority" (as amended).

Seconded by: \_\_\_\_\_

VOTE:

Aye: \_\_\_\_\_

Nay: \_\_\_\_\_

Abstain: \_\_\_\_\_

# Discussion Topic: Review of Board Policies #1—10

## Guidance Documents

Chapter 820 (2018 Acts of Assembly) introduces mandatory comment periods and publication in the Virginia Register of Regulations for all changes to guidance documents<sup>1</sup>, effective January 1, 2019. Additionally, Code of Virginia § 2.2-4103.1 requires the submission of all existing guidance documents to the Virginia Register of Regulations on or before January 1st of each calendar year.

This review of existing policies is to ensure that they are consistent and accurate before January 1, 2019, and to make changes as needed before that date. The proposed changes are grouped into global style changes—that is, changes for stylistic consistency spanning across all 10 policies—and substantive changes to one or more policies. The new requirements does not grant much flexibility when it comes to even minor technical updates, so several proposed changes are intended to future-proof the guidance documents in light of this inflexibility.

## Global Style Change #1: Consistent naming and acronym practices

The following changes are proposed:

- (a) **American Institute of Certified Public Accountants** – The first instance of the organization name in the ‘Policy Statement’ section will be “American Institute of Certified Public Accountants” and all subsequent references would be “AICPA.” The first instance of the organization name is followed by the acronym in parentheses, provided the organization will appear again in the same document.
- (b) **National Association of State Boards of Accountancy** – The first instance of the organization name in the ‘Policy Statement’ section will be “National Association of State Boards of Accountancy” and all subsequent references would be “NASBA.” The first instance of the organization name is followed by the acronym in parentheses, provided the organization will appear again in the same document.
- (c) **Virginia Board of Accountancy** – The first instance of the agency name in the ‘Policy Statement’ section will be “Virginia Board of Accountancy” and all subsequent references would be “VBOA.” Where the agency is referenced in the header or in the subsection headings, all occurrences of “Board” will be changed to “VBOA.” The first instance of the organization name is followed by the acronym in parentheses, provided the organization will appear again in the same document.
- (d) **Virginia Society of Certified Public Accountants** – The first instance of the organization name in the ‘Policy Statement’ section will be “Virginia Society of Certified Public Accountants” and all subsequent references would be “VSCPA.” The first instance of the organization name is followed by the acronym in parentheses, provided the organization will appear again in the same document.
- (e) **Other proper nouns** – For all other proper nouns, the first instance will be the full name or title and all subsequent references will be the acronym, unless the acronym may be confused with another acronym in the same

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<sup>1</sup> Code of Virginia § 2.2-4101 defines guidance document as “any document developed by a state agency or staff that provides information or guidance of general applicability to the staff or public to interpret or implement statutes or the agency's rules or regulations, excluding agency minutes or documents that pertain only to the internal management of agencies.” Code of Virginia § 2.2-4002.1 (eff. Jan 1, 2019) specifically excludes “agency (i) rulings and advisory opinions, (ii) forms and instructions, (iii) bulletins and legislative summaries, (iv) studies and reports, and (v) internal manuals and memoranda” from the new comment requirement.

document. The first instance of the proper noun is followed by the acronym in parentheses, provided the noun will appear again in the same document.

## Global Style Change #2: Consistent citation of legal authority

The following changes are proposed:

- (a) **Code of Virginia** – Single statutes are cited as “Code of Virginia § ##-####.” Multiple non-sequential statutes are cited as “Code of Virginia §§ ##-#### and ##-####” and multiple sequential statutes as “Code of Virginia §§ ##-#### – ##-####.” Entire chapters of statutes are cited as “Code of Virginia § ##-#### *et seq.*”
- (b) **Virginia Administrative Code** – To maintain consistency with Global Style Change #1, the proposed change is to refer to regulation as “VBOA regulation 18VAC5-22-###.” If any subsection or subdivision of statute or regulation is cited, the proposed change is to use parenthesis, such as “VBOA regulation 18VAC5-22-###(##)(#).”

## Global Style Change #3: Consistent references to regulated community

Current references to the regulated community are both inconsistent across the various policies and also purport to mean something different than how those terms are defined in Code of Virginia § 54.1-4400.<sup>2</sup> The following changes have been made to make sure the guidance documents agree with one another and with the statutes:

- (a) A person holding a CPA license issued by the VBOA will be referred to as “a person who holds a Virginia license.”
- (b) An entity holding a CPA license issued by the VBOA will be referred to as “an entity that holds a Virginia license.”
- (c) Both people and entities holding licenses issued by the VBOA will be collectively referred to as “holders of a Virginia license.”
- (d) All licensed CPAs and CPA firms irrespective of the issuing agency will be referred to as “licensees.”

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<sup>2</sup> Code of Virginia § 54.1-4400 states, in relevant part:

"License of another state" means the license that is issued by the board of accountancy of a state other than Virginia that gives a person the privilege of using the CPA title in that state or that gives a firm the privilege of providing attest services, compilation services, and financial statement preparation services to persons and entities located in that state.

"Licensed" means holding a Virginia license or the license of another state.

"Licensee" means a person or firm holding a Virginia license or the license of another state.

\* \* \*

"Virginia license" means a license that is issued by the Board giving a person the privilege of using the CPA title in Virginia or a firm the privilege of providing attest services, compilation services, and financial statement preparation services to persons and entities located in Virginia.

## Global Style Change #4: Policy titles

Consistent with Global Style Change #1 discussed above, the title of “Board Policy #X” on guidance documents has been changed to “VBOA Policy #X.” Additionally, since all other text on the page is a sans serif font, the title’s title has been changed to match the font of the rest of the document. Finally, use of parentheses in titles has been removed as well.

## Global Style Change #5: Consistent references to CPE Division procedures

References to the CPE Divisions review of a given CPA’s compliance with the VBOA’s CPE regulations now consistently use “CPE compliance review” instead of “CPE audit.”

## Global Style Change #6: Consistent ‘Suppression’ statement

The suppression statement has been changed to “This VBOA policy replaces Board Policy #X that was effective on [date].” If future guidance documents are modified, then the suppression statement would read, “This VBOA Policy replaces VBOA Policy #X that was effective on [date]” since the guidance document would no longer be titled “Board Policy.”

## Global Style Change #7: Removal of ordered lists

The use of ordered lists (e.g. Roman numerals, Arabic numerals, and lettered lists) have been replaced with unordered bulleted lists, with the exception of Board Policy #9, as it outlines a sequential process, for which a ordered list is preferred.

## Global Style Change #8: Miscellaneous changes

The following changes are proposed:

- (a) Wherever possible, the use of parentheses is eliminated, either through a rewording of the affected sentence or through elimination of incidental, non-substantive material.
- (b) Usage of “that” and “which” have been corrected throughout the policies.
- (c) Because the regulations use “hours of CPE” rather than “CPE credit” or “CPE hour,” all policies referencing CPE have been updated to maintain consistency with the VBOA’s regulations.
- (d) While sponsor and provider are not defined terms, to ensure consistency, provider is used to refer to originators of CPE content (e.g. the VSCPA as the sole provider of the Virginia-Specific Ethics Course) and sponsor is used to refer to people or organizations offering CPE content.
- (e) The VBOA’s sister boards are now consistently referred to as “state boards of accountancy” to ensure the definition of “state” found in Code of Virginia § 54.1-4400 is bundled together with boards of accountancy.

