



Tuesday, April 30, 2019

Board Meeting Agenda

Board Room #1
 2nd Floor Conference Center
 9960 Mayland Drive
 Henrico, VA 23233
 Phone: (804) 367-8505

- 9 a.m. Call to Order – **Susan Quaintance Ferguson, CPA, Chair**
 Security Briefing – **Patti Hambright, Administrative Assistant**
 Determination of Quorum
 Approval of April 30, 2019, Agenda
 Approval of March 18, 2019, Board meeting minutes
 Approval of Consent Agenda:
- Consent Orders:
 - 2017-356-037U (Bradshaw and Saunders)
 - 2017-038-003D (Bradshaw and Moyers)
- Public comment period*
- 9:15 a.m. 1. APA – FY2019 Audit Entrance – **Kevin Savoy, CPA, Audit Director, Virginia Auditor of Public Accounts**
- 9:20 a.m. 2. Committee/NASBA Updates – **Susan Quaintance Ferguson, CPA, Chair**
- NASBA Committee Updates, as available
 - NASBA Board of Directors – **Stephanie S. Saunders, CPA**
- 9:30 a.m. 3. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - March 2019 Board Report – **Mary Charity, Deputy Director for Operations**
 - March 2019 Financial Report – **Renai Reinholtz, Deputy Director for Finance and Administration**
- 9:45 a.m. 4. Board Discussion Topics – **Susan Quaintance Ferguson, CPA, Chair**
- Proposed UAA Model Rules Article 7 – **Laurie Warwick, CPA**
 - Changes to Active – CPE Exempt status – **Stephanie S. Saunders, CPA**
- 10 a.m. Additional public comment period*
- 10:15 a.m. 5. Ethics Presentations - **Susan Quaintance Ferguson, CPA, Chair**
- **Alfonzo Alexander, Chief Ethics and Diversity Officer, NASBA, and President of NASBA’s Center for the Public Trust (CPT)**
 - **Dr. William J. Hawk, Professor of Philosophy, James Madison University**
- 12:30 p.m. Recess for Board lunch



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- 1:00 p.m. 6. Additional Items for Discussion
- Carry over items/potential future topics
 - Publication of VBOA disciplinary actions (On-going)
 - CPE survey and guidelines (On-going)
 - Cannabis laws (On-going)
 - Trust Fund Reserve Policy (To be determined)
 - Required coursework for CPA examination/licensure (To be determined)
 - Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates
 - May 21, 2019
 - June or July, to be determined
 - August 20, 2019
- 1:15 p.m. 7. Closed Session
- OAG updates and legal advice
 - Enforcement – Amanda E. M. Blount, Enforcement Director
 - Status of Open Cases
 - Final Orders
 - 2015-CPE-0285 (Jewell and Allen)
 - 2016-CPE-0028 (Jewell and Allen)
 - 2017-036-015DU (Bradshaw and Moyers)
 - 2017-540-452C (Blount, Charity and Glynn)
 - 2018-124-114C (Jewell and Allen)
 - 2018-250-225C (Blount, Charity and Glynn)
 - 2018-340-312C (Blount, Charity and Glynn)
 - 2018-344-316C (Blount, Charity and Ferguson)
- 3:00 p.m. Adjournment

***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.



**Board Meeting
March 18, 2019
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Monday, March 18, 2019, in Board Room #4 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: Susan Quaintance Ferguson, CPA, Chair
D. Brian Carson, CPA, CGMA, Vice Chair
Matthew P. Bosher, Esq.
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Stephanie S. Saunders, CPA
Laurie A. Warwick, 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
Kelli Anderson, Communications Manager
Patti Hambright, CPE Coordinator and Administrative Assistant

MEMBERS OF THE PUBLIC PRESENT: Kathy Czerwonka, Impactmakers Senior Consultant
Scott Hammer, Impactmakers Client Partner
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of Certified Public Accountants

CALL TO ORDER

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

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

DETERMINATION OF QUORUM

Ms. Ferguson determined there was a quorum present.



**Board Meeting
March 18, 2019
Draft/Unapproved minutes**

APPROVAL OF AGENDA

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the March 18, 2019, agenda as amended, moving the Licensing and Enforcement System Health Check to closed session. The members voting "AYE" were Ms. Ferguson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Warwick.

APPROVAL OF MINUTES

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the February 5, 2019, Board meeting minutes as amended. The members voting "AYE" were Ms. Ferguson, Mr. Bradshaw, Mr. Brown, Ms. Saunders, Mr. Boshier and Ms. Warwick.

PUBLIC COMMENT PERIOD

There were no public comments at this time.

ACCEPTANCE OF DRAFT FY2018 FINANCIAL STATEMENTS

Upon a motion by Ms. Warwick, and duly seconded, the members voted unanimously to accept the FY2018 Financial Statements as amended. The members voting "AYE" were Ms. Ferguson, Mr. Carson, Mr. Bradshaw, Mr. Brown, Ms. Saunders, Mr. Boshier and Ms. Warwick.

Begin closed meeting

Pursuant to Virginia Code § 2.2-3711(A)(7), I, Brian Carson, move that the Virginia Board of Accountancy convene a closed meeting to consult with the legal counsel and receive briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body relating to a contract between the Virginia Board of Accountancy and MicroPact. The following non-members will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and Robert Drewry. The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Kathy Czerwonka and Scott Hammer.

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



**Board Meeting
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Draft/Unapproved minutes**

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, CGMA – Aye
Matthew P. Boshier, Esq. – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Stephanie S. Saunders, CPA – Aye
Laurie A. Warwick, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

ADDITIONAL ITEMS FOR DISCUSSION

Carry over items/potential future topics

- Active – CPE Exempt Status (To be determined)
- Virginia-Specific Ethics Course (2021) (On-going)
- Publication of VBOA disciplinary actions (On-going)
- CPE guidelines (To be determined)
- Trust Fund Reserve Policy (To be determined)
- Required coursework for CPA examination/licensure
- Cannabis laws

Sign Conflict of Interest forms

Sign Travel Expense vouchers

Future meeting dates

- April 30, 2019
- May 21, 2019



**Board Meeting
March 18, 2019
Draft/Unapproved minutes**

ADJOURNMENT

There being no further business before the VBOA, upon a motion by Mr. Carson, and duly seconded, the meeting adjourned by unanimous vote at 1:00 p.m. The members voting “**AYE**” were Ms. Ferguson, Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders and Ms. Warwick.

APPROVED:

Susan Quaintance Ferguson, CPA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director

Auditor of Public Accounts
Audit Engagement Memorandum
Board of Accountancy
April 30, 2019

Audit Staff:

- Kevin Savoy, Project Manager
- Steve Peeks, In Charge

- Audit Period – July 1, 2017 through June 30, 2018

- Planned Audit Timing – April 2019 through May 2019

- Audit Deadline – May 2019

- Audit Objectives
 - Overall objective is to express an opinion on the financial statements
 - Consider internal controls over financial reporting as well as compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

- Audit Scope
 - Cash, Revenues, Expenditures, Fixed Assets, Accruals
 - Systems

- Audit Report
 - Auditor’s Opinion on the Board of Accountancy’s Financial Statements
 - Report on Internal Control

- Other Items
 - Any matters the client would like us to address through our audit or other client requests.
 - Any significant changes in operations or any anticipated problem areas
 - Use of outside Service Providers
 - The interval and manner in which current year management points will be distributed (i.e. hardcopy or electronic), the period of time in which the agency will provide the auditor with a written response to the management points and to whom the points should be addressed
 - Audit contact person
 - Any required agency assistance to the auditors (i.e. electronic copies of documentation)

- Reminder to management to establish a secure method of communication when providing requested documents with sensitive information (i.e. encrypted email or SFTP server)
- APA or client imposed deadlines
Working conditions (access to computer systems, parking, seating, phone, hours of operation, etc.)
- Access to Internet and/or analog phone line to dial into the office.
- Any matters the client would like us to address through our audit or other client requests
- The extent to which the auditor will use the work of internal audit
- Obtain security clearance and building access for all audit staff members
- Obtain computer access (ID and passwords) for the Network and read only access to the systems needed
- Agency's safety & emergency process, i.e. audit team getting signed up for alerts regarding emergency situations in the buildings, what are evacuation procedures, etc.

Terms of the Engagement

Management should acknowledge that they understand and agree to the following terms of the engagement and Management's responsibilities during the audit process.

Responsibilities during the audit process:

➤ The Auditor's (APA) Responsibilities

Overall Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards for financial audits contained in the *Government Auditing Standards*. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable, rather than absolute assurance, about whether the financial statements are free of material misstatement whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or

governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*.

Audit Procedures-Internal Control and Compliance

Our audit will include obtaining an understanding of internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate in writing to management and those charged with governance any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants

Those charged with governance

We are responsible for communicating significant matters related to the financial statement audit that are, in the auditor's professional judgment, relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. GAAS do not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance.

➤ Management's Responsibilities –

Our audit will be conducted on the basis that Management **acknowledge and understand that they have the following responsibilities:**

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- Identify and ensure compliance with applicable laws, regulations, contracts, and grant agreements
- Informing the APA about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal

control, and (3) others where the fraud could have a material effect on the financial statements

- Informing the APA (and others as required by the Code of Virginia § 30-138) of knowledge of any allegations of fraud or suspected fraud affecting the Board of Accountancy received in communications from employees, former employees, regulators, or others
- Ensuring that management is reliable and financial information is reliable and properly recorded
- Making all financial records and related information available to the APA
- Providing the APA with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence
- Responding to audit findings and recommendations, as well as providing your planned corrective actions and the timing and format for providing that information
- Providing the APA at the end of the audit with a written letter confirming certain representations made during the audit
- Adjusting the financial statements to correct material misstatements and providing the APA with a representation that the effects of any uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Other Elements of the audit process:

Overall planned scope of the audit

- **Approach to internal control** – We review internal controls to identify those areas where we can replace substantive testing with transactional testing. We look for management to have written formal policies and procedures and check for the implementation of those procedures.
- **Concept of materiality** – We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to the Board of Accountancy.

Identification of potential fraud risks

- **Approach to fraud** – Most of our audit is focused on our opinion on the financial statements and materiality. Our primary interest related to fraud would be in how

it may affect the financial statements and those controls that the financial statements rely upon. The audit is not designed to detect error or fraud that is immaterial to the financial statements. However, we review policies and procedures for fraud risk and may direct our testwork towards addressing fraud risk.

- **Responsibility for identifying fraud risks and fraud** – Auditing standards require us to assess fraud risk, interview management and staff about their knowledge of fraud and fraud risk, and review exceptions for indications of possible fraudulent transactions. Auditors should be looking for red flag fraud indicators. Even though government entities are not always profit oriented, the auditors remain vigilant about financial statement fraud.

- **Report fraudulent transactions as required by Code of Virginia § 30-138** Agencies are responsible for reporting circumstances that suggest a reasonable possibility that a fraudulent transaction has occurred involving funds or property under their control, where an officer or employee of the state or local government may be involved. Items should be reported to the Auditor of Public Accounts, the State Inspector General, and the Superintendent of State Police.

Audit Reporting

We will issue a written report upon completion of our audit of the Board of Accountancy's financial statements. Our report will be addressed to the board of directors of the agency. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph(s). If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 1, 2018

TO: State Boards of Accountancy and other interested parties

RE: Change to Uniform Accountancy Act Model Rules

At the October 26, 2018 meeting of the National Association of State Boards of Accountancy's Board of Directors, on the recommendation of the Uniform Accountancy Act Committee, the following was approved for exposure for comment for a three-month period concluding on February 11, 2019.

The exposed rule is to prepare for continuous testing, which requires the elimination of testing windows currently necessary in the administration of the Uniform CPA Examination. As such change will take some time to accomplish, and Boards will be adopting this rule at different times, the language is constructed to clarify that this change will not go into effect until the state board and national examination systems are ready to support continuous testing.

Please consider the amended rule below and send your comments to:

Ed Barnicott – CBT Administration Committee Staff Liaison (ebarnicott@nasba.org)

and Louise Haberman – UAA Committee Staff Liaison (lhberman@nasba.org)

Current Version of Rule 5-7(a)(2)

(a) (2) Candidates cannot retake a failed Test Section(s) in the same testing window. A testing window is equal to a calendar quarter (January-March, April-June, July-September, October-December). Candidates will be able to test no less than two (2) months out of each testing window.

