

**Tuesday, January 7, 2020**  
**VBOA Board Meeting Agenda**

Board Room #4  
2nd Floor Conference Center  
9960 Mayland Drive  
Henrico, VA 23233  
Phone: (804) 367-8505

- 10 a.m. Call to Order – **D. Brian Carson, CPA, CGMA, Chair**  
Security Briefing – **Heather Rogers, Executive Administrative Assistant**  
Determination of Quorum  
Approval of January 7, 2020, Agenda  
Approval of November 15, 2019, Board meeting minutes  
Public comment period\*  
Approval of Consent Agenda
- 2017-086-022U (Brown and Saunders)
  - 2018-161-005D (Ferguson and Saunders)
  - 2018-523-030D (Saunders)
- 10:10 a.m. 1. Committee Updates – **D. Brian Carson, CPA, CGMA, Chair**
- NASBA Communications Committee – **D. Brian Carson, CPA, CGMA, Chair**
  - NASBA Enforcement Resources Committee – **William R. Brown, CPA**
  - NASBA Education Committee and UAA Committee – **Stephanie S. Saunders, CPA**
  - NASBA Board of Directors – **Stephanie S. Saunders, CPA**
- 10:20 a.m. 2. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
  - Financial and Board Report overview – **Renai Reinholtz, Deputy Director**
  - Enforcement, CPE and status of open cases – **Amanda E. M. Blount, Enforcement Director**
- 10:40 a.m. 3. Board Discussion Topics – **D. Brian Carson, CPA, CGMA, Chair**
- PROC Meeting and updates – **Nadia Rogers, CPA**
  - Inactive status – **Elizabeth Marcello, Information and Policy Advisor; Kelli Anderson, Communications Manager**
    - VBOA Policy #9 draft
    - Application format
  - Volunteer services – **Kelli Anderson, Communications Manager**
  - VBOA Website redesign – **Kelli Anderson, Communications Manager**
  - Ethics 2020 and 2021 – **Nancy Glynn, CPA, Executive Director**
  - Enforcement IFF overview – **Stephanie S. Saunders, CPA**
- 11:45 a.m. 4. Additional Items for Discussion – **D. Brian Carson, CPA, CGMA, Chair**  
Carryover topics (Additional items for discussion)

- Required coursework for CPA examination/licensure
- CPE survey results/research
- Publication of disciplinary actions
- Sign Conflict of Interest forms
- Sign Travel Expense vouchers
- Future meeting dates
  - February 25, 2020
  - April 28, 2020
  - May 21, 2020 (Planning meeting)
  - June 23, 2020
  - August 18, 2020
  - October 8, 2020

12:00 p.m.      Recess for lunch

1:00 p.m.      6. Board Discussion Topics, continued – **D. Brian Carson, CPA, CGMA, Chair**

1:30 p.m.      7. Closed Session  
                  Enforcement – **Amanda E. M. Blount, Enforcement Director**

- Enforcement Processes
- OAG and legal updates
- Final Orders:
  - 2015-U0025 (Bradshaw and Moyers)
  - 2018-009-009C (Blount and Charity)
  - 2019-114-005E (Brown and Saunders)

                  Contract discussion (if necessary) – **Nancy Glynn, CPA, Executive Director**

3:00 p.m.      Adjournment

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

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

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**Board Meeting  
November 15, 2019  
Draft/Unapproved minutes**

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The Virginia Board of Accountancy met on Friday, November 15, 2019, at Virginia Commonwealth University, Snead Hall

**MEMBERS PRESENT:** D. Brian Carson, CPA, CGMA, Chair  
Laurie A. Warwick, CPA, Vice Chair  
Matthew P. Boshier, Esq.  
W. Barclay Bradshaw, CPA  
William R. Brown, CPA  
Nadia A. Rogers, CPA  
Stephanie S. Saunders, CPA

**LEGAL COUNSEL:** James Flaherty, Assistant Attorney General,  
Office of the Attorney General

**STAFF PRESENT:** Nancy Glynn, CPA, Executive Director  
Renai Reinholtz, Deputy Director  
Amanda E. M. Blount, Enforcement Director  
Kelli Anderson, Communications Manager  
Elizabeth Marcello, Information and Policy Advisor  
Heather Rogers, Executive Administrative Assistant

**LEGAL COUNSEL  
PARTICIPATING FOR  
A PORTION OF THE  
MEETING:** Christopher K. Jones, Esq., Sands Anderson

**MEMBERS OF THE PUBLIC PRESENT:**

Stephanie Peters, CAE, President and CEO, Virginia Society of Certified Public Accountants  
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of Certified Public Accountants  
Amy Mawyer, Vice President, Learning, Virginia Society of Certified Public Accountants  
Molly Wash, CAE, Academic Engagement Director, Virginia Society of Certified Public Accountants  
Henry Davis III, CPA, Vice Chair, Virginia Society of Certified Public Accountants  
Tim Barry, Public Affairs Director, Virginia Society of Certified Public Accountants  
Kimberly Messersmith, Managing Director of State Government Affairs, KPMG  
Wendy Lewis, CPA, Partner, KPMG

**Board Meeting  
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Ed Grier, Dean, School of Business, Virginia Commonwealth University  
Carolyn Norman, Chair, Department of Accounting, Virginia Commonwealth University  
More than 50 Virginia Commonwealth University students and faculty  
Clifton Cogger CPA

**CALL TO ORDER**

Mr. Carson called the meeting to order at 10:03 a.m.