## Board Policy #1: Trust Account

No substantive changes have been proposed.

## Board Policy #2: Continuing Professional Education Guidelines for Sponsors

The following changes are proposed:

- (a) Para. 1 updated to match the current language of VBOA regulation 18VAC5-22-90(A).
- (b) Para. 2 has been revised to remove references to the current sole provider, because in the event the VBOA decides either to use a vendor other than the VSCPA or to move away from a sole provider for this course, the necessary

change to the guidance document could potentially be delayed for reasons discussed above. The rewrite gives the VBOA flexibility in this area, and also identifies where the identity of the provider(s) are posted. No specific URL was provided, again because any updates to the URL would be subject to the same comment period.

- (c) Original para. 5 has been moved up to be the new para. 3, for a more logical flow of topics from sole provider → sponsors → instructors → sponsors' responsibilities regarding the course and its instructors.
- (d) New para. 5 updated to reflect current VBOA practice in that instructors have to be pre-approved just like sponsors.
- (e) New para. 6 updated to accurately capture the consequences of not taking the Virginia-Specific Ethics Course from an approved provider. While a person will not have satisfied the annual ethics requirement, the course can still be used to satisfy the 20-hour annual minimum and/or the 120-hour reporting period requirement.

### Board Policy #3: Substantially Equivalent Jurisdictions

The following changes are proposed:

- (a) The 'Authority' section has had Code of Virginia § 54.1-4409.2 added, for the reasons discussed in (c) below.
- (b) Para. 2 now refers readers to NASBA's website and commits the VBOA to providing a current hyperlink on its own website.
- (c) For paras 2 and 3, Code of Virginia §§ 54.1-4409.2 and 54.1-4411 both use phrases of the VBOA "shall determine" or "has determined" when it comes to establishing which jurisdictions are substantially equivalent to Virginia; therefore, the verb in the third paragraph for the VBOA's action has been changed to mirror this statutory language. In that same vein, "found" or "finding" has been used for NASBA's action to distinguish it from the VBOA's and to prevent the misconception that the VBOA has ceded any decision making authority to NASBA.

### Board Policy #4: Continuing Professional Education Guidelines for CPAs

Many of the changes to this guidance document are striking paraphrases or direct quotations of VBOA regulation 18VAC5-2-90 or 18VAC5-22-140. As noted in footnote 1 of this document, guidance documents are intended to explain the interpretation or implementation of statutes and regulations. Restating existing regulations—which are already cited in the 'Authority' section—is not the purpose of guidance documents. Unless the paraphrase or quotation is necessary for context, they have been removed and replaced with citations, as noted below.

The following changes are proposed:

- (a) P. 1, para. 2 has been stricken because it is not a general requirement (as identified by the heading) but rather is specific to those CPAs trying to transition their license from Active – CPE Exempt to Active. Two new paragraphs have been written to cover the general CPE requirements and to direct persons who may have different CPE requirements based on their circumstances to the appropriate subsection of regulation.
- (b) P. 1, para. 4, last sentence has been stricken because it is a paraphrase of VBOA regulation 18VAC5-22-90(F)(3) and is replaced with a citation to that regulatory provision.
- (c) P. 1, para. 5, last sentence has been added to reflect current VBOA practices and what has been communicated to regulants.
- (d) P. 2, para. 1, first sentence clarifies that the Virginia-Specific Ethics Course is required unless a person has the Active – CPE Exempt status or other waiver of the requirement.

- (e) P. 2, para. 3 has been revised to match Board Policy #2. As explained above, in the event the VBOA decides either to use a vendor other than the VSCPA or to move away from a sole provider for this course, the necessary change to the guidance document could potentially be delayed for reasons discussed above. The rewrite gives the VBOA flexibility in this area, and also identifies where the identity of the provider(s) are posted. No specific URL was provided, again because any updates to the URL would be subject to the same comment period.
- (f) P. 2, para. 7 has been revised to match Board Policy #2. As explained above, while a person will not have satisfied the annual ethics requirement, the course can still be used to satisfy the 20-hour annual minimum and/or the 120-hour reporting period requirement.
- (g) P. 3, para. 1 has largely been stricken because it is a paraphrase of VBOA regulation 18VAC5-22-90(E) and is replaced with a citation to the appropriate subsection.
- (h) P. 3, para. 2 directs readers to the appropriate subsection about restrictions on different CPE forums.
- (i) P. 3, para. 3 has been stricken as it too is a paraphrase of regulation and the citation to the appropriate subsection is in the preceding paragraph.
- (j) P. 3, para. 4 has had semester and quarter-hours stricken because it has already been addressed on the first page.
- (k) P. 4 para. 1 has been stricken because it is an incorrect paraphrase of 18VAC5-22-140 and it has already been addressed on the first page.
- (l) P. 4, para. 5 has information that is already addressed in its own section at the bottom of the same page and has been struck because it is redundant.
- (m) P. 5, paras. 1 and 2 have been struck because they are redundant of information that was already discussed on the previous page.

## Board Policy #5: Publication of Board Disciplinary Action

The following changes are proposed:

- (a) Para. 4 has been struck as it will be no longer accurate as of January 1, 2019.

## Board Policy #6: CPA and International Qualification Examinations

The following changes are proposed:

- (a) Throughout the document, “CPA exam” or “CPA Examination” have been changed to “CPA examination” to match the defined noun in Code of Virginia § 54.1-4400.
- (b) Throughout the para. 2, persons taking the CPA examination are called “exam candidates” for consistency with the VBOA’s own internal processes, website, and statutory language that associates applicants with licensure and not examination.
- (c) Para. 2 has been revised to more clearly define what counts as an attempt to pass the CPA examination.
- (d) Para. 2 has been revised to replace “Informal Fact-Finding (IFF) Hearing”—which conflates 2 separate APA processes—with a citation to the appropriate statute for an informal proceeding under the APA.

## Board Policy #7: Peer Review Oversight Committee

The following changes are proposed:

- (a) Code of Virginia § 54.1-4400 has been added to the ‘Authority’ section.

- (b) Throughout the policy, the word “peer” is paired with “review” when discussing peer review to distinguish it from the reviews being conducted by the PROC.
- (c) P. 1, para. 1 strikes the parenthetical definition because the definitional statute has been cited in the ‘Authority’ section.
- (d) P. 1, para. 1 replaces “promulgated” with “established,” based off of the AICPA’s own language in its peer review standards.
- (e) The policy’s final paragraph has been moved up to p. 1, para. 1 because the current arrangement splits the responsibility to provide a report to the VBOA from the actual contents of the report.

## Board Policy #8: Ethics Committee

The following changes are proposed:

- (a) Para. 1 has the reference to the VSCPA removed. As previously discussed under Board Policies #2 and #4, in the event the VBOA decides either to use a vendor other than the VSCPA or to move away from a sole provider for this course, the necessary change to the guidance document could potentially be delayed.
- (b) Para. 5 has the reference to the VSCPA removed and replaced with “vendor.” Additionally, to ensure necessary flexibility in the guidance document if the VBOA moves away from a sole provider, it now makes the mandatory provision conditioned on the existence of contract with a vendor.