Proposed Change to Rule 5-7(a)(2)

Rule 5-7 – Retake and granting of credit requirements.

(a) A Candidate may take the required Test Sections individually and in any order. Credit for any Test Section(s) passed shall be valid for a period of eighteen (18) months and be calculated from the actual date the Candidate took that Test Section, without having to attain a minimum score on any failed Test Section(s) and without regard to whether the Candidate has taken other Test Sections.

(1) Candidates must pass all Test Sections of the examination within a rolling eighteen (18) month period, which begins on the date that the first Test Section(s) passed is taken.

(2)

(A) Subject to subsection 7(a)(2)(B), Candidates cannot retake a failed Test Section(s) in the same testing window. A testing window is equal to a calendar quarter (January-March, April-June, July-September, October-December). Candidates will be able to test no less than two (2) months out of each testing window.

(B) If the Board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, subsection (A) will no longer be effective, and a Candidate can retake a Test Section once their grade for any previous attempt of that same Test Section has been released.

VBOA's examination rules

VBOA regulation 18VAC5-22-80 addresses the administration of the CPA examination. The portion of the VBOA's regulation that is analogous to the UAA model rule states, in relevant part:

A. In order to comply with subdivision A 1 b of § 54.1-4409.2 of the Code of Virginia:

* * *

3. A person who fails a section of the CPA examination may not retake that section until the next quarter of the calendar year.

The VBOA has an exemption under the APA--specifically Code of Virginia § 2.2-4002(B)(13)--that would permit the VBOA to amend 18VAC5-22-80 using the exempt rulemaking process to allow for continuous testing. By using the exempt rulemaking process, the change will become effective 30 days after publication in *The Virginia Register* or at a later date as specified by the VBOA, unless the action is suspended by the Governor (Code of Virginia § 2.2-4013 (D)), the General Assembly (Code of Virginia § 2.2-4014(B)), or by a request from 25 or more persons (Code of Virginia § 2.2-4007 (J)).

Virginia Board of Accountancy
Financial Report
FY19 Budget vs. Actual Expenses
As of March 31, 2019

<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>
<u>Salaries & Benefits</u>	1,246,789	935,513	75.0%	1,174,172	1,103,143	999,185
Total Salaries & Benefits	\$ 1,246,789	\$ 935,513	75.0%	\$ 1,174,172	\$ 1,103,143	\$ 999,185
<u>Contractual Services</u>						
1211 Express Services	800	86	10.8%	722	-	-
1214 Postal Services	13,000	6,514	50.1%	12,886	7,975	9,144
1215 Printing Services	5,500	2,977	54.1%	5,487	5,245	4,163
1216 Telecommunications - VITA	13,500	9,470	70.2%	11,613	12,272	10,021
1217 Telecommunications - Nonstate (CallFire)	300	100	33.3%	100	600	-
1219 Inbound Freight	150	52	34.8%	160	418	858
1221 Organization Memberships (primarily NASBA)	7,255	7,045	97.1%	7,255	7,250	7,030
1222 Publication Subscriptions	1,250	1,071	85.7%	1,266	4,730	5,254
1224 Training - Courses, Workshops, Conferences	6,955	1,428	20.5%	11,459	8,914	8,566
1225 Employee Tuition Reimbursement	1,618	1,618	100.0%	-	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	15,000	2,021	13.5%	23,825	10,933	16,123
1228 Employee IT Training Courses/Workshops and Conferences	100	91	91.0%	-	91	91
1242 Fiscal Services (Credit Card Merchant Fees)	50,000	25,408	50.8%	48,558	53,790	47,883
1243 Attorney Services (Including OAG)	62,020	46,515	75.0%	51,736	24,844	36,671
1244 Mgmt. Services - NASBA/special accommodations - IT Support	29,800	23,980	80.5%	21,736	75,641	64,564
1245 Personnel Management Services	-	79	---	-	-	-
1246 Public Info/Public Relations (subscriptions)	5,100	2,748	53.9%	3,538	5,015	1,756
1247 Legal Services (Includes court reporting services)	18,000	8,948	49.7%	19,562	12,977	10,306
1248 Media Services	-	-	---	-	-	235
1252 Electrical Repair/Maintenance	-	-	---	-	90	-
1253 Equipment Repair/Maintenance	-	823	---	-	-	-
1263 Clerical / Temp Services	-	-	---	2,754	2,475	-
1264 Food and Dietary Services	3,500	2,569	73.4%	3,236	2,156	2,170
1265 Laundry & Linen Services	-	13	---	-	25	-
1266 Manual Labor Services (Includes shredding services)	720	200	27.8%	394	1,122	380
1267 Production Services	-	-	---	-	-	1,771
1268 Skilled Services	-	1,138	---	-	-	960
1272 VITA Pass Thru Charges (SA Maintenance, IT Upgrades, and ISO services)	131,677	112,545	85.5%	135,170	122,620	87,475
1273 Info Mgmt Design and Development Services (Project Manager)	156,000	66,000	42.3%	94,600	-	-
1278 VITA Information Technology Infrastructure Services	144,000	96,778	67.2%	119,126	90,483	118,041
1279 Computer Software Development Services (MicroPact and Data Conversion)	455,570	226,915	49.8%	346,155	-	-
1282 Travel - Personal Vehicle	8,000	5,022	62.8%	8,099	6,980	5,926
1283 Travel - Public Carriers	-	77	---	-	589	543
1284 Travel - State Vehicles	1,000	200	20.0%	652	619	1,347
1285 Travel - Subsistence and Lodging	1,500	1,434	95.6%	2,182	1,250	1,749
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	737	73.7%	1,423	730	917
Total Contractual Services	\$ 1,133,315	\$ 654,602	57.8%	\$ 933,694	\$ 459,834	\$ 487,145
<u>Supplies and Materials</u>						
1312 Office Supplies	5,000	3,313	66.3%	5,023	4,338	6,726
1313 Stationery and Forms	2,500	1,100	44.0%	2,028	2,214	2,249
1323 Gasoline (Enterprise vehicles)	250	103	41.4%	221	155	308
1335 Packaging and Shipping Supplies	500	1,237	247.4%	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>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	300	-	0.0%	389	41	48
1362 Food & Dietary Supplies	525	245	46.7%	498	561	260
1363 Food Service Supplies	100	16	15.9%	62	107	15
1364 Laundry & Linen Supplies	-	-	---	-	24	-
1373 Computer Operating Supplies	5,500	3,471	63.1%	3,194	7,004	3,402
Total Supplies & Materials	\$ 14,725	\$ 9,485	64.4%	\$ 11,900	\$ 15,919	\$ 14,635
<u>Transfer Payments</u>						
1413 Awards & Recognition	900	138	15.3%	848	863	717
1415 Unemployment Compensation	-	-	---	-	-	-
1418 Incentives	-	-	---	-	410	-
Total Transfer Payments	\$ 900	\$ 138	15.3%	\$ 848	\$ 1,273	\$ 717
<u>Continuous Charges</u>						
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	5,701	67.1%	8,645	8,460	4,865
1539 Building Rentals - Non-State Owned Facilities	93,417	69,596	74.5%	90,982	88,126	76,350
1541 Agency Service Charges (DOA, PSB, DHRM, LVA & eVA)	38,424	4,588	11.9%	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
Total Continuous Charges	\$ 143,002	\$ 79,886	55.9%	\$ 140,457	\$ 135,308	\$ 116,287
<u>Equipment</u>						
2216 Network Components	1,200	65	5.4%	341	1,117	530
2217 Other Computer Equipment	500	762	152.3%	685	300	744
2218 Computer Software Purchases	-	379	---	540	2,157	3,556
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	-	256	---	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	1,827	12.2%	555	3,375	14,385
2263 Office Incidentals	1,500	95	6.3%	969	2,646	1,627
2264 Office Machines	-	-	---	65	928	821
2268 Office Equipment Improvements	150	-	0.0%	-	129	129
2271 Household Equipment	-	-	---	-	342	-
Total Equipment	\$ 21,750	\$ 3,415	15.7%	\$ 10,168	\$ 12,030	\$ 24,543
Total Expenses	\$ 2,560,481	\$ 1,683,038	68.0%	\$ 2,271,239	\$ 1,727,506	\$ 1,642,512
Chapter 2 Appropriation	\$ 2,476,080					
Appropriation adjustment requests	\$ 84,401					
Total Projected Appropriation	\$ 2,560,481					

**Virginia Board of Accountancy
Financial Report
Cash Balance
As of March 31, 2019**

	Operating Fund (09226)		Special Fund (02020)	
	FY2019 - YTD as of 3/31/19	FY2018 - YTD as of 3/31/18	FY2019 - YTD as of 3/31/19	FY2018 - YTD as of 3/31/18
Beginning Fund Balance July 1:	\$ 614,003	\$ 511,346	\$ 3,700,807	\$ 3,677,602
YTD Revenue Collected *	1,035,040	1,831,323	33,079	22,926
Accounts Payable **	0	49,400	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	373,278	137,961	(373,278)	(137,961)
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	(1,683,038)	(1,756,995)	0	0
Cash Balance before annual transfers	\$ 383,088	\$ 505,729	\$ 3,316,803	\$ 3,829,875
Projected Cash Transfers:				
Transfers to Central Service Agencies ***	(\$11,302)	(\$10,155)	\$0	\$0
Cash Balance after transfers	\$ 371,786	\$ 495,574	\$ 3,316,803	\$ 3,829,875

* 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 3/31/19	FY2018 - YTD as of 3/31/18	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	\$ 212,025	\$ 221,930	\$ 309,965	\$ 333,960	\$ 369,945
(c) Renewal Fee	\$ 690,421	\$ 1,468,615	\$ 1,859,054	\$ 2,086,540	\$ 1,864,290
Reinstatement Fee	\$ 47,400	\$ 49,850	\$ 64,570	\$ 45,775	\$ 35,450
Duplicate Wall Certificate Fee	\$ 1,375	\$ 1,625	\$ 1,950	\$ 1,775	\$ 1,750
License Verification Fee	\$ 14,150	\$ 14,950	\$ 20,025	\$ 20,487	\$ 19,963
CPA Exam Score Transfers	\$ 1,625	\$ 1,950	\$ 2,325	\$ 2,075	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ 5,100	\$ 4,300
Administrative Fee	\$ -	\$ 1,000	\$ 1,000	\$ 5,100	\$ 4,100
Bad Check Fee	\$ 50	\$ 150	\$ 150	\$ 50	\$ 100
Total Revenue	\$ 1,039,186	\$ 1,830,550	\$ 2,349,619	\$ 2,616,342	\$ 2,367,168
(d) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 1,029,905	\$ 1,826,825	\$ 2,338,729	\$ 2,604,132	\$ 2,378,598
(e) Difference	\$ 9,281	\$ 3,725	\$ 10,890	\$ 12,210	\$ (11,430)

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 March 31, 2019**

	FY2019 - YTD as of 3/31/19	FY2018 - YTD as of 3/31/18	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17	Fiscal Year Ending 6/30/16
Fines levied/collected/receivable:					
\$ amount of fines levied	\$ 134,373	\$ 237,160	\$ 326,285	\$ 187,925	\$ 284,528
\$ amount of fines collected	\$ 150,530	\$ 175,692	\$ 258,879	\$ 198,771	\$ 252,626
\$ OAG Fees	\$ -	\$ -	\$ -	\$ -	\$ 342
\$ Discharged	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 76,849	\$ 81,151	\$ 92,026	\$ 25,442	\$ 51,538
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 591,243	\$ 597,159	\$ 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.

Discussion Topic: Proposed UAA Model Rules Article 7

Background

The National Association of State Boards of Accountancy's ("NASBA") Board of Directors, on the recommendation of the Uniform Accountancy Act ("UAA") Committee, are releasing the following revisions for exposure for comment.