**SECURITY BRIEFING**

Ms. Rogers provided the emergency evacuation procedures.

**DETERMINATION OF QUORUM**

Mr. Carson determined there was a quorum present.

**APPROVAL OF AGENDA**

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the November 15, 2019, agenda, as amended. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers, Ms. Saunders and Ms. Warwick.

**APPROVAL OF MINUTES**

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the September 30, 2019, Board meeting minutes, as amended. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Saunders, Ms. Rogers and Ms. Warwick.

**APPROVAL OF CONSENT AGENDA**

Upon a motion by Mr. Brown, and duly seconded, the members voted to approve the Consent Agenda, as presented. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Ms. Rogers, Mr. Brown, Ms. Saunders and Mr. Barclay. Ms. Warwick abstained from case 2019-136-011U.

**PUBLIC COMMENT PERIOD**

Ms. Peters provided a brief overview of the VSCPA and a peer review update.

**Board Meeting  
November 15, 2019  
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**WELCOME**

Mr. Grier welcomed the Board members, the VBOA staff and Virginia Commonwealth University faculty and students.

**BOARD MEMBER/STAFF INTRODUCTIONS AND VBOA OVERVIEW**

Mr. Carson provided a brief overview of the VBOA's purpose, values and mission. Each Board member and VBOA staff in attendance introduced themselves.

**EXECUTIVE DIRECTOR'S REPORT**

**General Updates**

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

- Ms. Glynn spoke briefly on the customer service satisfaction survey.
- Ms. Glynn provided a status update on the new VBOA website.

**Financial and Board Report**

Ms. Reinholtz provided an overview of the financial and board reports. She provided handouts on the updated budget and the cash balance report. She fielded questions from the Board.

**Enforcements and Status of Open Cases**

Ms. Blount provided a handout with the status of the open enforcement cases. She further noted that the number of CPE audits has decreased due to the implementation of the NASBA CPE Tracker but is expected to increase once the issues with the tracker are resolved.

**BUILDING A CAREER IN ACCOUNTING**

Ms. Lewis spoke about and provided a presentation on her journey of becoming a CPA and a partner at KPMG.

**VIRGINIA SOCIETY OF CPAS: STUDENT RESOURCES**

Ms. Wash provided students with an overview of the VSCPA resources available to them.

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**BOARD DISCUSSION TOPICS**

**CPA Evolution**

Ms. Saunders discussed the combined NASBA-AICPA initiative aimed at evolving CPA licensure to reflect the skills and knowledge of CPAs in an increasingly technology-driven marketplace. She spoke to several PowerPoint slides on the topic and fielded questions.

**RECESS FOR LUNCH 12:01 p.m.**

**RECONVENE 1:02 p.m.**

**BOARD DISCUSSION TOPICS, CONTINUED**

**Trust Fund Policy**

Ms. Reinholtz led the discussion regarding the Trust Fund Policy (VBOA Policy #1 Trust Account). She provided documents and fielded questions.

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the Trust Fund Policy (VBOA Policy #1 Trust Account), as amended. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers, Ms. Saunders and Ms. Warwick.

**Final Revisions 18VAC5-22-90**

Ms. Marcello led the discussion regarding the proposed revisions and updates to the VBOA regulations. She provided a detailed PowerPoint including handouts regarding the proposed changes.

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve 18VAC5-22-90 with the proposed changes to the regulation, as amended. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers, Ms. Warwick and Ms. Saunders.

**Enforcement Processes**

Ms. Blount provided handouts and led an in-depth discussion on the Board’s enforcement processes, fielding questions as raised by Board members.

**NASBA COMMITTEE UPDATES**

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**NASBA Communications Committee**

Mr. Carson noted there were no recent updates.

**NASBA Enforcement Resources Committee**

Mr. Brown noted there were no recent updates.

**NASBA Education Committee and UAA Committee**

Ms. Saunders noted there was a meeting scheduled in January 2020 to discuss the core of the CPA evolution. The UAA Committee will be discussing non-compliance with laws and regulations.

**NASBA Board of Directors**

Ms. Saunders led the discussion regarding the NASBA Board of Directors. She noted the next meeting would be held in January 2020.

**ADDITIONAL ITEMS FOR DISCUSSION**

**Carry over topics**

- Publication of VBOA disciplinary actions
- CPE survey results
- Required coursework for CPA examination/licensure
- Ethics Committee
- Enforcement processes
- Ethics CPE for 2021

**Sign Conflict of Interest forms**

**Sign Travel Expense vouchers**

**Future meeting dates**

- January 7, 2020
- February 25, 2020
- April 28, 2020

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**Board Meeting  
November 15, 2019  
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- May 21, 2020 (Planning Meeting)
- June 23, 2020
- August 18, 2020
- October 8, 2020

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**Begin closed meeting**

Upon a motion by Ms. Warwick, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act to discuss and consider a legal matter relating to a contract, a matter lawfully exempted from open meeting requirements under the ‘contracts’ exemption contained in Virginia Code § 2.2-3711(A) (29).” The following non-members will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn and James Flaherty.