## Board Policy #9:

The following changes are proposed:

- (a) P. 1, para. 1, first sentence has been updated to mirror statutory language about the use of the CPA title being a privilege.
- (b) P. 1, para. 1, second sentence has been updated to mirror regulatory language in subsection C of 18VAC5-22-90 regarding the person having to demonstrate such services are not being provided.
- (c) P. 1, para. 2, second sentence has changed “maintain” to “obtain” to closely align with the regulatory language.

## Board Policy #10: Electronic Participation in Virginia Board of Accountancy Meetings

The following changes are proposed:

- (a) The ‘Authority’ section has been updated to reflect the current statutory citation.
- (b) Para. 1 has been updated to reflect the current statutory citation.
- (c) Para. 2 has the third condition struck. In its current form, the list could arguably prevent a VBOA member who has a medical condition or disability from participating electronically.
- (d) Para. 3 has a new sentence to clarify that there is no statutory limit on a VBOA member participating remotely if participation is due to a medical condition or disability.<sup>3</sup>
- (e) Para. 4 clarifies that a person’s electronic participation due to a personal matter—but not due to a medical condition or disability—can be challenged.<sup>4</sup>

<sup>3</sup> Compare Code of Virginia § 2.2-3708.2(A)(1)(a), with Code of Virginia § 2.2-3708.2(A)(1)(b).

<sup>4</sup> See Code of Virginia § 2.2-3708.2(A)(2).



## VBOA Policy #1

**TITLE:**

Trust Account

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**EFFECTIVE DATE:**

[To be determined]

Deleted: April 30, 2015

**AUTHORITY:**

Code of Virginia § 54.1-4405.1

Deleted: of the Code of Virginia

**POLICY STATEMENT:**

The Trust Account provides a supplemental source of funds to the Virginia Board of Accountancy (VBOA) on a timely basis for (1) its use in the study, research, investigation or adjudication of matters involving possible violations of the provisions of Virginia accountancy statutes or Board regulations or (2) any other purpose that the VBOA determines germane to its statutory purposes.

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It is the policy of the VBOA to maintain operating funds equal to approximately three months of the operating budget. Funds exceeding this amount shall be transferred to the Trust Account on at least a quarterly basis, to include a final fund transfer by June 30 of each fiscal year if necessary.

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Annually, the VBOA shall evaluate the balance in the Trust Account to determine if a fee adjustment is necessary. The annual evaluation shall consider the VBOA's needs as it relates to the purpose for the Trust Account, and on the national climate and experiences of other state boards of accountancy.

**APPROVAL AND REVIEW:**

This VBOA policy was reviewed on [to be determined].

Deleted: Board

**SUPPRESSION:**

This VBOA policy replaces Board Policy #1 that was effective on April 30, 2015.

Deleted: April 30, 2015

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**VBOA CHAIR AT**

**LAST REVIEW:**

Susan Quaintance Ferguson, CPA

Deleted: approved

Deleted: September 18, 2012

**VBOA MEMBERS AT**

**LAST REVIEW:**

D. Brian Carson, CPA, CGMA, Vice Chair

Deleted: BOARD

Deleted: W. Barclay Bradshaw, CPA

Matthew P. Boshier

Deleted: BOARD

W. Barclay Bradshaw, CPA

Deleted: Robert J. Cochran, Ph.D., CPA, Vice Chair

William R. Brown, CPA

Stephanie S. Saunders, CPA

Laurie A. Warwick, CPA

Deleted: James M. "Jim" Holland, CPA

**EXECUTIVE DIRECTOR:**

Nancy J. Glynn, CPA

Deleted: Andrea M. Kilmer, CPA, CFF, CGMA ¶  
Marc B. Moyers, CPA

Deleted: Wade A. Jewell



## VBOA Policy #2

**TITLE:**

Continuing Professional Education Guidelines for Sponsors

**EFFECTIVE DATE:**

[To be determined]

**AUTHORITY:**

[VBOA regulation 18VAC5-22-90](#)

**POLICY STATEMENT:**

**Virginia-Specific Ethics Course CPE**

The Virginia Board of Accountancy (VBOA) requires that all [people holding a Virginia license who have not been granted an exemption or waiver to](#) complete on an annual basis a Virginia-Specific Ethics Course that complies with [VBOA regulation 18VAC5-22-90](#) and [VBOA Policy #4](#). The required annual ethics course must be completed no later than January 31 of each year to meet the previous calendar-year requirement. [No](#) sponsor may provide the annual ethics course later than January 31 for the previous calendar year.

The [VBOA may contract with one or more vendors to provide the](#) content/material for the Virginia-Specific Ethics Course, [under the provisions of the Virginia Public Procurement Act \(Code of Virginia § 2.2-4300 et seq.\)](#). The ethics course content/material must follow an annual outline approved by the [VBOA](#). [The VBOA will post on its website the selected provider\(s\) of the content/material for the Virginia-Specific Ethics Course.](#)

[Sponsors desiring to provide the Virginia-Specific Ethics Course must:](#)

- [Obtain the course contents/materials from the provider\(s\) selected by the VBOA](#)
- [Be pre-approved annually by VBOA staff as a sponsor of this course](#)
- [Be listed on the VBOA's website as an approved sponsor of this course](#)
- [Submit all course and evaluation comments to the VBOA within 60 days of receipt](#)

The course must be instructor-led but may be presented in a variety of different formats including, but not limited to, live seminars, conference sessions, online self-study presented by an instructor, live webcast and webcast replays, on-demand webcast and in-house training.

[All](#) instructors of the Virginia-Specific Ethics Course must hold an [active](#) Virginia license [that is in good standing and must be pre-approved on an annual basis to instruct the Virginia-Specific Ethics Course.](#)

[Sponsors](#) will be required to demonstrate their compliance with the [VBOA's](#) policy on content/material and instructor requirements prior to approval. Sponsors not pre-approved annually by [VBOA](#) staff will not be recognized by the [VBOA](#) as an acceptable Virginia-Specific Ethics Course [sponsor](#). [A person who holds a Virginia license](#) will not be [deemed to have met the annual ethics requirement if they complete](#) a Virginia-Specific Ethics Course from a non-approved sponsor.

**Sponsors providing CPE other than the Virginia-Specific Ethics Course**

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Be pre-approved annually by Board staff as a provider of this course¶

• Be listed on the Board's website as an approved provider of this course¶

**POLICY STATEMENT, con't:** • Submit all course and evaluation comments to the Board within 60 days of receipt¶

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With the exception of the Virginia-Specific Ethics Course, the VBOA does not maintain agreements with sponsors, pre-qualify sponsors or individual courses, or require a person who holds a Virginia license to obtain CPE from specific sponsors. Sponsors are encouraged to comply with the Statement on Standards for CPE Programs issued jointly by the American Institute of Certified Public Accountants (AICPA) and National Association of State Boards of Accountancy (NASBA).