The goal of these changes was to make the Rules more closely reflect current practice than the existing Model Rules do. In the proposed changes, the term "peer review program" is used instead of "compliance assurance program" and there is no reference to a Compliance Assurance Review Board ("CARB") oversight body. The Rules being proposed contain basic definitions, recognition of the AICPA and the State Societies as approved sponsoring organizations, requirement that non-AICPA members be allowed to participate in the AICPA's program, clarification of what needs to be done by a set date, guidance for the selection of Peer Review Oversight Committee members, and required submissions to the State Board.

Overall, Rules 7-1 and 7-2 largely remain the same, with the proposed Rules 7-8, 7-9, and 7-10 are renumbered from the existing Model Rules (changes are highlighted in yellow):

Rule 7-1 – Applications.

- (a) Applications by firms for initial issuance and for renewal of permits pursuant to Section 7 of the Act shall be made on a form provided by the Board and, in the case of applications for renewal, shall be filed no earlier than [] months and no later than [] months prior to the expiration date. Applications will not be considered filed until the applicable fee and all required documents prescribed in these Rules are received. If an application for permit renewal is filed late, it shall also be accompanied by the delinquency fee prescribed in these Rules.
- (b) A sole proprietor may apply simultaneously for a certificate or a renewal of a registration or a certificate and a firm permit.
- (c) Applications shall include the firm name, addresses and telephone numbers of the main office and of any branch offices of the firm in this State, the name of the person in charge of each such branch office, and the names of the partners, shareholders, members, managers, directors, and officers whose principal place of business is in this State.

Rule 7-2 - Notification of firm changes by firms.

- (a) A firm registered pursuant to Section 7 of the Act shall file with the Board a written notification of any of the following events concerning the practice of public accountancy within this State within thirty (30) days after its occurrence:
 - (1) Formation of a new firm;

- (2) Addition of a partner, member, manager, or shareholder;
 - (3) Retirement, withdrawal or death of a partner, member, manager, or shareholder;
 - (4) Any change in the name of the firm;
 - (5) Termination of the firm;
 - (6) Change in the management of any branch office in this State;
 - (7) Establishment of a new branch office or the closing or change of address of a branch office in this State; and
 - (8) Issuance of the firm's first attest or compilation report; or
 - (9) The occurrence of any event or events which would cause such firm not to be in conformity with the provisions of the Act or these Rules.
- (b) In the event of any change in legal form of a firm, such new firm shall, within thirty (30) days of the change, file an application for an initial permit in accordance with these Rules and pay the fee required by these Rules.
- (c) In the event a practice unit is sold, dissolved, or merged with the practice of one or more other practice units, determination of successor or predecessor practice unit(s), peer review year-end(s) and the peer review due date(s) will be made in accordance with the sponsoring organization's guidance.

Rule 7-3 - Peer review definitions.

- (a) "Administering Entity (AE)" – An entity approved by a Board-approved sponsoring organization to administer the Board-approved peer review program.
- (b) "Enrollment in a peer review program" means a firm is required to follow all requirements of the peer review process, cooperate with those performing and administering the peer review, comply with the peer review standards, and inform Administering Entities when firm changes occur.
- (c) "Peer Review Program" means the sponsoring organization's entire peer review process, including but not limited to the standards for administering, performing, and reporting on peer reviews, oversight procedures, training, and related guidance materials.
- (d) "Peer Review Oversight Committee" (PROC) – A Board-appointed committee of licensees approved by the Board for monitoring the Board-approved peer review program, including sponsoring organizations' Administering Entities, to provide reasonable assurance that Administering Entities and

respective Peer Review Committee and Report Acceptance Bodies are functioning in a manner that effectively enforces the performance and reporting of peer review in accordance with peer review standards.

- (e) “Peer Review Standards” means the Board-approved professional standards and guidance for administering, performing, and reporting on peer reviews.
- (f) “Peer Reviewer/Reviewing Firm” means a certified public accountant/accounting firm responsible for conducting the peer review, holding a valid and active license to practice public accounting in good standing issued by this state or some other state, and meets the peer reviewer qualifications to perform peer reviews established in the Board-approved peer review standards.
- (g) “Sponsoring Organization” means a Board-approved professional association, society, or other organization responsible for the facilitation and administration of peer reviews directly or through its Administering Entities and responsible for the oversight of the Administering Entities pursuant to the sponsoring organization’s peer review standards.

Rule 7-4 – Enrollment in Board-approved peer review program.

- (a) Enrollment in a Board-approved peer review program, or other comparable compliance assurance program, is a condition for renewal of a permit for firms issuing attest and compilation reports. The Board requires licensees that issue attest or compilation reports pursuant to UAA 6(j) or UAA 7(a)(1)(A) and firms that issue such reports pursuant to UAA 7(a)(1)(C) to be enrolled in a Board-approved peer review program.
- (b) A firm is not required to enroll in a Board-approved peer review program if its only level of service is performing preparation of financial statements (with or without disclaimer reports) under Statements on Standards for Accounting and Review Services (SSARs). However, if the firm elects to enroll in a Board-approved peer review program, it is required to have a peer review which would include preparation of financial statements within the scope of the review.
- (c) A firm enrolled in a Board-approved peer review program shall schedule, undergo, and complete its initial peer review in compliance with the sponsoring organization’s peer review standards and related guidance. Ordinarily, a firm’s initial peer review is due 18 months from the date it enrolled or should have enrolled in a Board-approved peer review program. The “due date” is a date by which a review has taken place and all materials have been submitted to the Administering Entity.
- (d) A firm enrolled in a Board-approved peer review program shall schedule, undergo and complete its subsequent peer reviews in compliance with the sponsoring organization’s peer review standards and related guidance. Ordinarily, subsequent peer reviews shall be due such that the peer review has taken place and all peer review materials are submitted to the Administering Entity within three years and six months from the peer review year-end of the previous peer review.

- (e) The Board may accept peer review extensions granted by Administering Entities provided the Board is notified by the firm within 14 days from the date of the letter from the Administering Entity granting the extension.
- (f) Requests for extensions of time to undergo a peer review shall be submitted to the Board in writing by the firm no later than the earlier of a firm's renewal date or peer review due date (which is determined by the Administering Entity) and shall include any extensions granted by the Administering Entity. The Board may approve requests for extensions based upon good cause clearly outside the control of the firm including, but not limited to, health or military service.
- (g) For good cause shown, the Board may grant or renew permits for a reasonable period of time pending completion of the firm's peer review.
- (h) For firms required to be registered with and subject to inspection by the Public Company Accounting Oversight Board (PCAOB), the Board recognizes the PCAOB's inspection process for reviewing practices subject to its authority, which are not included in the scope of peer review programs. Firms subject to inspection by the PCAOB are also required to meet the peer review requirements under a Board-approved peer review program that covers the portion of the practice unit's practice not subject to the PCAOB permanent inspection.

Rule 7-5. Submission of compliance assurance peer review documents to the Board.

- (a) The objective of this reporting rule is primarily to reinforce the Board's efforts to ensure that only appropriately qualified CPA firms are engaged in the offering and rendering of services subject to compliance assurance peer review. Based upon its review of the documents submitted pursuant to this rule, the Board may consider, pursuant to hearing or by consent, additional corrective actions such as probation, practice limits, additional continuing education, pre-issuance reviews, more frequent peer reviews, and other measures including, in severe cases, discipline against the reviewed firm and any individual licensees employed or contracted by the reviewed firm.

COMMENT: The reference in this Rule to possible discipline against "individual licensees employed or contracted by the reviewed firm" is not intended to include peer reviewers or their staffs with regard to firms they review.

- (b) The firm is required to submit a copy of the results of its most recently accepted peer review to the Board, which includes the following documents:
 - (1) Peer review report which has been accepted by the administering entity.
 - (2) The firm's letter of response accepted by the administering entity, if applicable.
 - (3) The acceptance letter from the administering entity.

- (4) Letter(s) accepting the documents signed by the firm with the understanding that the firm agrees to take any actions required by the Administering Entity, if applicable; and
 - (5) Letter signed by the Administering Entity notifying the firm that required actions have been appropriately completed, if applicable.
- (c) The firm shall submit the peer review documents in (b) (1) through (b) (3) above to the Board within 30 days of the administering entity's acceptance. The firm shall submit the document in (b) (4) to the Board within 30 days from the date the letter is signed by the firm or with submission of the firm's renewal application, whichever occurs first. The firm shall submit the document in (b) (5) to the Board within 30 days of the date of the letter or with submission of the firm's renewal application, whichever occurs first.
- (d) The firm shall satisfy this document submission requirement by allowing the administering entity to provide the Board access to the documents via a secure website process such as the AICPA Facilitated State Board Access (FSBA).

Rule 7-6- Approved peer review sponsoring organizations, programs and peer review standards.

- (a) The Board shall approve peer review sponsoring organizations, program (s) and standards.

COMMENT: Predecessor Administering Entities are to engage in candid dialogue with the appropriate Board(s) about any intent to discontinue administration of the peer review program. Further, Administering Entities are expected to speak to the board(s) regarding the change in administration prior to making a final decision. Communication with the Board shall be documented including a contact name and date/s of the communication in a form to be sent to the sponsoring organization. Consistency of administration is a primary objective when consolidating AEs. The intent is for Boards to have the same experience, regardless of an AE's physical location.

- (b) The Board recognizes the American Institute of Certified Public Accountants (AICPA) as an approved sponsoring organization and its peer review program and peer review standards, and the _XXXX Society of CPAs or its successor and other peer review programs administered by entities involved in the administration of the AICPA Peer Review Program. These organizations are not required to submit an application for approval to the Board. As condition of this approval, that sponsoring organization is required to provide its peer review services to nonmember licensees whose firms' principle place of business are located in this state so long as such nonmembers comply with the applicable peer review standards.
- (c) The Board may terminate its approval of a sponsoring organization for cause following notice and opportunity for hearing. For purposes of this paragraph, "cause" includes but is not limited to failure to maintain an ongoing compliance with the requirements of this chapter.
- (d) The Board may approve other peer review sponsoring organizations and programs. For an organization not specifically identified in these Rules as Board-approved to receive Board approval

for its peer review program and standards, the organization must submit evidence to the satisfaction of the Board. At a minimum, the evidence shall include the standards, procedures, guidelines, oversight process, training materials, and related documents used to administer, perform, and accept peer reviews. The Board has the authority to request any other documents/information from an organization about its peer review program in determining whether to grant approval.

Rule 7-7- Peer review oversight committee.¹

- (a) Peer Review Oversight Committee (PROC) shall be appointed or adopted by the Board to monitor the Board-approved peer review program, including sponsoring organizations' administering entities, to provide reasonable assurance that administering entities and respective Peer Review Committees (PRCs) and Report Acceptance Bodies (RABs) are functioning in a manner that effectively enforces the performance and reporting of peer reviews in accordance with peer review standards. The PROC or the Board's designee shall report to the Board on the conclusions and recommendations reached as a result of the PROC's activities at least annually.
- (b) PROC members shall:
- (1) Not have a conflict of interest.
 - (2) Be subject to removal or replacement by the Board at its discretion.
 - (3) Be required to sign a confidentiality agreement indicating they will not divulge any information to the Board that would identify any firm, licensee, or peer reviewer/reviewing firm as a result of their monitoring of the peer review process.
 - (4) Perform procedures which may consist of, but are not limited to, the following activities:
 - (i) Visiting the Administering Entities of the approved peer review program;
 - (ii) Reviewing sponsoring organization procedures for administering the program;
 - (iii) Meeting with an Administering Entity's Report Acceptance Body during consideration of the peer review documents;
 - (iv) Reviewing the Administering Entity's compliance with its program.

¹ Discussion of an oversight committee is currently found in Rule 7-4, *Equivalent reviews as a condition of renewal of a permit*.
Presented January 8, 2019 | Page 6 of 10

- (c) The Board shall establish procedures and take all action necessary to ensure that the above materials remain privileged as to any third parties, ~~except those materials subject to public disclosure as provided herein.~~

Rule 7-8- Internet practice.²

A CPA firm offering or rendering professional services via a Web site shall provide in the Web site's homepage, a name, an address, and principal state of licensure as a means for regulators and the public to contact a responsible licensee in charge at the firm regarding complaints, questions, or regulatory compliance.