**End closed meeting**

Upon a motion by Ms. Warwick, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

D. Brian Carson, CPA, CGMA – Aye  
Laurie A. Warwick, CPA – Aye  
Matthew P. Bosher, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye  
William R. Brown, CPA – Aye  
Nadia A. Rogers, CPA – Aye  
Stephanie S. Saunders, CPA – Aye

**VOTE:**

Ayes: Seven (7)  
Abstain: None



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Nays: None

**ADDITIONAL PUBLIC COMMENT PERIOD**

Mr. Cogger addressed the Board members regarding the CPA licensure expiration/reinstatement process.

**Begin closed meeting**

Upon a motion by Ms. Warwick, and duly seconded, the members approved by unanimous vote the meeting be recessed and the Virginia Board of Accountancy convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases and cases listed on our agenda, a matter lawfully exempted from open meeting requirements under the 'consulting with legal counsel' and 'disciplinary proceedings' exemptions contained in Virginia Code § 2.2-3711(A)(7) and (27). 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.

**End closed meeting**

Upon a motion by Ms. Warwick, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

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

**VOTE:**

**Board Meeting  
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Ayes: Seven (7)  
Abstain: None  
Nays: None

**Begin closed meeting**

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

**End closed meeting**

Upon a motion by Ms. Warwick, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

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

**VOTE:**

Ayes: Seven (7)

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Abstain: None

Nays: None

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

Case#2018-009-009 (Blount and Charity)

Mr. Bradshaw was not in attendance and did not participate in the discussion.

Upon a motion by Ms. Warwick, and duly seconded, members voted to approve Final Order 2018-009-009, as presented.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye  
Laurie A. Warwick, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Abstain  
William R. Brown, CPA – Aye  
Nadia A. Rogers, CPA – Aye  
Stephanie S. Saunders, CPA – Aye

VOTE:

Ayes: Six (6)

Abstain: One (1)

Nays: None

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Case#2018-520-013U (Brown and Saunders)

Mr. Bradshaw, Mr. Brown and Ms. Saunders were not present and did not participate in the closed discussion.

Upon a motion by Mr. Boshier, and duly seconded, members voted to approve Final Order 2018-520-013U, as presented.

CALL FOR VOTE:

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D. Brian Carson, CPA, CGMA – Aye  
Laurie A. Warwick, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Abstain  
William R. Brown, CPA – Abstain  
Nadia A. Rogers, CPA – Aye  
Stephanie S. Saunders, CPA – Abstain

**VOTE:**

Ayes: Four (4)  
Abstain: Three (3)  
Nays: None

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**Begin closed meeting**

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

**End closed meeting**

Upon a motion by Ms. Warwick, and duly seconded, the Virginia Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712.A of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

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

**VOTE:**

Ayes: Seven (7)

Abstain: None

Nays: None

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**ADJOURNMENT**

There being no further business before the VBOA, Mr. Carson adjourned the meeting at 3:45 p.m.

**APPROVED:**

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D. Brian Carson, CPA, CGMA, Chair

**COPY TESTE:**

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Nancy Glynn, CPA, Executive Director