The VBOA generally accepts relevant and qualifying CPE from the following sponsors:

- National Registry of CPE Sponsors in affiliation with NASBA
- Quality Assurance Service in affiliation with NASBA
- Accredited college or university offering semester or quarter-hour credits
- Employer of a CPA
- Federal, state or local government
- State CPA society
- AICPA

The VBOA may accept hours of CPE from other sponsors. However, CPE obtained from sponsors not listed above may be subject to further examination and additional documentation requirements.

At a minimum, sponsors must provide licensees a certificate of completion or some other form of documentation that includes the sponsor's name, participant's name, course/content name, date taken and hours of CPE earned.

This VBOA policy was reviewed on [to be determined].

This VBOA policy replaces Board Policy #2 that was effective on December 11, 2015.

APPROVAL AND REVIEW:

SUPPRESSION:

VBOA CHAIR AT

LAST REVIEW:

VBOA MEMBERS AT

LAST REVIEW:

EXECUTIVE DIRECTOR:

Susan Quaintance Ferguson, CPA

D. Brian Carson, CPA, CGMA, Vice Chair

Matthew P. Boshier

W. Barclay Bradshaw, CPA

William R. Brown, CPA

Stephanie S. Saunders, CPA

Laurie A. Warwick, CPA

Nancy J. Glynn, CPA

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**Deleted:** Marc B. Moyers, CPA, Vice Chair

**Deleted:** D. Brian Carson, CPA, CGMA

**Deleted:** Susan Quaintance Ferguson, CPA

**Deleted:** James M. "Jim" Holland, CPA

**Deleted:** Andrea M. Kilmer, CPA, CFF, CGMA

**Deleted:** Wade A. Jewell

## VBOA Policy #3

**TITLE:**  
**EFFECTIVE DATE:**  
**AUTHORITY:**  
**POLICY STATEMENT:**

**Substantially Equivalent Jurisdictions**

[To be determined]

Code of Virginia §§ 54.1-4409.2 and 54.1-4411

Under Section 23 of the Uniform Accountancy Act (“UAA”), a licensee in good standing from a jurisdiction with CPA licensing requirements that are substantially equivalent to those outlined in the UAA (degree with 150 hours, minimum one year experience and completion of the Uniform CPA Examination) may be granted a privilege to practice in another jurisdiction that is not the CPA’s principal place of business.

The National Qualification Appraisal Service of the National Association of State Boards of Accountancy (NASBA) has reviewed the CPA licensure requirements of Virginia Board of Accountancy and has found that Virginia is substantially equivalent to the licensure requirements of the UAA. [These findings are posted on NASBA’s website, and the VBOA’s website provides a hyperlink to these findings.](#)

The VBOA has determined that the jurisdictions found by NASBA to be substantially equivalent to the UAA are substantially equivalent to Virginia’s requirements, with the following exceptions:

- If the jurisdiction is listed on the NASBA webpage as substantially equivalent with one asterisk, the jurisdiction is deemed substantially equivalent only if the licensee holds an active CPA license/permit with that jurisdiction.
- If the jurisdiction is listed on the NASBA webpage as substantially equivalent with two asterisks, the jurisdiction is not deemed substantially equivalent.

**APPROVAL AND REVIEW:**

This VBOA policy was reviewed on [to be determined].

**SUPPRESSION:**

This VBOA policy replaced Board Policy #3 that was effective on September 18, 2012.

**VBOA CHAIR AT LAST REVIEW:**

[Susan Quaintance Ferguson, CPA](#)

**VBOA MEMBERS AT LAST REVIEW:**

[D. Brian Carson, CPA, CGMA, Vice Chair](#)

Matthew P. Boshier

[W. Barclay Bradshaw, CPA](#)

[William R. Brown, CPA](#)

Stephanie S. Saunders, CPA

[Laurie A. Warwick, CPA](#)

**EXECUTIVE DIRECTOR:**

[Nancy J. Glynn, CPA](#)

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Deleted: Wade A. Jewell

## VBOA Policy #4

**TITLE:**

Continuing Professional Education Guidelines for CPAs

**EFFECTIVE DATE:**

[To be determined]

**AUTHORITY:**

Code of Virginia §§ 54.1-4409.2 and 54.1-4413.2 and VBOA regulations 18VAC5-22-90 and 18VAC5-22-140

**POLICY STATEMENT:**

Specific CPE requirements of the Virginia Board of Accountancy (VBOA) are listed in the authority sections named above. This policy details the CPE guidelines approved by the VBOA.

### General guidelines

Persons who hold a Virginia license must obtain 120 hours of CPE during a rolling three-calendar-year reporting period. For each calendar year within the reporting period, the person must obtain a minimum of 20 hours of CPE that must include the two-hour Virginia-Specific Ethics Course. If the person releases or authorizes the release of reports on attest services, compilation services, or financial statement preparation services during the calendar year, the person must obtain a minimum of eight hours of CPE related to those services in that same calendar year, which are included as part of the annual minimum and reporting period minimum.

CPE requirements for persons who have been newly issued a Virginia licenses can be found in VBOA regulation 18VAC5-22-90(B). CPE requirements for a person wishing to reinstate a Virginia license or wishing to transition the status of their Virginia license from Active – CPE Exempt back to Active can be found in VBOA regulation 18VAC5-22-90(C).

The VBOA recognizes that 50 minutes of CPE participation equals one hour of CPE. Conversion of semester hours or quarter hours from an accredited college or university into hours of CPE can be found in VBOA regulation 18VAC5-22-90(F)(3). CPE requirements may be adjusted depending upon when a person who holds a Virginia license begins or ceases to provide services to the public or to or on behalf of an employer in accordance with VBOA regulation 18VAC5-22-90. Specific questions may be addressed by contacting the VBOA. All persons who hold a Virginia license have until January 31 to complete the previous calendar year's CPE requirements.

### Virginia-Specific Ethics Course

The VBOA requires that all people who hold a Virginia license complete on an annual basis a Virginia-Specific Ethics Course that complies with VBOA regulation 18VAC5-22-90, unless the person has been granted the Active – CPE Exempt status for their Virginia license or the VBOA has granted a waiver of this requirement. The two-hour Virginia-Specific Ethics Course is a separate and distinct annual requirement from the one-time American Institute of Certified Public Accountants ethics course needed for initial licensure.

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**Deleted:** Board Regulation 18VAC5-22-90 requires licensees who are not currently performing any services and who resume providing services to the public or to or on behalf of an employer to first obtain at least 120 hours of CPE prior to providing those services. The 120 hours must include a two-hour Virginia-Specific Ethics Course (an annual requirement - see below).

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**Deleted:** One semester hour of credit for courses at an accredited college or university constitutes 15 hours of CPE and one quarter-hour of credit constitutes 10 hours of CPE.

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People who hold a Virginia license must complete this course no later than January 31 of each year to meet the previous calendar-year requirement. No sponsor may provide the annual ethics course later than January 31 for the previous calendar year.

The VBOA may contract with one or more vendors to provide the content/material for the Virginia-Specific Ethics Course, under the provisions of the Virginia Public Procurement Act (Code of Virginia § 2.2-4300 et seq.). The ethics course content/material must follow an annual outline approved by the VBOA. The VBOA will post on its website the selected provider(s) of the content/material for the Virginia-Specific Ethics Course.