Rule 7-9 - Attest documentation and retention.³

- (a) Licensees shall comply with all professional standards for attest documentation applicable to particular engagements, including, but not limited to, standards adopted by recognized standards setting bodies such as the Public Company Accounting Oversight Board (PCAOB), the Comptroller General of the United States, and the Auditing Standards Board.
- (b) If the applicable standards do not otherwise specify, the retention period for attest documentation shall be five (5) years and shall be measured from the report date.
- (c) If attest documentation is required to be kept for longer than provided in the applicable standards ~~or Rule 7-7(b)~~ because of a pending Board investigation or disciplinary action, attest documentation shall not be destroyed until the licensee has been notified in writing by the Board of the closure of a Board investigation or disciplinary proceeding.

Rule 7-10- Unregistered firm compliance with applicable ~~compliance—assurance peer review~~ documentation requirements.⁴

Any firm not required to register in this state, but which provides attest and/or compilation services as permitted under Sections 7 and 23 of the Act, shall be required to maintain records as prescribed by ~~Rule 7-5(b) Rule 7-9(b)~~ regarding its participation in a comparable ~~Compliance Assurance Program peer review program~~ for any period in which the firm provided attest ~~and/or compilation~~ services in this state and shall provide copies of such records upon this Board's written request; provided, however, the Board shall not make such a request except upon good cause.

COMMENT: For purposes of this Rule, "good cause" is reasonable cause and not authorization for a notice requirement. Good cause for requesting ~~Compliance Assurance Program peer review program~~ records should be based upon a third -party complaint or other evidence of inadequate professional services of the type that would be subject to peer review.

² Currently this is Rule 7-6.

³ Currently this is Rule 7-7.

⁴ Currently this is Rule 7-8.

Because these are significant changes, which the NASBA Compliance Assurance Committee has carefully worked through, the NASBA Board has voted to have the comment period extend until June 30, 2019.

VBOA's peer review statutes and rules

Code of Virginia § 54.1-4400 states, in relevant part:

As used in this chapter, unless the context clearly indicates otherwise:

* * *

"Facilitated State Board Access" or "FSBA" means the sponsoring organization's process whereby it provides the Board access to peer review results via a secure website.

* * *

"Peer review" means a review of a firm's attest services, compilation services, and financial statements preparation services that is conducted in accordance with the applicable monitoring program of the American Institute of Certified Public Accountants or its successor, or with another monitoring program approved by the Board.

* * *

"Sponsoring organization" means a Board-approved professional society or other organization responsible for the facilitation and administration of peer reviews through use of its peer review program and applicable peer review standards.

Code of Virginia § 54.1-4412.1 states, in relevant part:

C. A firm that is not required to obtain a Virginia license may provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia if:

* * *

2. The firm complies with subdivisions D 1, 2, 4, 5, 6, and 8 and subsection F[.]

* * *

D. For a firm to obtain and hold a Virginia license:

* * *

6. If the services provided by the firm are within the scope of the practice-monitoring program of the American Institute of Certified Public Accountants or its successor, the firm shall enroll in the program or in another practice-monitoring program for attest services, compilation services, and financial statement preparation services that is approved by the Board. In addition, if enrolled the firm shall:

a. Comply with any requirements prescribed by the Board in response to the results of peer reviews; and

- b. Participate in the American Institute of Certified Public Accountants', or sponsoring organizations', Facilitated State Board Access process, or its successor process, for peer reviews.

The VBOA can require “accelerated peer review” for CPA firms, provided it has cause for imposition of penalty under Code of Virginia § 54.1-44-13.4(B).

VBOA regulation 18VAC5-22-150 states:

In order to comply with subdivision D 6 of § 54.1-4412.1 of the Code of Virginia, a firm shall comply with all components of the monitoring program in which it is enrolled, except that, depending on the facts and circumstances, the board may waive the requirement for a peer review or grant additional time for complying with the requirement.

There is also VBOA Policy #7 that discusses the Peer Review Oversight Committee.

The VBOA likely does not have an exemption under the APA if it wished to engage in rulemaking related to peer review. Regardless of the existence of an exemption, the VBOA does have, under Code of Virginia § 54.1-4402(F), this specific charge:

The Board shall take such actions as may be authorized by this chapter to ensure the continued competence of persons using the CPA title in Virginia and firms providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia and to aid the public in determining their qualifications.

This is in addition to general powers of the VBOA found in Code of Virginia § 54.1-4403:

The Board shall have the power and duty to:

1. Establish the qualifications of applicants for licensure, provided that all qualifications shall be necessary to ensure competence and integrity.
2. Examine, or cause to be examined, the qualifications of each applicant for licensure, including the preparation, administration and grading of the CPA examination.
3. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) necessary to assure continued competency, to prevent deceptive or misleading practices by licensees, and to effectively administer the regulatory system.

* * *

11. Establish requirements for peer reviews.

* * *

15. Do all things necessary and convenient for carrying into effect this chapter and regulations promulgated by the Board.

NEXT STEPS:

- Does the VBOA wish to offer comment on the proposed UAA Model Rule change?
- If yes, is the VBOA in support or in opposition to the proposal?
- What changes, if any, to statutes, regulations, or guidance documents does the VBOA want to investigate or pursue for peer review?

All comments must be submitted on or before June 30, 2019.

Mar. 20, 2019

Susan Q. Ferguson, CPA
Chair, Virginia Board of Accountancy
9960 Mayland Drive, Suite 402
Richmond, VA 23233

Dear Ms. Ferguson:

Per the request of the Virginia Board of Accountancy (VBOA), please find attached a copy of our letter dated Sep. 30, 2013, regarding the Virginia Society of CPAs' (VSCPA) position with respect to an "inactive" licensure status.

The VSCPA Executive Committee reviewed this letter at its Feb. 28, 2019, meeting. We believe the original letter was appropriate at the time and continues to represent our overall position and rationale. However, in light of the subsequent introduction of the "Active — CPE Exempt" status, we offer the following additional comments for your consideration:

- We strongly believe there should continue to be a CPE exemption for licensees meeting certain criteria and that the VBOA should track and be transparent about which CPAs are exempt from CPE.
- We are concerned that changes to the "Active — CPE Exempt" terminology adopted by the VBOA could cause confusion for licensees. Therefore, any changes to the terminology should be pursued through the regulatory process in order to allow for a formal public comment process and a sufficient transition period.

The VSCPA thanks you for the opportunity to provide our additional thoughts on this matter, and we appreciate your consideration of our positions. If you have questions or would like to discuss any of these comments further, please contact me or VSCPA Vice President of Advocacy Emily Walker at (804) 612-9428 or ewalker@vscpa.com.

Sincerely,



Stephanie Peters, CAE
President & CEO
Virginia Society of CPAs

Sept. 30, 2013

Andrea M. Kilmer, CPA, CFF, CGMA
Chair, Virginia Board of Accountancy
9960 Mayland Drive, Suite 402
Richmond, VA 23233

Dear Ms. Kilmer:

On behalf of the 11,000 members of the Virginia Society of CPAs (VSCPA), the VSCPA Executive Committee would like to thank the Virginia Board of Accountancy (VBOA) for considering our request that a formal "inactive" licensure status for individual CPA licenses in Virginia be established. As you continue your deliberations and discussions on this topic, we thought it might be helpful for us to provide you with the rationale for our request as well as our position on the "inactive" status.

Virginia has long prided itself on being at the forefront of emerging trends in the regulation of CPAs. For example, Virginia was a pioneer in the practice mobility movement by being one of the first jurisdictions to enact language allowing CPAs to practice across state lines without having to obtain reciprocal licenses. Since that time, the VBOA has continued to make it priority to ensure that the statutes and regulations comply with the Uniform Accountancy Act (UAA) and related Model Rules in spirit, if not in form.

Under the UAA, state boards of accountancy are charged with establishing continuing professional education (CPE) requirements for licensure and renewal, including the option to allow an exception to those requirements. The UAA also stipulates that licensees granted this exception must use the term "inactive" adjacent to their CPA title, except on their CPA certificate.

As you know, Virginia allows an exemption from the CPE requirements for licensees who are not providing services to the public or an employer. However, the VBOA does not currently require use of the term "inactive" adjacent to the CPA title, nor does the VBOA maintain a listing of CPAs utilizing the CPE exemption.

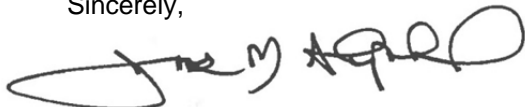
We believe the ambiguity of the current regulation creates confusion for licensees and the public as to when CPAs qualify for the CPE exemption. Consequently, many CPAs actively providing services to employers believe they are eligible for the CPE exemption simply because they do not use the CPA title on any documents or devices, and are not "holding out" as a CPA. The direct outcome of this is CPE deficiencies identified through the VBOA's CPE audit process, which ultimately results in additional enforcement actions. We also believe requiring CPAs to enter an inactive status and to use the term "inactive" while in this status will alleviate confusion and result in greater compliance with CPE requirements. In addition, we feel this change will promote national licensure uniformity by aligning with the provisions of the UAA, provide needed clarity around the existing CPE exemption, and clearly distinguish between "active" and "inactive" CPAs, ultimately providing better protection to the public.

We believe that additional clarity is needed and recommend the VBOA take the following actions to address this:

- Require licensed CPAs who are eligible for AND take advantage of the CPE exemption to place the word "inactive" adjacent to their CPA title except on their CPA certificate;
- Clearly define which CPAs are eligible for "inactive" status;
- Indicate all CPA licenses in "inactive" status on the VBOA website; and
- Continue to require CPAs in "inactive" status to comply with re-entry requirements to become "active."

We sincerely thank you for the opportunity to comment on this issue of importance to Virginia's CPAs, and we appreciate your consideration of our concerns. If you have questions or would like to discuss any of these comments further, please contact me or VSCPA Government Affairs Director Emily Walker at (804) 612-9428 or ewalker@vscca.com.

Sincerely,

A handwritten signature in black ink, appearing to read "James M. Shepherd". The signature is stylized with a large initial "J" and "S".

James M. Shepherd, CPA
2013-2014 Chair
Virginia Society of CPAs

Statutory Use of the term "Retired" or "Emeritus" For Purposes of CPE Exemptions

	State	BAR	Title	Notes
1	California	Yes	Retired immediately after	Not actively engaged in the practice of public accountancy or any activity which requires them to be licensed by the board
2	Colorado	Yes	Retired CPA	Shall not perform those acts set forth in section 12-2-120 (6) (a) & (6) (b) opinion on accounting or financial statement
3	Idaho	Yes	Retired adjacent to CPA	After a person reaches the age of 55 or in the event of disability. Will not qualify if perform attest or compilation
4	Kentucky	Yes	Public Accountant Emeritus	Shall not engage in regulated activities; exempt from licensing fees
5	Mississippi	Yes	CPA retired	May not perform or offer to perform one or more kinds of services - use of accounting or auditing skills
6	Nevada	Yes	CPA retired	Retired - Voluntary termination all activities; at least 60 /permanent disability
7	New Jersey	Yes	CPA inactive	May not engage in the practice of accountancy - Inactive
8	New Mexico	Yes	inactive or retired adjacent	Do not provide services to the public
9	North Carolina	Yes	No use of title	no fee, no CPE, no return of CPA certificate
10	Ohio	Yes	CPA retired	Voluntarily retire - give up right to practice public accounting
11	Oklahoma	Yes	CPA retired	Age 65 or disabled (6 mo.); may perform volunteer activities without use of title
12	Oregon	Yes	CPA retired	May not perform attest or sign tax returns, may perform volunteer services uncompensated; Age 65 or 20 years license
13	South Carolina	Yes	Emeritus adjacent	May not perform or offer to perform one or more kinds of services - use of accounting or auditing skills; no fee,annual,CPA exam retake
14	Texas	Yes	No use of title	No association with accounting work
15	Utah	Yes	CPA Emeritus	May not engage in the practice of public accountancy; Age 60, disabled, 2yr renewal cycle
16	Washington	Yes	CPA retired	Age 60 or 20 yrs. license
17	West VA	Yes		Has completely discontinued performance of professional services, no active management or supervisory responsibilities, age 62
18	Wyoming			Age 55 Assumption or use of retired designation is not incident to the practice of public accounting; may provide uncompensated

States Using the Term "Retired" or "Emeritus "in Their Rules for Purposes of CPE Exemptions