**Financial Report**  
**FY20 Budget vs. Actual Expenses**  
**As of November 30, 2019**

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<b><u>Salaries &amp; Benefits</u></b>	1,386,575	595,597	43.0%	1,175,925	1,174,172	1,103,143
<b>Total Salaries &amp; Benefits</b>	<b>\$ 1,386,575</b>	<b>\$ 595,597</b>	<b>43.0%</b>	<b>\$ 1,175,925</b>	<b>\$ 1,174,172</b>	<b>\$ 1,103,143</b>
<b><u>Contractual Services</u></b>						
1211 Express Services	150	6	4.0%	134	722	-
1214 Postal Services	12,000	7,392	61.6%	9,984	12,886	7,975
1215 Printing Services	5,500	2,393	43.5%	4,537	5,487	5,245
1216 Telecommunications - VITA	13,500	4,074	30.2%	12,539	11,613	12,272
1217 Telecommunications - Nonstate (CallFire)	300	350	116.7%	100	100	600
1219 Inbound Freight	150	139	93.0%	56	160	418
1221 Organization Memberships (primarily NASBA)	8,090	7,175	88.7%	7,625	7,255	7,250
1222 Publication Subscriptions	1,271	217	17.1%	1,271	1,266	4,730
1224 Training - Courses, Workshops, Conferences	7,290	2,413	33.1%	4,822	11,459	8,914
1225 Employee Tuition Reimbursement	-	-	---	1,618	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	11,000	4,512	41.0%	4,567	23,825	10,933
1228 Employee IT Training Courses/Workshops and Conferences	-	-	---	91	-	91
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	34,235	62.2%	34,498	48,558	53,790
1243 Attorney Services (Including OAG)	77,315	25,511	33.0%	62,020	51,736	24,844
1244 Mgmt. Services - NASBA/special accommodations - IT Support	34,000	12,100	35.6%	33,808	21,736	75,641
1245 Personnel Management Services	-	-	---	79	-	-
1246 Public Info/Public Relations (subscriptions)	3,470	3,384	97.5%	3,470	3,538	5,015
1247 Legal Services (Includes court reporting services)	1,500	1,168	77.8%	10,834	19,562	12,977
1252 Electrical Repair/Maintenance	-	-	---	-	-	90
1253 Equipment Repair/Maintenance	850	-	0.0%	823	-	-
1263 Clerical / Temp Services	-	-	---	-	2,754	2,475
1264 Food and Dietary Services	3,600	917	25.5%	3,585	3,236	2,156
1265 Laundry & Linen Services	25	-	---	13	-	25
1266 Manual Labor Services (Includes shredding services)	3,720	40	1.1%	320	394	1,122
1268 Skilled Services	1,200	-	---	1,138	-	-
1272 VITA Pass Thru Charges	133,205	40,224	30.2%	133,466	135,170	122,620
1273 Info Mgmt Design and Development Services (Project Manager and Website)	92,936	27,680	29.8%	108,923	94,600	-
1275 Computer Software Maintenance	74,800	-	0.0%	-	-	-
1278 VITA Information Technology Infrastructure Services	185,240	52,307	28.2%	146,380	119,126	90,483
1279 Computer Software Development Services	149,500	-	0.0%	234,015	346,155	-
1282 Travel - Personal Vehicle	7,500	2,975	39.7%	6,603	8,099	6,980
1283 Travel - Public Carriers	-	-	---	77	-	589
1284 Travel - State Vehicles	1,000	243	24.3%	200	652	619
1285 Travel - Subsistence and Lodging	1,500	585	39.0%	1,612	2,182	1,250
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	390	39.0%	824	1,423	730
<b>Total Contractual Services</b>	<b>\$ 886,612</b>	<b>\$ 230,430</b>	<b>26.0%</b>	<b>\$ 830,032</b>	<b>\$ 933,694</b>	<b>\$ 459,834</b>
<b><u>Supplies and Materials</u></b>						
1311 Apparel Supplies	-	-	---	-	-	248
1312 Office Supplies	4,500	291	6.5%	3,783	5,023	4,338
1313 Stationery and Forms	2,300	573	24.9%	1,844	2,028	2,214
1323 Gasoline (Enterprise vehicles)	250	87	34.7%	103	221	155
1335 Packaging and Shipping Supplies	800	-	0.0%	1,237	485	958
1342 Medical & Dental Supplies	50	-	0.0%	5	-	260

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<b><u>Supplies and Materials, continued</u></b>						
1352 Custodian Repair & Maintenance	-	-	---	-	389	41
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	8
1362 Food & Dietary Supplies	525	365	69.6%	365	498	561
1363 Food Service Supplies	50	16	31.8%	56	62	107
1364 Laundry & Linen Supplies	-	-	---	-	-	24
1373 Computer Operating Supplies	4,100	549	13.4%	3,989	3,194	7,004
<b>Total Supplies &amp; Materials</b>	<b>\$ 12,575</b>	<b>\$ 1,881</b>	<b>15.0%</b>	<b>\$ 11,382</b>	<b>\$ 11,900</b>	<b>\$ 15,919</b>
<b><u>Transfer Payments</u></b>						
1413 Awards & Recognition	150	-	0.0%	1,033	848	863
1418 Incentives	1,200	725	60.4%	325	-	410
<b>Total Transfer Payments</b>	<b>\$ 1,350</b>	<b>\$ 725</b>	<b>53.7%</b>	<b>\$ 1,358</b>	<b>\$ 848</b>	<b>\$ 1,273</b>
<b><u>Continuous Charges</u></b>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,112	2,059	25.4%	8,507	8,645	8,460
1539 Building Rentals - Non-State Owned Facilities	95,918	39,700	41.4%	93,416	90,982	88,126
1541 Agency Service Charges (DOA, PSB, DHRM, & eVA)	36,434	3,275	9.0%	37,335	38,169	36,071
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,044	-	0.0%	1,044	978	968
<b>Total Continuous Charges</b>	<b>\$ 143,191</b>	<b>\$ 45,034</b>	<b>31.5%</b>	<b>\$ 141,985</b>	<b>\$ 140,457</b>	<b>\$ 135,308</b>
<b><u>Equipment</u></b>						
2216 Network Components	1,500	1,076	71.7%	452	341	1,117
2217 Other Computer Equipment	500	26	5.1%	1,590	685	300
2218 Computer Software Purchases	-	-	---	419	540	2,157
2224 Reference Equipment	50	-	0.0%	32	80	26
2231 Electronic Equipment	-	-	---	-	-	164
2232 Photographic Equipment	-	-	---	-	552	845
2233 Voice and Data Transmission Equipment	-	-	---	511	164	-
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	-	---	3,791	6,125	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	687	457.9%	348	94	-
2262 Office Furniture	5,000	385	7.7%	5,666	555	3,375
2263 Office Incidentals	500	371	74.1%	109	969	2,646
2264 Office Machines	-	-	---	412	65	928
2268 Office Equipment Improvements	-	-	---	-	-	129
2271 Household Equipment	-	-	---	-	-	342
<b>Total Equipment</b>	<b>\$ 7,700</b>	<b>\$ 2,544</b>	<b>33.0%</b>	<b>\$ 13,330</b>	<b>\$ 10,170</b>	<b>\$ 12,029</b>
<b>Total Expenses</b>	<b>\$ 2,438,003</b>	<b>\$ 876,211</b>	<b>41.6%</b>	<b>\$ 2,174,012</b>	<b>\$ 2,271,240</b>	<b>\$ 1,727,506</b>
<b>Chapter 854 Appropriation</b>	<b>\$ 2,104,195</b>					
<b>Additional Appropriation Request</b>	<b>\$ 333,808</b>					
<b>Total Projected Appropriation</b>	<b>\$ 2,438,003</b>					