The course must be instructor-led but may be presented in a variety of different formats including, but not limited to, live seminars, conference sessions, online self-study presented by an instructor, live webcast and webcast replays, on-demand webcast and in-house training.

It is the responsibility of a person who holds a Virginia license to ensure that sponsors providing the Virginia-Specific Ethics Course are listed on the VBOA's website as an approved sponsor of this course.

People who hold a Virginia license must also ensure that sponsors provide a certificate of completion or some other form of documentation that includes the sponsor's name, participant's name, course/content name, date taken and hours of CPE earned.

If a person who holds a Virginia license is not satisfied with the content of the course or the instructor, the person is encouraged to contact the VBOA. A person who holds a Virginia license will not be deemed to have met the annual ethics requirement if they complete a Virginia-Specific Ethics Course from a non-approved sponsor.

**Qualifying CPE other than the Virginia-Specific Ethics Course**

It is the intent of the VBOA that all CPE (1) meet the requirements of VBOA regulations 18VAC5-22-90 and 18VAC5-22-140; (2) provide course content pertinent to the profession; and (3) assist the person who holds a Virginia license in becoming a better accounting professional. The VBOA accepts CPE obtained through a variety of forums, providing that the person who holds a Virginia license is able to demonstrate that learning objectives were met.

A variety of continuing professional education is acceptable, as specified in VBOA regulation 18VAC5-22-90(E).

The VBOA will determine on a case-by-case basis the acceptability of other forums for CPE not otherwise specified in regulation. Restrictions on specific forums for CPE are found in VBOA regulation 18VAC5-22-90(F).

The VBOA has also approved that Continuing Education (CE), Continuing Education Units (CEU), Continuing Legal Education (CLE), Continuing Medical Education (CME), and Quality Assurance Service (QAS) are acceptable as hours of CPE.

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  - Attending a seminar or educational conference: Instructors must have up-to-date knowledge of the subject matter and use appropriate teaching materials. Attendance should be monitored in a manner that can be verified by the VBOA. ¶
  - . Earning course credit at an accredited college or university. ¶
  - Completing a self-study course: Licensee must be able to demonstrate that learning . objectives were met. ¶
  - Making a presentation: The licensee may present at a professional seminar, . educational conference or classroom setting, provided that up-to-date knowledge of the subject matter is ...
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With the exception of the Virginia-Specific Ethics Course, the VBOA does not currently require people who hold a Virginia license to obtain CPE from specific or approved sponsors.

**CPE reporting period**

The VBOA uses a rolling three calendar-year period to determine CPE compliance. This period includes the three calendar-years prior to the current calendar-year. For example, if asked by the VBOA to produce evidence of CPE compliance, submit such evidence for the three calendar-years prior to the current calendar-year.

**CPE compliance reviews**

On a monthly basis the VBOA randomly selects people who hold a Virginia license for CPE compliance. The VBOA will notify licensees selected for a CPE compliance review. If selected, a person will be required to submit acceptable CPE documentation to verify compliance through a means determined by the VBOA. As a function of this CPE review process, a person may be required to provide additional documentation as requested by the VBOA to support compliance.

In addition to the random selection process, people who hold a Virginia license will also be selected for a CPE compliance review as a component of any open investigation or enforcement case or in situations where the VBOA believes that a CPE compliance review is warranted.

People who hold a Virginia license should not submit CPE documentation during the annual renewal process unless specifically requested by the VBOA.

**CPE documentation requirements**

Required documentation can generally be satisfied by providing:

- Certificates of completion or some other form of documentation from the CPE sponsor(s) including the sponsor(s) name, participant's name, course/content name, date taken and hours of CPE earned.
- Official transcript of the college or university for earning course credit at an accredited college or university.
- Syllabus/agenda and signed statement indicating the length of the presentation when making a presentation.
- Copy of published article, book or written material (or proof of publication) when producing written material relevant to CPAs who provide services to the public or to or on behalf of an employer.

The VBOA has restrictions on the types of documentation it regards as acceptable. The VBOA will not accept receipts, registration confirmations, canceled checks, outlines, PowerPoint presentations or sign-in sheets, etc., as valid CPE documentation.

**Retention requirements for CPE documentation**

People who hold a Virginia license must retain CPE documentation for the four calendar-years preceding the current calendar-year.

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**Deleted:** In addition, pursuant to Board Regulation 18VAC5-22-140, individuals who release or authorize the release of reports on attest or compilation services provided for persons or entities located in Virginia must obtain on an annual basis a minimum of eight hours of CPE related to attest or compilation services.¶

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**CPE violations**

As the result of a CPE compliance review, the VBOA may find that a [person who holds a Virginia license](#) has violated the CPE requirements during the reporting period. In such cases, enforcement action may be taken and the [person](#) will generally be offered a consent [order](#) and be subject to disciplinary action.

A [person who holds a Virginia license](#) may also determine on their own, outside of a CPE compliance review, that they are deficient in CPE for a specific reporting period. The [person](#) should notify the VBOA immediately when it is determined that a CPE deficiency has occurred.

In accordance with [VBOA regulation 18VAC5-22-90\(G\)](#), depending on the facts and circumstances, the VBOA may waive all or part of the CPE requirement for one or more calendar-years or grant additional time for complying with the CPE requirement, provided that the waiver or deferral is in the public interest. However, requests for a waiver or a deferral must generally be received in advance of the deadline for CPE completion. It is the policy of the VBOA that such waivers or deferrals generally be considered only in situations resulting from extreme medical hardship or active military deployment.

Requests for a waiver or deferral made under this section will be considered on a case-by-case basis. Such approvals are rare.

**APPROVAL AND REVIEW:**

This [VBOA](#) policy was reviewed on [\[to be determined\]](#).

**SUPPRESSION:**

This [VBOA](#) policy replaces Board Policy #4 [that was approved on March 8, 2018](#).

**VBOA CHAIR AT**

**LAST REVIEW:**

[Susan Quaintance Ferguson, CPA](#)

**VBOA MEMBERS AT**

**LAST REVIEW:**

[D. Brian Carson, CPA, CGMA, Vice Chair](#)

[Matthew P. Boshier](#)

[W. Barclay Bradhsaw, CPA](#)

William R. Brown, CPA

[Stephanie S. Saunders, CPA](#)

Laurie A. Warwick, CPA

**EXECUTIVE DIRECTOR:**

[Nancy J. Glynn, CPA](#)

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**Deleted:** Susan Quaintance Ferguson, CPA, Vice Chair

**Deleted:** D. Brian Carson, CPA, CGMA¶  
Andrea M. Kilmer, CPA, CFF, CGMA¶

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## VBOA Policy #5

**TITLE:**

**EFFECTIVE DATE:**

**AUTHORITY:**

**POLICY STATEMENT:**

**APPROVAL AND REVIEW:**

**SUPPRESSION:**

**BOARD CHAIR AT LAST REVIEW:**

**BOARD MEMBERS AT LAST REVIEW:**

**EXECUTIVE DIRECTOR:**

Publication of Disciplinary Action

[To be determined]

Code of Virginia §§ 54.1-4402, 54.1-4403, 54.1-4413.3, 54.1-4413.4 and 54.1-4414

It is the policy of the Virginia Board of Accountancy (VBOA) to publish the information of licensees against whom the VBOA has taken a disciplinary action resulting in suspensions and revocations, and for other professional violations.