State	BAR	Title	Notes
1 Alabama		Retired adjacent	Individuals >55. retires from practice of public accountancy, notify board, no fee; may provide volunteer services
2 Alaska			"Reasonable cause or excusable neglect" includes chronic illness, retirement, military service and hardships as determined by Board
3 Arizona		Retired or RET	Retired, age 55 must have been CPA for 20 years, does not perform accounting services, exempt CPE register every 2 yrs.
4 Arkansas	Yes		Age 55 - no association with accounting work for compensation, may perform volunteer not signed as a CPA
5 California			
6 Colorado			
7 Delaware	Yes		Board may make an exception to CPE who has been granted inactive status, does not perform services
8 DC	Yes		Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement - does not hold out as CPA; Inactive
9 Idaho			
10 Iowa		CPA, retired or LPA, retired	Inactive license who does not reasonably expect to the workforce, may use in context of non-income producing personal activities
11 Kentucky			
12 Minnesota	Yes		Board may make an exception to CPE who has retired or does not perform services
13 Mississippi			
14 Missouri		Inactive, Retired, RET	Licensee after 8/28/2001 , not practicing public accounting in any setting
15 Montana	Yes	CPA, retired or LPA, retired	Age 60 or 20 yrs. license, fully retired in practice of public accounting; volunteer uncompensated certain services allowed
16 Nebraska	Yes	Inactive or Inactive-Retired	Age 60 can not hold myself to Nebraska public as a CPA, annual renewal
17 Nevada			
18 New Jersey			
19 New Mexico			
20 North Carolina			
21 North Dakota	Yes	May use title	Retired available for retired/disabled, age 60 not providing services including bookkeeping
22 Oklahoma			
23 Oregon			
24 Rhode Island			Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement - does not hold out as CPA; Inactive
25 South Dakota	Yes	CPA Retired	Age 55, no longer participating in practice of any accounting discipline, \$10 annual fee
26 Texas			
27 Utah			
28 Washington			
29 Wyoming			

States Using the Term "Inactive" in Public Accountancy Statutes

	State	BAR	Title	Notes
1	Alabama	Yes	Inactive adjacent	Not engaged in the practice of public accounting, annual registration fee
2	Alaska	Yes		Not engaged in the practice, annual registration fee
3	Arizona	Yes	No use of title	Not actively engaged in the practice of accounting, biennial registration fee
4	Arkansas	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
5	California	Yes	Inactive adjacent	Not actively engaged in the practice of public accountancy or any activity which requires them to be licensed by the board
6	Colorado	Yes	Inactive CPA	Shall not perform those acts set forth in section 12-2-120 (6) (a)
7	Florida	Yes		Inactive status, fee
8	Guam	Yes	Inactive adjacent	Not actively engaged in the practice of accounting
9	Idaho	Yes	Inactive adjacent	Does not perform or offer to perform services for the public one or more kinds of attest or compilation services, annual renewal fee
10	Illinois	Yes	No use of title	Shall not practice public accounting in Illinois, no fee
11	Indiana	Yes		Discontinue practice of accounting
12	Iowa	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
13	Kentucky	Yes	CPA Inactive	registers with board, some grandfathering
14	Louisiana	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
15	Maine	Yes		renewal fee, inactive status licensure must describe obligations of inactive status
16	Maryland	Yes		May not practice certified public accountancy in the State, issue inactive status certificate, fee
17	Minnesota	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
18	Missouri	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
19	Nebraska	Yes		Not actively engaged in the practice of public accountancy, fee
20	Nevada	Yes	No use of title	Voluntary termination, does not perform services
21	New Hampshire	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
22	New Jersey	Yes	CPA inactive	May not engage in the practice of accountancy - Inactive
23	New Mexico	Yes	CPA inactive	Does not perform services to the public
24	New York	Yes		Does not perform services to the public
25	North Carolina	Yes	No use of title	no fee, no CPE, no return of CPA certificate
26	Ohio			Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement or just cause
27	Oklahoma	Yes	Inactive adjacent	Board may exempt a licensee from CPE for reasonable causes - military, retirement, not providing services or just cause
28	Oregon	Yes		Board may exempt a licensee from CPE for reasonable causes - disability, military, absence from the state, retirement or just cause, fee
29	Pennsylvania	Yes		Not engaged in the practice of public accounting may request to be put on inactive roll
30	South Carolina			May establish criteria ... for issuing inactive licenses
31	South Dakota	Yes	Inactive adjacent	Does not perform or offer to perform services for the public
32	Tennessee	Yes	Inactive adjacent	Does not perform or offer to perform services for the public, fee (except .70 yrs. old, disabled, active military)
33	Washington	Yes	CPA Inactive	Prohibited from practicing accounting (some transition rules 6/30/01;7/1/01)
34	West VA	Yes	Inactive adjacent	Has completely discontinued performance of professional services, no active management or supervisory responsibilities
35	Wyoming	Yes	Inactive adjacent	Does not practice public accounting in Wyoming, fee

States' Use of the Term "Inactive" in Rules Providing for CPE Exemptions

	State	BAR	Title	Notes
1	Alabama			
2	Alaska			
3	Arizona			
4	Arkansas			
5	California			
6	DC	Yes	No use of title	Board may exempt a licensee from CPE for reasonable causes - health, military, foreign, retirement - does not issue audit/certify reports
7	Florida			
8	Hawaii			Licensing authorities that allow for a license to be placed on inactive status , fee schedule Inactive fee \$10
9	Idaho			
10	Indiana			
11	Louisiana			
12	Maryland			
13	Minnesota			
14	Missouri			
15	Montana	Yes		Licensee may place license on inactive status, may not practice accounting in the state of Montana
16	Nebraska			
17	Nevada			
18	New Hampshire			
19	New Jersey			
20	New Mexico			
21	New York			
22	North Carolina			
23	North Dakota	Yes	Inactive adjacent	
24	Oklahoma			
25	Oregon			
26	Pennsylvania			
27	Rhode Island			Reinstatement after an inactive period - fee \$500 if more than 5 years, addl rules
28	South Carolina			
29	South Dakota			
30	Tennessee			
31	Washington			
32	West VA			
33	Wyoming			

UAA 6th Edition Section 6-3(d) discusses “Inactive” and “Retired” Status in regards to issuance and renewal of certificates, and maintenance of competency

Inactive “The Board may by rule create an exception to this requirement for certificate holders who do not perform or offer to perform for the public one or more kinds of services involving use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.” Licensees granted such an exception by the Board must place the word “inactive” adjacent to their CPA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate, on which their CPA title appears. Licensees may only convert to inactive status if they hold a license in good standing.”

States with Inactive Status - at least 10 jurisdictions have adopted a statutory provision that is similar to UAA 6(d) –Arkansas, Iowa, Louisiana, Minnesota, Missouri, New Hampshire, New Mexico, South Dakota, Tennessee, Guam; a few states that allow inactive status will not allow use of title through statute or rule– Arizona, Illinois, Nevada, North Carolina; DC; Overall 40 states address inactive status in some form; some charge fees (some reduced) and some do not; Reinstatement of license rules vary.

See NC Inactive application as an example of a state who will not allow an inactive CPA to use the title and there is no fee.

See MO inactive application that follows UAA Section 6(d)

UAA 6th Edition Section 6-3(d) discusses “Inactive” and “Retired” Status in regards to issuance and renewal of certificates, and maintenance of competency

Retired – “In addition, inactive CPAs, at least 55 years of age, may, use in lieu of “inactive”, place the word “retired” adjacent to their CPA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate on which their CPA title appears.” Nothing in this section shall preclude the retired CPA from providing the following volunteer, uncompensated services: tax preparation services, participating in a government sponsored business mentoring program, serving on the board of directors for a nonprofit or governmental organization, or serving on a government-appointed advisory body. Licensees may only convert to inactive status if they hold a license in good standing.”

States with Retired Status – a majority of states utilize the term “retire” in some form within their administrative rules as it relates to the status of CPA licenses. At least twenty-six(26) states use “retire” “retired status” or “emeritus” in their rules. Of these 26, at least six (6) define the term within their rules. States have not followed a uniform approach to adopting rules regarding retirement. (Different ages, some of minimum years of being a licensed CPA) Again reinstatement of license rules vary – note SC makes you retake CPA exam. At least eleven (11)states provide a definitive age cutoff by which a licensee must either be a certain age or have practiced for a certain number of years before applying for retired status.

VA statutes/regulations

§ 54.1-4409.1. Licensing requirements for persons.

A. A person must be licensed in order to use the CPA title in Virginia.

1. The person shall hold a Virginia license if he provides services to the public and the principal place of business in which he provides those services is in Virginia.

2. Other persons shall not be required to hold a Virginia license in order to use the CPA title in Virginia provided that they hold the license of another state and comply with the substantial equivalency provisions of § [54.1-4411](#).

B. The Board shall prescribe the methods, fees, and continuing professional education requirements for a person to apply for the issuance, renewal, or reinstatement of a Virginia license.

C. The Board has the authority to refuse to grant a person the privilege of using the CPA title in Virginia if, based upon all the information available, the Board finds that the person is unfit or unsuited to use the CPA title in Virginia. The Board shall not refuse to grant a person the privilege of using the CPA title in Virginia solely because of a criminal conviction.

18VAC5-22-90. Continuing Professional Education

G. Depending on the facts and circumstances, the board may waive all or part of the continuing professional education requirement for one or more calendar years or grant additional time for complying with the continuing professional education requirement, provided that the waiver or deferral is in the public interest.

VBOA Policy #4 Continuing Professional Education Guidelines for CPAs

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.

VBOA Policy #9 Active – CPE Exempt Status Procedure for Approval/Denial/Appeal

- 1 (d) For renewal of a certificate under this Section each licensee shall participate in a
 2 program of learning designed to maintain professional competency. Such program of
 3 learning must comply with rules adopted by the Board. The Board may by rule create
 4 an exception to this requirement for certificate holders who do not perform or offer
 5 to perform for the public one or more kinds of services involving the use of accounting
 6 or auditing skills, including issuance of reports on financial statements or of one or
 7 more kinds of management advisory, financial advisory or consulting services, or the
 8 preparation of tax returns or the furnishing of advice on tax matters. Licensees
 9 granted such an exception by the Board must place the word “inactive” adjacent to
 10 their CPA title or PA title on any business card, letterhead or any other document or
 11 device, with the exception of their CPA certificate or PA registration, on which their
 12 CPA or PA title appears. In addition, inactive CPAs, at least 55 years of age, may, in
 13 lieu of "inactive", place the word “retired” adjacent to their CPA title or PA title on
 14 any business card, letterhead or any other document or device, with the exception of
 15 their CPA certificate or PA registration, on which their CPA or PA title appears.
 16 Nothing in this section shall preclude an inactive CPA, at least 55 years of age, from
 17 providing the following volunteer, uncompensated services: tax preparation services,
 18 participating in a government sponsored business mentoring program, serving on the
 19 board of directors for a nonprofit or governmental organization, or serving on a
 20 government-appointed advisory body. Licensees may only convert to inactive status
 21 if they hold a license in good standing.
 22

23 *COMMENT:* A licensee is deemed competent to serve the public when he or she initially meets
 24 the requirements for licensure. However, a dynamic professional environment requires a licensee
 25 to continuously maintain and enhance his or her knowledge, skills and abilities. The board of
 26 accountancy may specify any reasonable approach to meeting this requirement using as a
 27 guideline the Statement on Standards for Continuing Professional Education (CPE) Programs
 28 jointly approved by the National Association of State Boards of Accountancy (NASBA) and the
 29 American Institute of Certified Public Accountants (AICPA). Furthermore, this section
 30 acknowledges that CPAs may, for a number of different reasons, place their license in inactive
 31 status and not continue with CPE requirements. In order to protect the public, these CPAs should
 32 not use their “inactive CPA” status to continue to perform or offer to perform professional
 33 services. However, for CPAs who go inactive because they are at the end of their careers, this
 34 provision offers an exception to ensure that they can continue to offer a limited number of
 35 volunteer, uncompensated services to the public (such as participation in the Internal Revenue
 36 Service’s Volunteer Income Tax Assistance (VITA) program and the Small Business
 37 Administration’s SCORE program). These services are narrow in scope, may be offered by non-
 38 CPAs, and the provision acknowledges that these CPAs still have much to contribute to their
 39 communities during retirement. In order to protect the public the Board of Accountancy may
 40 consider requiring these CPAs to affirm their understanding of the limited types of activities in
 41 which they may engage while in inactive CPA status and their understanding that they have a
 42 professional duty to ensure that they hold the professional competencies necessary to offer these
 43 limited services.
 44

- 45 (e) The Board shall charge a fee for each application for initial issuance or renewal of a
 46 certificate under this Section in an amount prescribed by the Board by rule.