**Virginia Board of Accountancy  
Financial Report  
Cash Balance  
As of November 30, 2019**

	<b>Operating Fund (09226)</b>		<b>Special Fund (02020)</b>	
	<b>FY2020 - YTD as of 11/30/19</b>	<b>FY2019 - YTD as of 11/30/18</b>	<b>FY2020 - YTD as of 11/30/19</b>	<b>FY2019 - YTD as of 11/30/18</b>
<b>Beginning Fund Balance July 1:</b>	\$ 681,659	\$ 614,003	\$ 4,405,230	\$ 3,700,807
YTD Revenue Collected *	197,265	699,237	27,227	17,505
Accounts Payable **	8,223	178	-	-
Cash Transfers In per Board Policy #1	284,552	-	-	(43,805)
Cash Transfers Out per Board Policy #1	-	43,805	(284,552)	-
YTD Expenditures	(876,211)	(848,891)	-	-
<b>Cash Balance before required transfers</b>	<b>\$ 295,489</b>	<b>\$ 508,333</b>	<b>\$ 4,147,905</b>	<b>\$ 3,674,507</b>
<b>Required Cash Transfers:</b>				
Transfers to Central Service Agencies ***	\$ (11,302)	\$ (11,302)	-	-
<b>Cash Balance after required transfers</b>	<b>\$ 284,187</b>	<b>\$ 497,031</b>	<b>\$ 4,147,905</b>	<b>\$ 3,674,507</b>

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

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

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



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

Fee Type	FY2020 - YTD as of 11/30/19	FY2019 - YTD as of 11/30/18	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Application Fee	\$ 110,520	\$ 122,325	\$ 300,895	\$ 309,965	\$ 333,960
(a) Re-Exam Application	\$ 38,000	\$ 39,960	\$ 95,420	\$ 90,580	\$ 115,480
(b) Renewal Fee	\$ 71,440	\$ 508,943	\$ 2,328,986	\$ 1,859,054	\$ 2,086,540
Reinstatement Fee	\$ 32,244	\$ 22,350	\$ 63,600	\$ 64,570	\$ 45,775
Duplicate Wall Certificate Fee	\$ 900	\$ 725	\$ 1,850	\$ 1,950	\$ 1,775
License Verification Fee	\$ 8,225	\$ 8,300	\$ 18,950	\$ 20,025	\$ 20,487
CPA Exam Score Transfers	\$ 1,050	\$ 1,000	\$ 1,950	\$ 2,325	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ -	\$ 5,100
Administrative Fee	\$ -	\$ -	\$ -	\$ 1,000	\$ 5,100
Bad Check Fee	\$ 157	\$ -	\$ 50	\$ 150	\$ 50
<b>Total Revenue</b>	<b>\$ 262,536</b>	<b>\$ 703,603</b>	<b>\$ 2,811,701</b>	<b>\$ 2,349,619</b>	<b>\$ 2,616,342</b>
<b>(c) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)</b>	<b>\$ 193,731</b>	<b>\$ 696,494</b>	<b>\$ 2,870,760</b>	<b>\$ 2,338,729</b>	<b>\$ 2,604,132</b>
<b>(d) Difference</b>	<b>\$ 68,805</b>	<b>\$ 7,109</b>	<b>\$ (59,059)</b>	<b>\$ 10,890</b>	<b>\$ 12,210</b>

**NOTES:**

- (a) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (b) Renewal Fee also includes associated late fees prior to FY19.
- (c) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (d) 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 November 30, 2019**