The VBOA publishes information of persons who hold a Virginia license who are found to be deficient in hours of CPE in the event of a previous CPE deficiency or previous professional violation, or when disciplinary action results in suspension.

The VBOA also publishes information of unlicensed individuals and entities against whom the VBOA has taken a disciplinary action.

This Board policy was reviewed on [to be determined].

This VBOA policy replaces Board Policy #5 that was effective on November 10, 2016.

Susan Quaintance Ferguson, CPA

D. Brian Carson, CPA, CGMA, Vice Chair

Matthew P. Boshier

W. Barclay Bradshaw, CPA

William R. Brown, CPA

Stephanie S. Saunders, CPA

Laurie A. Warwick, CPA

Nancy J. Glynn, CPA

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## VBOA Policy #6

TITLE:

CPA and International Qualification Examinations

EFFECTIVE DATE:

[To be determined]

AUTHORITY:

Code of Virginia §§ 54.1-4403 and 54.1-4409.2 and [VBOA regulation](#) 18VAC5-22-80

POLICY STATEMENT:

The [Virginia Board of Accountancy \(VBOA\)](#) approves the following aspects of the CPA [examination](#) and International Qualification Examination:

1. Recognition of the Uniform CPA Examination developed by the American Institute of [Certified Public Accountants \(AICPA\)](#) as the only examination acceptable for CPA licensure in Virginia
2. Recognition of the International Qualification Examination (IQEX) developed by the International Qualification Appraisal Board, a joint body of the AICPA and [National Association of State Boards of Accountancy \(NASBA\)](#), as the only international examination acceptable for those who qualify for CPA licensure in Virginia
3. Recognition of the AICPA's psychometrically developed standard-setting procedure for determining a uniform grade on each section of the [CPA examination](#) and the IQEX
4. Recognition of a minimum passing score of 75 on each section of the [CPA examination](#) and the IQEX
5. Recognition of the examination score as official for each section of the [CPA examination](#) and the IQEX as determined by the AICPA and transmitted to NASBA
6. Recognition of the candidate misconduct guidelines relative to the [CPA examination](#) and the IQEX as defined in the Candidate Bulletin and the IQEX Candidate Bulletin produced by the AICPA, NASBA and Prometric

[Virginia exam candidates must pass the CPA examination in 40 or fewer attempts. Each administration of the CPA examination that the exam candidate sits for, regardless of the number of sections taken by the exam candidate, counts as a single attempt.](#) Based on facts and circumstances (to include but not limited to the number of sections passed, number of current exam section credits and scores) [and at the discretion of the Executive Director, exam candidates who have not passed after 40 attempts](#) will be required to [participate in a proceeding held pursuant to Code of Virginia § 2.2-4019](#) to present evidence of their intent to pass the [CPA examination](#). The [VBOA](#) will determine if the [exam candidate](#) will be permitted to continue sitting for the [CPA examination](#).

APPROVAL AND REVIEW:

This [VBOA](#) policy was reviewed on [\[to be determined\]](#).

SUPPRESSION:

This [VBOA](#) policy replaces Board Policy #6 [that was effective on April 30, 2015](#).

[VBOA CHAIR AT](#)

LAST REVIEW:

[Susan Quaintance Ferguson, CPA](#)

[VBOA MEMBERS AT](#)

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**Deleted:** In fulfilling its mission to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms, the Board shall ensure that exam applicants demonstrate competence and integrity (§ 54.1-4403). Per Board Regulation 18VAC5-22-80(C)(4), the Board may postpone scheduled CPA examinations, the release of grades, or the issuance of licenses for any other reasonable circumstances. Therefore, it shall be the policy of the Board to review an exam applicant's record for applicants that have taken combined sections of the exam more than 40 times

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**Deleted:** W. Barclay Bradshaw, CPA

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**LAST REVIEW:**

[D. Brian Carson, CPA, CGMA](#)

Matthew P. Boshier

[W. Barclay Bradshaw, CPA](#)

[William R. Brown, CPA](#)

[Stephanie S. Saunders, CPA](#)

[Laurie A. Warwick, CPA](#)

**EXECUTIVE DIRECTOR:**

[Nancy J. Glynn, CPA](#)

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Chair

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Marc B. Moyers, CPA

**Deleted:** Wade A. Jewell

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## VBOA Policy #7

**TITLE:**  
**EFFECTIVE DATE:**  
**AUTHORITY:**  
**POLICY STATEMENT:**

Peer Review Oversight Committee

[To be determined]

Code of Virginia §§ 54.1-4400, 54.1-4403, 54.1-4412.1 and 54.1-4413.3 and VBOA regulation 18VAC5-22-150

The Virginia Board of Accountancy (VBOA) shall establish and maintain the Peer Review Oversight Committee (PROC) for the purpose of:

- Monitoring sponsoring organizations to provide reasonable assurance that peer reviews are being conducted and reported in accordance with Standards for Performing and Reporting on Peer Reviews established by the American Institute of Certified Public Accountants (AICPA) Peer Review Board.
- Reviewing the policies and procedures of sponsoring organization applicants as to their conformity with the AICPA peer review standards.
- Reporting to the VBOA annually on the conclusions and recommendations reached as a result of performing the functions described above and on whether the VBOA may continue to rely upon sponsoring organizations' peer reviews. The PROC report shall provide reasonable assurance that peer reviews are being conducted and reported on consistently and in accordance with the AICPA peer review standards. A summary of oversight visits performed by the PROC shall be included with the annual report.

Information concerning a specific firm or peer reviewer obtained by the PROC during oversight activities shall be confidential and the firm's or peer reviewer's identity shall not be reported to the VBOA. Reports submitted to the VBOA will not contain information concerning specific firms or peer reviewers. Members of the PROC will be required to execute a confidentiality statement for the sponsoring organization that they review.

The PROC shall consist of one or more persons appointed by the VBOA, who hold an active Virginia license. No member of the PROC shall be current members of the VBOA or one of its committees; the Virginia Society of Certified Public Accountants' (VSCPA) Board of Directors, Peer Review or Professional Ethics Committee, or the AICPA's Peer Review Board or the Professional Ethics Executive Committee, including any subcommittees. The PROC members should have extensive experience in accounting and auditing and currently or recently be in the practice of public accountancy at the partner level or an otherwise appropriate level as determined by the VBOA, and shall be members of the VSCPA and the AICPA. The PROC member's current or former firm must have received a report with a rating of pass from its last peer review. PROC members shall be in good standing with all governing bodies including state boards of accountancy. The PROC member will be reimbursed for travel expenses in accordance with state travel guidelines.

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PROC members shall generally serve a term of three years, with an option requiring approval by the VBOA for a second 3-year term. Terms may be modified to ensure continuity and rotation of PROC members. The VBOA reserves the right to terminate and/or modify member terms as necessary.