States Using The Term “Inactive” in Public Accountancy Statutes

Overview

There remains disparity in the manner in which states have dealt with the term “inactive” as it describes the status of licensees. At least ten jurisdictions have adopted a statutory provision that is similar to UAA 6(d). These jurisdictions (Arkansas, Iowa, Louisiana, Minnesota, Missouri, New Hampshire, New Mexico, South Dakota, Tennessee, and Guam) have a statute that provides that the Board may, by rule, create an exception to the education requirements for certificate holders who do not perform or offer certain accounting or auditing services. In addition, licensees granted an exception must place the word “inactive” next to their title.

Many other jurisdictions have implemented a provision that addresses inactive status but have opted to deviate from UAA 6(d). One popular avenue taken by states has been to allow a licensee to request inactive status from the Board or simply permit licensees to designate such status on the renewal application. For example, Arizona Revised Statute 32-730 provides that a “certified public accountant or public accountant who is not actively engaged in the practice of accounting may request that the individual's certificate be placed on inactive status by meeting the requirements for inactive status and completing the forms prescribed by the board.” In Indiana, “if a licensee desires to discontinue the practice of accountancy, the licensee may select inactive status on the renewal form. A licensee selecting inactive status may renew a certificate under this chapter without completing the continuing professional education courses required.” Burns Ind. Code Ann. § 25-2.1-4-5(c).

Other states vary from the UAA in the level of detail provided to boards and licensees regarding the inactive exception. Some states vaguely use the term “inactive” but provide less guidance than the UAA. In Nevada, the Board may discipline a licensee for failing to obtain an annual permit “unless the person has been placed on inactive or retired status.” Nev. Rev. Stat. Ann. § 628.390(1)(i). Thus, the statute indicates that there is such a status as inactive but does not provide a mechanism by which licensees may be designated as such (or expressly authorize rulemaking for such mechanism). North Carolina General Statute § 93-12(b) provides that “the Board shall adopt rules for the administration of the continuing professional education requirement with a minimum number of hours of 20 and a maximum number of hours of 40 per year, and the Board may exempt persons who are retired or inactive from the continuing professional education requirement.” This statute is far less instructive than the services articulated in UAA 6(d). Furthermore, neither of these statutes contains the requirement that a licensee granted an exception must place the word “inactive” next to their title. In contrast with Nevada and North Carolina, the Maryland legislature dictates a far greater level of detail, implementing a regime for inactive status that surpasses these two states and the UAA, and leaves little to the Board to promulgate via rule. BUS. OCC. AND PROFESSIONS Code Ann. § 2-313.

Finally, some states define “inactive” in their statutes. For instance, Washington defines the term as “the certificate is in an inactive status because a person who held a valid certificate before July 1, 2001, has not met the current requirements of licensure and has been granted inactive certificate holder status through an approval process established by the board.” Rev. Code Wash. (ARCW) § 18.04.025(11). Even Louisiana, which has a provision substantially similar to UAA 6(d), goes beyond the UAA and defines “inactive certificate” to mean “one held by a person who registers with the board in inactive status.” La. R.S. 37:73(b). Thus, even though the statute adheres with UAA 6(d), the above definition contemplates a process by which a licensee must register with the Board to obtain inactive status.



Request *for* Inactive Status

Required fields are marked with *

No annual license renewal, fee, CPE, or return of CPA certificate required.

Your Name *

First

Middle

Last

NC CPA Certificate Number *

Mailing Address *

Street Address

Address Line 2

City

North Carolina



State

ZIP Code

Is this a change of address? *

Yes

No

Daytime Phone Number *

Email Address *

I desire to be classified as inactive. I have read the rules of the Board found in 21 NCAC 08A .0301(b)(20), 08A .0308, 08J .0105, and 08J .0106 and understand that under North Carolina Accountancy Statutes and Rules, **I cannot use the title Certified Public Accountant (CPA) or allow anyone to refer to me as a Certified Public Accountant (CPA) in North Carolina or as an inactive CPA.** I will not assume or use, in writing or orally, directly or indirectly or through third parties, "any words, letters, abbreviations, symbols or other means of identification" to identify myself as being licensed as a CPA or as an inactive CPA. Such representation includes, but is not limited to, "...the use of titles or legends on letterheads, reports, business cards, brochures, resumes, office signs, telephone directories or any other advertisements, news articles, publications, listings, tax return signatures, signatures on experience or character affidavits for exam or certificate applicants, displayed membership in CPA associations, displayed CPA licenses from this or any other state, and displayed certificates or licenses from other organizations which have the designation 'CPA' or 'Certified Public Accountant' by the [my] name."

An individual who is licensed as a CPA in another jurisdiction and who does not reside in North Carolina and does not have an office in North Carolina may request inactive status of his or her North Carolina CPA certificate and exercise his or her practice privilege in North Carolina pursuant to NCGS 93-10.

Verification *

I affirm that I will not identify myself as a North Carolina CPA nor will I allow anyone else to refer to me as a North Carolina CPA in any manner as specified in 21 NCAC 08A .0308(a) and (b) as long as I am on inactive status. I affirm that the information shown above is true and correct.

PUBLIC SESSION MINUTES

NORTH CAROLINA
ADMINISTRATIVE CODE (RULES)

NORTH CAROLINA GENERAL
STATUTE EXCERPTS

LINKS OF INTEREST

PRESS RELEASES

INFO YOU CAN USE

CALENDAR

FEE SCHEDULE – EFFECTIVE
10/21/2017

VIDEOS

[REQUEST FOR INACTIVE STATUS](#)

ADDRESS CHANGE

CONTACT US

FILE A COMPLAINT

FIND CPA/CPA FIRM

FORMS & APPLICATIONS

NEWSLETTER

FOLLOW US:

Enter Your Name *

Note:

Inactive status is effective upon submission of this form.





STATE OF MISSOURI
DIVISION OF PROFESSIONAL REGISTRATION
APPLICATION FOR AN "INACTIVE STATUS"

MISSOURI STATE BOARD OF ACCOUNTANCY
3605 MISSOURI BLVD, P.O. BOX 613
JEFFERSON CITY, MISSOURI 65102-0613
(573) 751-0012



GENERAL INSTRUCTIONS

The instructions listed are to assist the individuals in meeting mandates of Chapter 326 of the Revised Statutes of Missouri for Inactive Status. Each section must be filled out in its entirety with appropriate documents and fees attached. Incomplete applications will be considered not received and be returned to the applicant.

SECTION I: Individual Information

- **Full name** of individual listing last name first, first name and middle initial.
- **Home Address** to include street, city, state, and zip code.
- **Mailing Address** to include street, city, state, and zip code if different from home address.
- **Business Address** to include street, city, state, and zip code of your current employer.
- **Telephone** to include home, business and cell phone.
- **Email Address** indicate email address to receive correspondence from the MOSBA.
- **Social Security Number** must have nine numbers listed.
- **Date of Birth** to include month/day/year.
- **Other Name** to include any other name you may have been known by.
- **CPA License Number** to include your number on your current license.
- **Issue Date** to include the date your current license was issued.
- **Expiration Date** to include the date your current license will expire.
- **CPE Verification** to include a statement that you are current on your CPE requirements as stated in Chapter 4.
- **Inactive Statement** to include a statement from the licensee of their future planned activities including when they believe they will use the designation "CPA Inactive" or other indicia.

Fee Information: Attach a check or money order in the amount of \$25 payable to the Missouri State Board of Accountancy. All fees are non-refundable and cannot be applied to another application.

If your license has expired, you are NOT eligible to apply for an inactive status.

Only active licensees are eligible for an inactive status.



STATE OF MISSOURI
DIVISION OF PROFESSIONAL REGISTRATION
APPLICATION FOR "INACTIVE STATUS"

MISSOURI STATE BOARD OF ACCOUNTANCY
P.O. BOX 613
JEFFERSON CITY, MISSOURI 65102-0613
(573) 751-0012

SECTION I TO BE COMPLETED BY THE APPLICANT (Type or print in black ink)

Please read the instructions before completing. Be sure to sign and date this form. Submit this form along with the appropriate fee to the above address.

If your license has expired, you are NOT eligible to apply for an Inactive status. Only active licensees are eligible for an Inactive status.

NAME: LAST		FIRST	MIDDLE	
HOME ADDRESS: STREET		CITY	STATE	ZIP CODE
MAILING ADDRESS: STREET		CITY	STATE	ZIP CODE
BUSINESS NAME				
BUSINESS ADDRESS: STREET		CITY	STATE	ZIP CODE
HOME TELEPHONE NUMBER	CELL NUMBER	WORK TELEPHONE NUMBER		
EMAIL	SOCIAL SECURITY NUMBER	DATE OF BIRTH		
HAVE YOU EVER BEEN KNOWN BY ANOTHER NAME? IF YES, LIST.				
CPA LICENSE NUMBER	ISSUE DATE	EXPIRATION DATE		

CPE VERIFICATION

I certify that I have met the CPE requirements for the three complete calendar years prior to the date of this application as stated in Chapter 4 of the Missouri State Board of Accountancy Rules and Regulations and that I have retained records documenting completion of these hours, which I will retain for five (5) years.

YES NO

DO NOT SEND CPE DOCUMENTS AT THIS TIME. THE BOARD WILL SEND YOU NOTICE OF AUDIT. YOU WILL NEED TO PRODUCE THOSE RECORDS AT THAT TIME.

Please indicate the calendar years associated with this application.

How many total hours of continuing education did you complete in: 20__ : ____ 20__ : ____ 20__ : ____

Out of the total hours reported above, how many were in Ethics: 20__ : ____ 20__ : ____ 20__ : ____

I request that my CPA License be placed on "Inactive Status" as outlined in Chapter 326.286(6).

I believe that I am eligible for "Inactive Status" and provide the following statement of future planned activities:

I certify that my license is current and in good standing and my CPE is current with the Board at the time of this request. I further understand that I will be responsible for renewing my inactive license as prescribed by Board rule.

I certify that I do not or will not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or if granted an inactive status I understand that I cannot use the CPA designation in the preparation of tax returns or the furnishing of advice on tax matters.

I further understand that as an "inactive" license holder I shall place the word "inactive, retired, or ret" adjacent to my certified public accountant title on any business card, letterhead or other document or device, on which my certified public accountant title appears.

SIGNATURE	APPLICANT'S PRINTED NAME	DATE
-----------	--------------------------	------

States Using the Term “Retired” or “Emeritus” in Their Rules for Purposes of CPE Exemptions

Overview re States’ Rules re “Retired”

A majority of states utilize the term “retire” in some form within their administrative rules as it relates to the status of CPA licenses. At least twenty-six states use “retire,” “retired status,” or “emeritus” in their rules. Of these twenty-six states, at least six define the term within their rules. For example, in Nevada, “retired status” means the voluntary termination by a holder of a certificate or a registrant of all activities in the profession of public or private accounting upon the attainment of at least 60 years of age or upon becoming permanently disabled and no longer gainfully employed. NAC 628.110. There appears to be a wide disparity in the use of the term retired across states. The difficulty in reconciling these differences is that states must ensure that the term is not merely used as a loophole for practitioners to temporarily circumvent continuing professional education and other requirements when they intend to eventually return to practice.