	<b>FY2020 - YTD as of 11/30/19</b>	<b>FY2019 - YTD as of 11/30/18</b>	<b>Fiscal Year Ending 6/30/19</b>	<b>Fiscal Year Ending 6/30/18</b>	<b>Fiscal Year Ending 6/30/17</b>
Fines levied	\$ 39,075	\$ 80,275	\$ 221,523	\$ 326,285	\$ 187,925
Fines collected	\$ 50,125	\$ 90,424	\$ 191,199	\$ 258,879	\$ 198,771
Fines on appeal	\$ -	\$ -	\$ 250	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 45,459	\$ 81,336	\$ 60,230	\$ 92,026	\$ 25,442
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 657,813	\$ 592,764	\$ 654,093	\$ 592,222	\$ 591,400

**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.

<b>Individual and firm license activity December 31, 2019</b>				
<i>Fiscal Period</i>	<b>Month ending 12/31/2019</b>	<b>Month ending 12/31/2018</b>	<b>Year ending 6/30/2019</b>	<b>Year ending 6/30/2018</b>
<b>REGULANTS</b>				
<b>Individuals</b>				
Active, licensed CPAs	26,990	26,614	26,282	26,318
Active-CPE Exempt, licensed CPAs	1,879	1,677	1,784	1,585
<b>Total Licensed CPAs</b>	<b>28,869</b>	<b>28,291</b>	<b>28,066</b>	<b>27,903</b>
Out-of-state licensees	8,691	8,478	8,435	8,330
Reinstatements - Individual:	97	67	162	178
New CPA licenses issued	752	594	1,133	1,227
Expired/voluntarily surrendered licenses	64	273	871	1,177
<b>Exam Candidates</b>				
<b>Number of first time exam candidates</b>	<b>590</b>	<b>712</b>	<b>1,624</b>	<b>1,675</b>
<b>Firms</b>				
<b>Total active, licensed CPA firms</b>	<b>1,168</b>	<b>1,169</b>	<b>1,126</b>	<b>1,177</b>
Reinstatements - Firm:	3	2	10	10
New CPA firm licenses issued	39	23	38	74
Expired/voluntarily surrendered licenses	3	33	79	74

	As of 12/31/2019	Year ending 6/30/19	Year ending 6/30/18	Year ending 6/30/17
<b>ENFORCEMENT</b>				
Number of new enforcement cases <sup>1</sup>	22	49	85	82
<i>Types of Complaints</i>				
Unlicensed activity	17	14	20	45
Other disciplinary matters	5	35	65	37
<b>CPE COMPLIANCE REVIEWS</b>				
Number of CPE audits requested	361 <sup>1</sup>	1,325	2,402	2,022
<i>Status of CPE Compliance Reviews</i>				
Audits resulting in compliance	202	1,116	2,001	1,594
Audits resulting in deficiency	9	145	401	428
Audits open/pending review	150	64	-	-
<b>CPE Audit Deficiency Rate</b>	<b>4%</b>	<b>11%</b>	<b>17%</b>	<b>21%</b>

<sup>1</sup> Number does not include Active - CPE Exempt or recently audited

## Status of Open Cases as of December 31, 2019

### By Days Open

#### Case Statistics

All Cases	115
Open Cases (Non-CPE)	62
≥ 160 Days	36

#### Source of Referrals

<b>Internal</b>	70
Licensing	
» Self-Report	0
» Failure to Disclose	0
» Eligibility	1
Enforcement	17
CPE Division	52*
<b>Interagency</b>	8
AICPA	1
FSBA	2
DOL	1
NASBA	1
Other State BOA	2
State of Hawaii	1
<b>Public</b>	37
Anonymous	5
Named	32

#### Open Case Status for Non-CPE Cases

1 Investigation Ongoing	29
2 Pending Investigative Report	7
3 Pending Probable Cause Review	11
4 Pending IFF	4
5 Pending Presiding Officer's Recommendation/Consent Order	3
6 Pending Signed Consent Order from Respondent	1
7 Pending Board Approval	5
8 Pending Board Request for Add'l Info	2
9 Deferred (Pending Trial, Litigation, Regulatory Review, etc.)	0

#### Types of Open Cases

PR Peer Review	5
CPE CPE Deficiency	53
D Disciplinary	28
E Eligibility	1
U Unlicensed Activity	28
» Firms	10
» Individuals	18

#### Closed Cases FY 2020 (through December 31, 2019)

Consent Order	88
Board Order	6
Order Permitting Reinstatement	5
Voluntary Surrender	7

\* One of the CPE cases resulted from an anonymous complaint. Therefore, the total Source of Referrals from the CPE Division is 52, but the total open CPE Deficiency cases is 53.