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The PROC shall make an annual recommendation to the VBOA as to the qualifications of an approved sponsoring organization to continue as an approved sponsoring organization on the basis of the results of the following procedures:

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- Where the sponsoring organization is the AICPA, state CPA societies other than Virginia fully involved in the administering AICPA Peer Review Program, or the Public Company Accounting Oversight Board, PROC shall review the published reports of those entities or successors, to determine that there is an acceptable level of oversight. A member of the PROC shall participate in the AICPA Peer Review Board open sessions and the National Association of State Boards of Accountancy Compliance Assurance Committee meetings.

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- With respect to the VSCPA's Peer Review Committee (PRC), PROC shall perform the following functions:

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- A member of the PROC shall attend selected meetings of the PRC, including the meeting where the AICPA Peer Review Board Oversight Task Force presents its results. Certain PRC meetings may be conducted via telephone. In those instances, the PROC member may join the conference call.

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- During such visits, the PROC member shall:

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- Meet with the PRC during the committee's consideration of peer review documents.

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- Evaluate the VSCPA's procedures for administering the peer review program.

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- Examine, on the basis of a random selection, a number of peer reviews accepted by the PRC to include, at a minimum, a review of the report on the peer review, the firm's response to the matters discussed, the PRC's letter of acceptance outlining any additional corrective or monitoring procedures, and the required technical documentation maintained by the PRC on the selected peer reviews.

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- Expand the examination of peer review documents if significant deficiencies, problems or inconsistencies are encountered during the analysis of the materials.

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In the evaluation of policies and procedures of the VSCPA, the PROC shall:

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- Examine the policies as drafted by the VSCPA to determine that they provide reasonable assurance of conforming with the AICPA peer review standards.

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- Evaluate the procedures enacted by the VSCPA to determine that:

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- Assigned peer reviewers are appropriately qualified to perform the peer review for the specific firm.

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- Peer reviewers are using appropriate materials.

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- The PRC has provided for consulting with the [peer](#) reviewers on problems arising during the [peer](#) review and that specified occurrences requiring consultation are outlined.
- The PRC has provided for the assessment of the results of the [peer](#) review.
- The PRC has provided for an independent report acceptance body that considers and accepts the reports of the [peer](#) review and requires corrective actions by firms with significant deficiencies.
- The VSCPA has a biennial oversight visit and subsequent report issued by the AICPA Peer Review Board Oversight Task Force.

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**APPROVAL AND REVIEW:**

This [VBOA](#) policy was reviewed on [\[to be determined\]](#).

**SUPPRESSION:**

This [VBOA](#) policy replaces Board Policy #7 [that was effective](#) on [June 30, 2015](#).

**VBOA CHAIR AT**

**LAST REVIEW:**

[Susan Quaintance Ferguson, CPA](#)

**VBOA MEMBERS AT**

**LAST REVIEW:**

[D. Brian Carson, CPA, CGMA](#)

Matthew P. Boshier

[W. Barclay Bradshaw, CPA](#)

[William R. Brown, CPA](#)

Stephanie S. Saunders, CPA

[Laurie A. Warwick](#)

**EXECUTIVE DIRECTOR:**

[Nancy J. Glynn, CPA](#)

**Deleted:** (VII) Annually the PROC shall provide the VBOA with a report on the continued reliance of sponsoring organizations' peer reviews. The PROC report shall provide reasonable assurance that peer reviews are being conducted and reported on consistently and in accordance with the Standards for Performing and Reporting on Peer Reviews (the Standards) promulgated by the AICPA Peer Review Board. A summary of oversight visits shall be included with the annual report.¶

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**Deleted:** June 30, 2015

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**Deleted:** May 27, 2014

**Deleted:** BOARD

**Deleted:** W. Barclay Bradshaw, CPA

**Deleted:** BOARD

**Deleted:** Robert J. Cochran, Ph.D., CPA, Vice Chair

**Deleted:** James M. "Jim" Holland, CPA

**Deleted:** Andrea M. Kilmer, CPA, CFF, CGMA

**Deleted:** Marc B. Moyers, CPA¶

**Deleted:** Wade A. Jewell

## VBOA Policy #8

TITLE:

Ethics Committee

EFFECTIVE DATE:

[To be determined]

AUTHORITY:

Code of Virginia §§ 54.1-4409.1, 54.1-4409.2 and 54.1-4413.2 and VBOA regulation 18VAC5-22-90

POLICY STATEMENT:

The Virginia Board of Accountancy (VBOA) shall establish and maintain the Ethics Committee for the purpose of:

- Working with the VBOA member liaison and VBOA staff to develop a proposed outline for the following years Virginia-Specific Ethics Course, for presentation to the VBOA
- Reviewing the previous years' Virginia-Specific Ethics Course content/material and making comments and/or recommendations for the VBOA's consideration
- Reviewing summary comments from Virginia-Specific Ethics Course participants regarding content/material and/or instruction, and making comments and/or recommendations for the VBOA's consideration

The Ethics Committee shall consist of three or more persons, approved by the VBOA, who hold active Virginia licenses. No member of the Ethics Committee shall be current members of the VBOA or the Virginia Society of Certified Public Accountants' Board of Directors. Ethics Committee members shall be in good standing with all governing bodies including state boards of accountancy. The Ethics Committee member will be reimbursed for travel expenses in accordance with state travel guidelines.

Ethics Committee members shall generally serve a term of three years, with an option requiring approval by the VBOA for a second three-year term. Terms may be modified to ensure continuity and rotation of Ethics Committee members. The VBOA reserves the right to terminate and/or modify member terms as necessary.

The Ethics Committee shall meet at least annually to develop and make a recommendation to the VBOA for a proposed outline for the next year's Virginia-Specific Ethics Course.

If the VBOA has contracted with a vendor to be the provider of content/material for the Virginia-Specific Ethics Course, the VBOA shall annually provide the vendor the approved Virginia-Specific Ethics Course outline for the next year's course generally after the October VBOA meeting.

APPROVAL AND REVIEW:

This VBOA policy was reviewed on [to be determined].

SUPPRESSION:

This VBOA policy replaces Board Policy #8 that was effective on December 11, 2015.

VBOA CHAIR AT

LAST REVIEW:

Susan Quaintance Ferguson, CPA

Deleted: Board

Deleted: December 11, 2015

Deleted: §§ 54.1-4409.1, 54.1-4409.2 and 54.1-4413.2 of the Code of Virginia and Board Regulation

Deleted: (I)

Deleted: (A) Working with the Board member liaison and Board staff to develop a proposed outline for the following years Virginia-Specific Ethics Course, for presentation to the Board

Deleted: (B) Reviewing the previous years' Virginia-Specific Ethics Course content/material developed by the Virginia Society of CPAs (VSCPA) and making comments and/or recommendations for Board

Deleted: (C) Reviewing summary comments from Virginia-Specific Ethics Course participants regarding content/material and/or instruction, and making comments and/or recommendations for Board

Deleted: (II) The Ethics Committee shall consist of three or more members, approved by the Board, who are active licensed Virginia CPAs. No member of the Ethics Committee shall be current members of the Board or the Virginia Society of Certified Public Accountants'