Similar to their statutory approach, states have not followed a uniform approach to adopting rules regarding retirement. The primary context for which the term is used in states’ rules is to change the requirement for licensees in retired status for CPE and renewal fees. This adheres to the intent behind UAA Model Rule 6-4(c). For example, Colorado rules provide an extensive regime whereby retired status is explicitly described, exceptions are provided for, and reactivation to active status is discussed. See 3 CCR 705-1. Under this provision, a retired certificate holder is not required to comply with CPE requirements for the period during which the certificate is in retired status and “Retired” must be placed by the licensee’s designation. Furthermore, the requirements to reactivate a retired license depends on whether the license has been in retired status for less than two years. The two year distinction determines whether the licensee in retired status may count personal development CPE towards the total CPE required to reactivate. In North Carolina, “there are no CPE requirements for retired or inactive CPAs.” 21 NCAC 8G.0401. Many states either exempt licensees in retired status from paying renewal fees or require a lesser amount to be remitted to renew. In Texas, the annual license fee for an individual in retired or disabled status is \$10 a year as opposed to \$200 a year for active licenses. 22 TAC 521.8.

Other states provide far less guidance in their rules. For instance, Kansas provides that the CPE requirements “may be waived by the board for reasons of health, military service, foreign residence, retirement, or other good cause. KAR 74-4-7. Similarly, in Rhode Island, “the Board of Accountancy may in its discretion, on an individual basis, make exceptions for CPE time for reasons of health, military service, foreign residence, retirement, or for such other reasons as the Board may determine reasonable.” CRIR 02-020-008.

Finally, at least eleven states provide a definitive age cutoff by which a licensee must either be a certain age or have practiced for a certain number of years before applying to the board for retired status. For example, in Idaho, “individuals who are inactive and have reached 55 years of age may substitute the word “retired for the word “inactive.” IDAPA 01.01.01.502. In South Dakota, retired status is defined as “a CPA or PA certificate issued by this state to an individual who is at least 55 years of age and is no longer participating in the practice of any accounting discipline.” ARSD 20:75:03:11. Conversely, Oregon allows licensees to apply for retired status if they have either reached age 65 or held an active CPA license in Oregon for not less than 20 years. OR Admin. R. 801-005-0010.

MONTANA BOARD OF PUBLIC ACCOUNTANTS

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PO Box 200513

Helena MT 59620-0513

Phone: 406-444-6880

Email: dlibsdpac@mt.gov Website www.publicaccountant.mt.gov

RETIRED STATUS REQUEST FORM

In accordance with ARM 24.201.537, I am requesting my CPA license be placed on retired status. I hereby state that I meet the criteria for retired status:

- I am fully retired from active employment in the practice of public accounting;
- My CPA license is current and in good standing; and
- I am at least 60 years of age or have held a license in good standing for at least 20 years from a substantially equivalent jurisdiction.

I understand I can maintain my retired status by annually renewing the retired license. I understand it is my responsibility to keep the Board apprised of any change of address or email address.

I affirm the following:

- I understand the scope of limitations on what services I offer;
- I agree not to use the retired status in a way that could be misleading; and
- When offering any permitted volunteer services, I understand I must maintain professional competence even without a specific CPE requirement.

I understand I may use the title CPA (retired) and provide the following volunteer, uncompensated services:

- Tax preparation services;
- Government-sponsored business mentoring programs; and
- Serve on the board of directors for a non-profit organization.

License # PAC-CPAP-LIC-_____ Permit # PAC-LPAP-LIC-_____

FULL NAME AS APPEARS ON LICENSE _____

ADDRESS: _____


Original Date of licensure _____ Jurisdiction _____

The Board’s primary method of communication is by email. Include your preferred email address:


EMAIL: _____ PHONE: _____

SIGNATURE: _____ DATE: _____

Ethical Reasoning
for Accountants:
A Practical
Strategy



30 April 2019
William J. "Bill" Hawk



Ethical Reasoning for Accountants

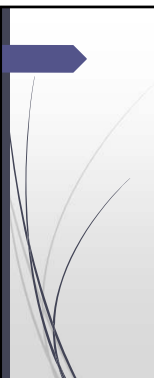
Problem
Solutions?
A Different Approach
Practice
Effectiveness?
Implementation

Please identify...

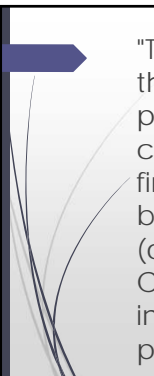
*one or more ethical issues,
situations, or areas of
accounting practice that
should be included in
preparing CPAs who will face
complex ethical decisions.*



Why discuss accounting ethics?



ARTHUR
ANDERSEN



"The evidence available to us suggests that Andersen did not fulfill its professional responsibilities in connection with its audits of Enron's financial statements, or its obligation to bring to the attention of Enron's Board (or the Audit and Compliance Committee) concerns about Enron's internal contracts over the related-party transactions".



WHAT IF ?

we could effectively improve the ethical decision making skills of all CPAs in the Commonwealth of Virginia





Efforts to Improve Ethics

CEOs

COURSES

CRACKDOWNS

CODES


A central graphic titled "Efforts to Improve Ethics" featuring four categories: "CEOs" with a photo of a man in a suit, "COURSES" with a book cover titled "Cases in Accounting Ethics and Professionalism", "CRACKDOWNS" with a photo of two men in a hallway, and "CODES" with a blue logo for "CODE OF PROFESSIONAL CONDUCT".

Eugene Soltes HARVARD UNIVERSITY

"Why are moral decisions... sometimes easily resolved in the classroom but often harder to successfully resolve in practice?"

A graphic for Eugene Soltes, Harvard University, featuring the book cover for "WHY THEY DO IT: INSIDE THE MIND OF A WHITE COLLAR CRIMINAL" and a quote: "Why are moral decisions... sometimes easily resolved in the classroom but often harder to successfully resolve in practice?".


Jonathan Haidt



"...I have yet to find any evidence that a single ethics class... can improve ethical behavior..."


"...We need to understand why people behave unethically, even when they think of themselves as virtuous."

Scott London
Former KPMG partner




Scott London, former KPMG partner

"At that time that this was going on, I just never really thought about the consequences. The money was nominal, really nominal. I was on three charitable boards and I had to step off all of them. I will probably lose my CPA license and I can't practice in front of the FCC. None of these things were going through my mind. I never once thought about the costs versus the rewards."



The great hope of leading from the top has not paid off



Ethical Culture?
Gartner (former CEB)
August 2017

"Employees today do not believe their companies are any more ethical than they were eight years ago... Seeing and sensing integrity in the everyday actions of their peers is what really makes a difference, ..."

17





Eugene Soltes

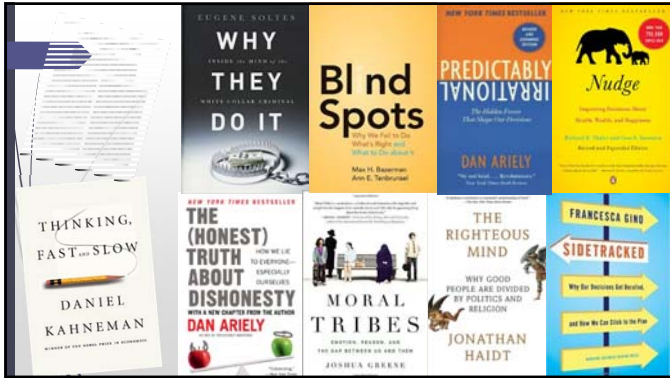


Eugene Soltes

Fail to recognize the situation as raising moral issues.

Fail to take multiple perspectives.

Rely on intuitions rather than critical ethical functions.



Watch for...

Heuristics Bias

Two-Part ER Strategy

Recognize intuitions, biases, and unconscious processes (heuristics) that drive decisions and behaviors.

Interrupt automatic responses by asking questions that prompt reflection.

Fairness: how can I (we) act justly, equitably, balancing interests?

Outcomes: what are the short- & long-term outcomes for all?

Responsibilities: what duties and obligations apply?

Character: what actions help me (us) become my (our) ideal?

Liberty: how do I (we) respect personal freedom (autonomy)?

Empathy: how would I (we) act if I (we) cared about all?

Authority: what do *legitimate* authorities (e.g., experts, law, my god) expect?

Rights: what rights (e.g., innate, legal, social) apply?

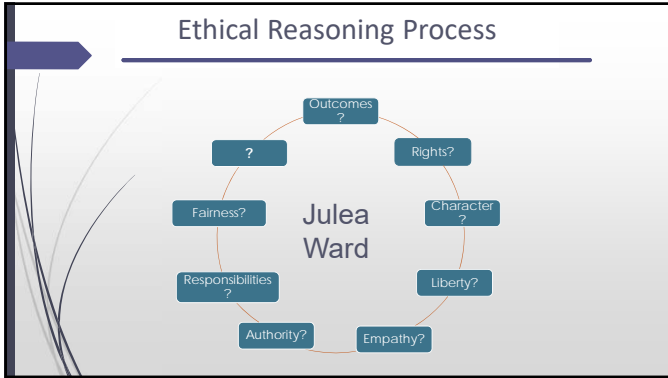
Eight Key Questions:
 An Ethical Decision-Making Technology.
 A Strategy to Test, Supplement, & Replace Intuitive Moral Responses

Counseling LGBT Students



Julea Ward

As Eastern Michigan U's counseling program **formal hearing board** you have three options:




Round One – No Decisions Yet!

Using the Eight Key Questions, generate as many specific questions as you can about the Julea Ward situation.

For example:

- Is the ACA Code of Ethics a *legitimate* authority?
- Is Julea Ward’s decision to ask to have the potential client reassigned a matter of her personal liberty?
- Does Ward’s ambition to be a certified high school counselor count as an important outcome?




Round Two – Resist Deciding!

As an EMU counseling program review board go over all of the questions that you have generated.

Take note of the considerations (the Eight Key Questions) that arise from your discussion.

Have any of the Eight Key Questions been overlooked?



Round Three – Decide!

As a counseling program review board use the most applicable questions and considerations you have generated to inform the decision about Julea Ward’s continuance at EMU.



Consider three options.

Round Four – Report & Explain!


Report to the larger group your recommendations for Julea Ward’s continuance in the counseling program and what questions and considerations you used to inform your decision.

ASK 8KQ: Ethical Decision Making Strategy

- Ask each of the Eight Key Questions
- Interrogate *automatic* intuitions
- Avoid *my-side* and *confirmation bias* & *mental shortcuts (heuristics)*
- Ask **open questions: don’t rationalize!**
- Process in groups/teams with **outsider view**

Atul Gawande

WHO Surgical Safety Checklist



Surgical Safety Checklist

World Health Organization Patient Safety

Before induction of anaesthesia (with at least nurse and anaesthetist)	Before skin incision (with nurse, anaesthetist and surgeon)	Before patient leaves operating room (with nurse, anaesthetist and surgeon)
<p>Has the patient confirmed his/her identity, site, procedure, and consent?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Not applicable</p> <p>Is the site marked?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> Not applicable</p> <p>Is the anaesthesia machine and medication check complete?</p> <p><input type="checkbox"/> Yes</p> <p>Is the pulse oximeter on the patient and functioning?</p> <p><input type="checkbox"/> Yes</p> <p>Does the patient have a:</p> <p>Known allergy?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Difficult airway or aspiration risk?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Yes, and equipment/assistance available</p> <p>Risk of >500ml blood loss (red flag in children)?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Yes, and two 30cc/ml syringes and fluids planned</p>	<p>Confirm all team members have introduced themselves by name and role.</p> <p>Confirm the patient's name, procedure, and where the incision will be made.</p> <p>Has antibiotic prophylaxis been given within the last 60 minutes?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> Not applicable</p> <p>Anticipated Critical Events</p> <p>To Surgeon:</p> <ul style="list-style-type: none"> What are the critical or non-routine steps? How long will the case take? What is the anticipated blood loss? <p>To Anaesthetist:</p> <ul style="list-style-type: none"> Are there any patient specific concerns? <p>To Nursing Team:</p> <ul style="list-style-type: none"> Has identity (including indicator results) been confirmed? Are there equipment issues or any concerns? <p>Is essential imaging displayed?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> Not applicable</p>	<p>Nurse Verbally Confirms:</p> <ul style="list-style-type: none"> The name of the procedure Completion of instrument, sponge and needle counts Specimen labelling (with specimen labels attached, including patient name) Whether there are any equipment problems to be addressed? <p>To Surgeon, Anaesthetist and Nurse:</p> <ul style="list-style-type: none"> What are the key concerns for recovery and management of this patient?