**Status of Open Cases as of December 31, 2019**

**By Days Open**

<b>Case No.</b>	<b>Case Summary</b>	<b>Next Action</b>	<b>Days Open</b>
2015-D0012	Lack of Due Professional Care	Pending Probable Cause Review following submission for review on 9/30/2019	1121
2016-0007PR	CPA Firm Dropped from AICPA peer review Program	Pending receipt of additional information from AICPA to clarify issue regarding peer review	1012
2016-0010U	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending IFF on 1/8	1006
2016-0019PR	CPA Firm Dropped from AICPA peer review Program	Pending Presiding Officer Recommendation/Consent Order following submission for review on 12/30/2019	984
2016-0005D	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending IFF	981
2016-0013D	Lack of Due Professional Care	Investigation Ongoing	944
2016-0017D	Lack of Due Professional Care	Locate file	892
2017-086-022U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending Board Approval (Jan. Board Mtg)	703
2017-117-026U	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending Board Request for Add'l Information	682
2019-108-019D	False, Misleading or Deceptive Acts in Promoting or Marketing Professional Services	Pending Probable Cause Review following submission for review on 10/23/2019	508
2019-109-005U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending Probable Cause Review following submission for review on 10/23/2019	508
2018-161-005D	Lack of Due Professional Care	Pending Board Approval (Jan. Board Mtg)	463
2018-243-010D	Lack of Due Professional Care	Pending Investigative Report	433
2019-041-003D	Lack of Due Professional Care	Investigation Ongoing	433
2018-425-005U	Unlicensed Use of CPA Title	Pending Probable Cause Review	412
2019-042-004D	Lack of Due Professional Care	Investigation Ongoing	403
2018-371-014D	Lack of Due Professional Care	Pending Investigative Report	391
2018-436-024D	Lack of Due Professional Care	Pending Probable Cause Review	370

**Status of Open Cases as of December 31, 2019**

**By Days Open**

Case No.	Case Summary	Next Action	Days Open
2018-433-001R	Failure to Enroll in Peer Review Program	Pending Presiding Officer Recommendation/Consent Order following 10/21/2019 IFF	361
2018-435-023D	Failure to Enroll in Peer Review Program	Pending Presiding Officer Recommendation/Consent Order following 10/21/2019 IFF	361
2018-437-025D	Lack of Due Professional Care	Pending Board Approval (Jan. Board Mtg)	349
2019-178-101D	Action by Other State Board of Accountancy	Pending Investigative Report	349
2018-457-009U	Unlicensed Use of CPA Title	Pending Signed Consent Order from Respondent	344
2018-523-030D	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending Board Approval (Jan. Board Mtg)	326
2019-037-001U	Unlicensed Use of CPA Title	Pending Investigative Report	295
2019-039-002D	Lack of Due Professional Care	Investigation Ongoing	295
2019-048-020D	Lack of Due Professional Care	Pending Probable Cause Review	269
2019-099-004U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Investigation Ongoing	243
2019-085-018D	Lack of Due Professional Care	Investigation Ongoing	233
2019-117-008U	Unlicensed Use of CPA Title	Investigation Ongoing	231
2019-118-009U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Investigation Ongoing	231
2019-114-005E	Licensure Eligibility	Pending Board Approval (Jan. Board Mtg)	228
2019-179-015U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending Investigative Report	209
2019-130-097D	Action by Other State Board of Accountancy	Investigation Ongoing	200
2019-044-020D	Lack of Due Professional Care	Pending Investigative Report	189

**Status of Open Cases as of December 31, 2019**

**By Days Open**

Case No.	Case Summary	Next Action	Days Open
2019-131-010U	Unlicensed Use of CPA Title	Pending Probable Cause Review	167
2019-133-099D	Lack of Due Professional Care	Investigation Ongoing	155
2019-046-008U	Unlicensed Use of CPA Title	Pending Investigative Report	142
2019-135-101D	Lack of Due Professional Care	Pending IFF on 1/8	141
2019-134-100D	Embezzlement during the course of practice	Investigation Ongoing	135
2019-177-014U	Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Investigation Ongoing	134
2019-129-009U	Unlicensed Use of the CPA title	Pending Probable Cause Review	120
2019-174-012U	Unlicensed Use of the CPA title	Pending Probable Cause Review	104
2019-211-103D	Due Professional Care	Pending Probable Cause Review	101
2019-176-014U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure Without a CPA Firm License	Pending IFF on 1/8	84
2019-193-015U	Unlicensed Use of the CPA title	Investigation Ongoing	85
2019-212-016U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a valid CPA firm license	Investigation Ongoing	85
2019-213-017D	Due Professional Care	Investigation Ongoing	68
2019-221-018D	Respondent embezzled money from employer	Investigation Ongoing	55
2019-222-017U	Unlicensed Use of CPA Title	Investigation Ongoing	64
2019-205-017U	Unlicensed Use of CPA Title	Investigation Ongoing	52
2019-223-019D	Due Professional Care	Investigation Ongoing	51
2019-224-018U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a valid CPA firm license	Investigation Ongoing	39
2019-225-019U	Unlicensed Use of CPA Title	Investigation Ongoing	45
2019-226-001PR	Offering, Advertising or Performing Services Restricted to CPA firm licensure without peer review enrollment	Investigation Ongoing	37



**Status of Open Cases as of December 31, 2019**

**By Days Open**

Case No.	Case Summary	Next Action	Days Open
2019-227-020D	Due Professional Care	Investigation Ongoing	28
2019-228-020U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a valid CPA firm license	Investigation Ongoing	15
2019-204-016U	Unlicensed Use of CPA Title	Pending Probable Cause Review	62
2019-229-021U	Unlicensed Use of CPA Title	Investigation Ongoing	24
2019-230-022U	Unlicensed Use of CPA Title	Investigation Ongoing	14
2019-231-023U	Unlicensed Use of CPA Title	Investigation Ongoing	9
2019-232-024U	Unlicensed Use of CPA Title	Investigation Ongoing	10