Deleted: (III) Ethics Committee Member Terms: Members shall generally serve a term of three years, with an option requiring approval by the Board for a second three-year term. Terms may be modified to ensure continuity and rotation of Ethics Committee members. The Board

Deleted: (IV) The Ethics Committee shall meet at least annually to develop and make a recommendation to the Board for a proposed outline for the following years

Deleted: (V) If the VBOA has contracted with a vendor to be the provider of content/material for the Virginia-Specific Ethics Course, the Board shall annually provide the VSCPA vendor the approved Virginia-Specific Ethics

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Deleted: BOARD

Deleted: Stephanie S. Saunders, CPA

**VBOA MEMBERS AT**

**LAST REVIEW:**

[D. Brian Carson, CPA, CGMA, Vice Chair](#)

Matthew P. Boshier

[W. Barclay Bradshaw, CPA](#)

[William R. Brown, CPA](#)

[Stephanie S. Saunders, CPA](#)

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**EXECUTIVE DIRECTOR:**

[Nancy J. Glynn, CPA](#)

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**Deleted: Andrea M. Kilmer, CPA, CFF, CGMA**

**Deleted: Wade A. Jewell**

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## VBOA Policy #9

TITLE:

Active – CPE Exempt Status Procedure for Approval/Denial/Appeal

EFFECTIVE DATE:

[To be determined]

AUTHORITY:

Code of Virginia § 54.1-4409.1(B) of the Code of Virginia and [VBOA regulation](#) 18VAC5-22-90(C)

POLICY STATEMENT:

A person who holds a Virginia license with the status of Active – CPE Exempt has an active license and has the privilege of using the CPA title. However, the person has demonstrated to the Virginia Board of Accountancy (VBOA) that they are not currently providing services, including on a volunteer basis, to the public (providing services that are subject to the guidance of the standard-setting authorities listed in the standards of conduct and practice in [subsections 5 and 6 of § 54.1-4413.3](#)) or to an employer (providing to an entity services that require the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the [VBOA](#)) and therefore is not required to meet the [VBOA's](#) CPE requirements.

Persons who hold a Virginia license must proactively apply for this status by submitting a [Change of License Status Request Form](#) (Active to Active – CPE Exempt) to the VBOA. Persons not approved for this status are required to obtain CPE in accordance with [VBOA](#) statutes and regulations and will not be exempt from CPE requirements if [subject to a CPE compliance review](#).

Procedure for approval/denial/appeal of Active – CPE Exempt status includes:

1. Application form must be submitted to the VBOA.
2. Upon receipt of form and supporting documentation if applicable, the Deputy Director for Operations or Executive Director makes the determination to approve or deny status change.
3. If approved by staff, the status is changed and the person is informed of the change.
4. If denied by staff, the person is informed of denial.
5. As part of the staff approval process, staff may have questions regarding a specific type of experience presented on an application that could affect the determination of the Active – CPE Exempt status. In such cases, staff may ask the [VBOA](#) Chair or designee, excluding the Enforcement Committee Chair, for determination.
  - a. If approved by a [VBOA](#) member, the status is changed and the person is informed of change.
  - b. If denied by a [VBOA](#) member, the person is informed of denial.
6. Following initial denial of the Active – CPE Exempt status pursuant to #4 or #5b above, the person may appeal the decision and may present additional documentation to assist the [VBOA](#) in making a determination.
7. If an appeal is made after the request is denied by staff pursuant to #4 above, the [VBOA](#) Chair or designee will make the final determination of status.
  - a. If approved by [VBOA](#) Chair or designee, the status is changed and the person is informed of change.

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Deleted: Virginia CPAs...ersons who hold a Virginia license must proactively apply for this status by submitting a [Change of License Status Request Form](#) (Active to Active – CPE Exempt) to the VBOA. Virginia CPAs...ersons not approved for this status are required to maintain ...btain CPE in accordance with Board ...BOA statutes and regulations and will not be exempt from CPE requirements if audited

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- b. If denied by vBOA Chair or designee, the person is informed of denial and that no further appeals are available.
- 8. If an appeal is made after the request is denied by a vBOA member pursuant to #5b, above, the vBOA's Enforcement Committee Chair or designee will make the final determination of status.
  - a. If approved by the Enforcement Committee Chair, the status is and the person is informed of change.
  - b. If denied by the Enforcement Committee Chair, the person is informed of denial and that no further appeals are available.

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**APPROVAL AND REVIEW:**

This Board policy was reviewed on [to be determined].

Deleted: March 8, 2018

**SUPPRESSION:**

This vBOA policy replaces Board Policy #8 that was effective on March 8, 2018.

Deleted: Board

**vBOA CHAIR AT**

**LAST REVIEW:**

Susan Quaintance Ferguson, CPA

Deleted: April 30, 2015

Deleted: BOARD

**vBOA MEMBERS AT**

**LAST REVIEW:**

D. Brian Carson, CPA, CGMA, Vice Chair

Matthew P. Boshier

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Deleted: Susan Quaintance Ferguson, CPA, Vice Chair

**EXECUTIVE DIRECTOR:**

Nancy J. Glynn, CPA

Deleted: D. Brian Carson, CPA, CGMA¶  
Andrea M. Kilmer, CPA, CFF, CGMA¶

Deleted: Wade A. Jewell

## VBOA Policy #10

Deleted: Board

**TITLE:**

**Electronic Participation in Virginia Board of Accountancy Meetings**

**EFFECTIVE DATE:**

[To be determined]

Deleted: November 7, 2017

**AUTHORITY:**

Code of Virginia § 2.2-3708.2

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**POLICY STATEMENT:**

It is the policy of the Virginia Board of Accountancy (VBOA) that individual VBOA members may participate in meetings of the VBOA by electronic communication means as permitted by Code of Virginia § 2.2-3708.2. This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

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Whenever an individual member is to participate from a remote location that is not open to the public, the following conditions must be present:

- A quorum of the VBOA must be physically assembled at the primary or central meeting location.
- There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
- The reason that the member is unable to attend the meeting and the remote location from which the member participates must be recorded in the meeting minutes.

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Deleted: 3. The individual participation must be in an event of a personal matter.

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In the event that a VBOA member participates electronically due to a personal matter, such electronic participation is limited by law to two meetings each calendar year. There is no statutory limit on the number of meetings in which a VBOA member may participate electronically if the member's lack of physical attendance is due to a temporary or permanent disability or other medical condition.

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**Automatic approval with vote if challenged**

Individual participation from a remote location due to a personal matter shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act (Code of Virginia § 2.2-3800 et seq.). If a member's participation from a remote location due to a personal matter is challenged, then the VBOA shall vote whether to allow such participation and the results of such vote shall be recorded in the minutes with specificity.

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**APPROVAL AND REVIEW:**

This VBOA policy was reviewed on [to be determined].

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Deleted: November 7, 2017

**SUPPRESSION:**

This VBOA policy replaces Board Policy #10 that was effective on November 7, 2017.

Deleted: Board

Deleted: April 30, 2015

**VBOA CHAIR AT**

**LAST REVIEW:**

Susan Quintance Ferguson, CPA

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Deleted: Matthew P. Boshier

**VBOA MEMBERS AT**

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**LAST REVIEW:**

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