**Surgical Safety Checklist:
Does it save lives?**

South Carolina Hospitals WHO Global Study

"South Carolina saw a 22 percent reduction in post-surgical deaths in hospitals that completed a voluntary, statewide program to implement the World Health Organization Surgical Safety Checklist."

"The rate of death was 1.5% before the checklist was introduced and declined to 0.8% afterward (P=0.003). Inpatient complications occurred in 11.0% of patients at baseline and in 7.0% after introduction of the checklist (P<0.001)."

Atul Gawande



“Better is possible. It does not take genius. It takes diligence. It takes moral clarity. It takes ingenuity. And above all, it takes a willingness to try.”

Please identify...

one or more ethical issues, situations, or areas of accounting practice that should be included in preparing CPAs who will face complex ethical decisions.

An Accounting Ethics Curriculum

- Empirical research on decision making
 - Heuristics* (shortcuts) and *biases* (knowledge limitations) produce decision by *intuition*
 - Ethical behavior *primes, prompts, obstructions*
 - Conflicts of interest* -- conscious & unconscious
- Eight Key Questions (8KQ) ethical reasoning strategy
 - How the *habit of questioning interrupts/interrogates intuition*
- Accounting Question Strategy- *checklist*
- Mapping Accounting Question Strategy to the AICPA code


When to Ask 8KQ?

- A "correcting entry"
- Offered a "side payment"
- Booking revenues & costs
- Dating a contract

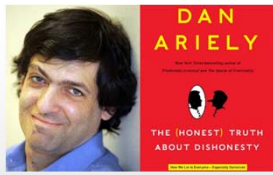
When to Ask 8KQ?

- Before estimating "uncollectible funds" or "litigation/legal" fees
- "Gaming" end of quarter entries
- Did you nudge revenues, costs, inventories up or down?

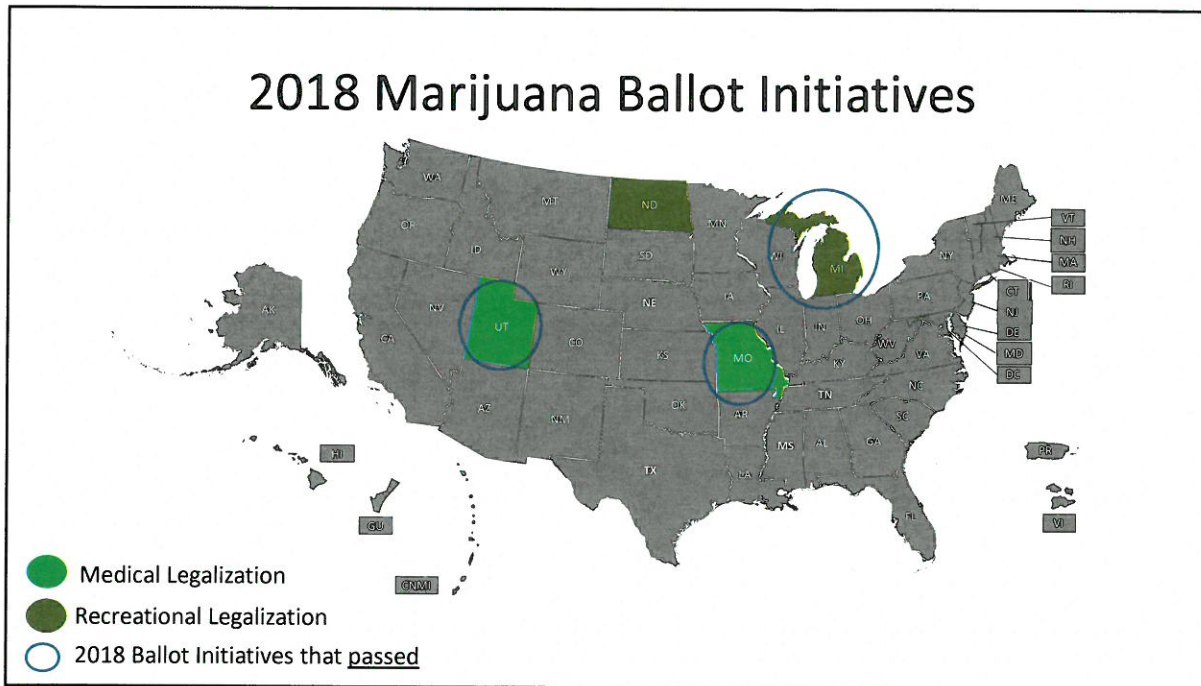
David G. Friebling
CPA



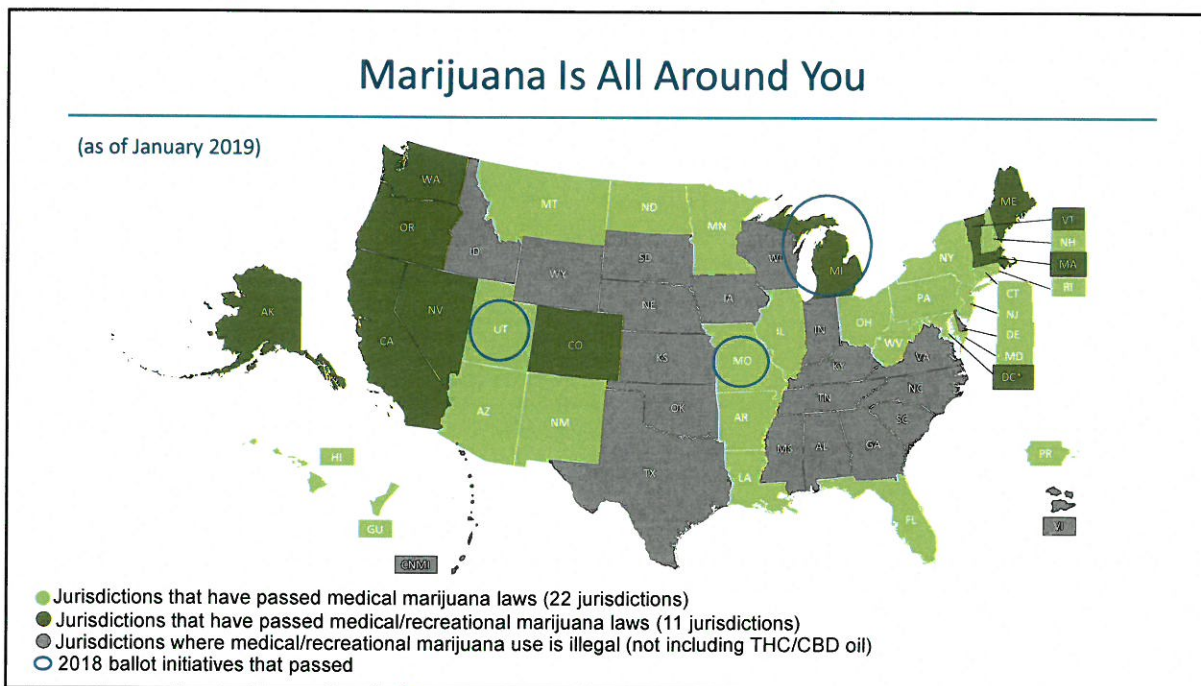
"I did not question what I should have questioned."



“...it’s quite a challenge to create a long-term cultural change when it comes to ethics.”



25



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Marijuana Legalization and State Boards of Accountancy (alphabetically by state/territory)					
State	Possession	Sale	Accountancy Board Guidance	Adopted	Published Statement/Upon Request Only
Alaska	Legal	Medical and Recreational Use	"...offering to perform or performing professional services for clients in the marijuana industry who are in compliance with Alaska's marijuana law, AS 17.38.010-17.38.900, and regulations adopted thereunder is not specifically prohibited by the Accountancy Act."	11/8/2016	Published Statement
Arizona	Medical Use Only	Medical Use Only	"...merely accepting an engagement to provide accounting services to a medical marijuana dispensary does not, on its face, constitute an act discreditable to the profession and it will not pursue independent disciplinary action..."	NA	Published Statement
Arkansas	Medical Use Only	Medical Use Only	"...the Board concludes that, in and of itself, the provision of professional services, within states where the possession and distribution of medical marijuana has been legalized, and the client has been duly licensed or is in the process of licensure application does not constitute a lack of good moral character, nor would the provision of such services be considered an act discreditable to the profession."	8/18/2017	Published Statement
Colorado	Legal	Medical and Recreational Use	"...offering to perform or performing professional services for clients in the marijuana industry who are in compliance with Colorado Medical Marijuana Code and the Colorado Retail Marijuana Code is not in itself specifically prohibited by the Accountancy Act."	12/16/2015	Published Statement
Connecticut	Decriminalized	Medical Use Only	"...in the absence of such a determination by the courts [that a Connecticut CPA or CPA firm has violated drug laws] the Connecticut's Board of Accountancy will not pursue independent disciplinary action against Connecticut CPAs or CPA firms who are operating within the bounds of state law."	2015	Published Statement
Florida	Medical Use Only	Medical Use Only	"...the provision of public accounting services, as defined in Section 473.302(8), FS, to marijuana-related businesses in states where marijuana-related businesses have been legalized, in the absence of a criminal conviction of the certified public accountant for the provision of those services, in and of itself does not constitute lack of good moral character."	9/30/2015	Published Statement
Iowa	Medical use of non-psychoactive CBD oil only	Medical Use Only	"...it is the Board's position that offering to provide or providing professional services to retail marijuana businesses legally operating in another state does not, on its face, constitute an act discreditable to the profession, constitute a lack of good moral character or otherwise violate the statutes and/or rules the Board administers. Thus, the Board will not generally pursue disciplinary action against licensees who offer to provide or provide professional services to such businesses."	NA	Upon Inquiry
Maryland	Decriminalized	Medical Use Only	"...the Board will take no regulatory action against a CPA or firm solely on the basis that the CPA firm provides services to a business involved in the sale or distribution of marijuana, provided that the business is operating legally under applicable state law."	2015	Upon Inquiry
Massachusetts	Legal	Medical and Recreational Use	"...the Board has determined that Massachusetts licensees and firms that elect to provide services to the marijuana industry legalized in any state in which the licensee practices will not face action by the Board based solely on the fact that the licensee or firm is providing such services."	1/19/2017	Published Statement

Marijuana Legalization and State Boards of Accountancy (alphabetically by state/territory)					
State	Possession	Sale	Accountancy Board Guidance	Adopted	Published Statement/Upon Request Only
Michigan	Legal	Medical and Recreational Use	"...it is the Department and Board's position that a licensee offering to perform professional services for clients engaged in the medical marijuana industry who are otherwise in compliance with Michigan's Medical Marijuana Act, Medical Marijuana Facilities Licensing Act, and associated administrative rules, or any other state where medical marijuana is legalized, is not in itself specifically prohibited by the provisions of Michigan's Occupation Code. Therefore, a licensee will not face any action by the Department or the Board based solely on the fact that the individual licensee or licensed firm provides professional services to a client engaged in the medical marijuana industry.	NA	Published Statement
Nevada	Legal	Medical and Recreational Use	"...the Board has determined that Nevada licensees and firms that elect to provide services to the marijuana industry legalized in any state in which the licensee practices will not face action by the Board based solely on the fact that the licensee or firm is providing such services."	11/16/2015	Published Statement
New Mexico	Decriminalized	Medical Use Only	"Based on the information and the concerns that were raised [at Board meeting], the Board determined that this is a legal issue that is beyond its scope. Accordingly, it has declined to issue a letter permitting CPAs in New Mexico to conduct audits of medical cannabis producers, as it has no authority to do so. "	2/23/2012	Published Statement
Oregon	Legal	Medical and Recreational Use	"Oregon licensees and firms that elect to provide services to the marijuana industry legalized in any state in which the licensee practices, will not face action by the Board for violation of the State of Oregon Board of Accountancy's Code of Professional conduct, based solely on the fact that the licensee or firm is providing such services."	3/19/2015	Published Statement
Washington	Legal	Medical and Recreational Use	"...the Board reiterates its policy that it will not initiate disciplinary action against CPAs that are compliant with our state's self-imposed regulatory framework and remain free of other financially related violations of federal or state law."	10/27/2017 (revisited from original guidance July 2014)	Published Statement