## VBOA Policy #9

**TITLE:**

Inactive Status Procedure for Approval/Denial/Appeal

**EFFECTIVE DATE:**

September 30, 2019 To be determined

**AUTHORITY:**

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

**POLICY STATEMENT:**

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

Persons who hold an Active Virginia license must proactively apply for this status by submitting ~~a Change of License Status Request Form (Active to Inactive)~~ a change of license status request by completing and submitting the Inactive status application form to which must be approved by the VBOA. Persons not approved for this status are required to obtain CPE in accordance with VBOA statutes and regulations and will not be exempt from CPE requirements if subject to a CPE compliance review.

Newly licensed CPAs must hold an Active CPA license in Virginia for at least three years before they can apply for the Inactive status.

Persons currently under CPE audit may not apply for the Inactive status until the audit has been completed.

Only Active CPAs may apply for this status. Persons whose licenses were either voluntarily surrendered, suspended, or expired and need to be reinstated must obtain 120 CPE hours, including the ethics course as prescribed by the board, and follow the appropriate process, application, and fees to reinstate into the Active status. After reinstating as an Active CPA, persons may then apply for the Inactive status.

Procedure for approval/denial/appeal of Inactive status includes:

1. Application form must be submitted to the VBOA.
2. Upon receipt of form and supporting documentation if applicable, the Executive Director or designee makes the determination to approve or deny the status change.
3. If approved by staff, the status is changed and the person is informed of the change.
4. If denied by staff, the person is informed of denial.

5. Following initial denial of the Inactive status pursuant to #4 above, the person may appeal the decision and may present additional documentation to assist the VBOA in making a determination.
6. If an appeal is made after the request is denied by staff pursuant to #4 above, the VBOA Chair or designee will make the final determination of status.
  - a. If approved by VBOA Chair or designee, the status is changed and the person is informed of the change.
  - b. If denied by VBOA Chair or designee, the person is informed of denial and ~~that~~ no further appeals are available.

**APPROVAL AND REVIEW:**

This VBOA policy was reviewed on ~~September 30, 2019~~ [January 7, 2020](#).

**SUPPRESSION:**

This VBOA policy replaces Board Policy #9 that was effective on December 4, ~~2018~~ [31, 2019](#).

**VBOA CHAIR AT  
LAST REVIEW:**

D. Brian Carson, CPA, CGMA, Chair

**VBOA MEMBERS AT  
LAST REVIEW:**

Laurie A. Warwick, CPA, Vice Chair  
Matthew P. Boshier  
W. Barclay Bradshaw, CPA  
William R. Brown, CPA  
Nadia A. Rogers, CPA  
Stephanie S. Saunders, CPA

**EXECUTIVE DIRECTOR:**

Nancy J. Glynn, CPA



## Inactive status application form

This individual is currently licensed as a CPA with the Active status. However, the individual is not currently providing services that include the substantial use of accounting, financial, tax or other skills that are relevant, as determined by the VBOA. This includes services to the public or to or on behalf of an employer under the Code of Virginia [§ 54.1-4413.3](#). Therefore, this individual is requesting an exemption from the VBOA's continuing professional education requirements.

This individual must be approved for the Inactive status before ceasing to meet the CPE requirements.

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### CERTIFICATION OF APPLICANT

Name: \_\_\_\_\_ License number: \_\_\_\_\_

Currently employed:  Not employed:

Current job title: \_\_\_\_\_

If employed, an official job description must accompany the application.

- I certify my Virginia license is in Active status.
- I certify that I am not currently providing services as defined in [§ 54.1-4400](#), "Providing services to an employer" or "Providing services to the public."
- I certify that my current position does not require the substantial use of accounting, financial, tax or other skills that are relevant, as determined by the VBOA.
- I certify that my current position does not require more than 5% of substantial use of accounting, financial, tax and other skills that are relevant, as determined by the VBOA.
- I certify that I will not provide accounting services to the public or to or on behalf of an employer with the Inactive status, which includes but is not limited to tax preparation (with or without compensation).
- I understand in order to begin providing services, I must request reinstatement of the Active status from the VBOA.
- I understand that I must comply with VBOA regulation to begin providing services. The requirements include obtaining at least 120 hours of CPE prior to providing the services, including the two hour Virginia-Specific Ethics Course.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# **Providing Volunteer Services as a Virginia CPA**

2019

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*Reference the attached chart and graph for further guidance on volunteer services.*

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## Providing Volunteer Services as a Virginia CPA

The Virginia Board of Accountancy receives many inquiries regarding services that a CPA may and may not provide as a volunteer to a not-for-profit entity. Consistent with the mission of protecting the public, the VBOA believes that CPAs can bring valuable knowledge, experience and insights as volunteers to these types of organizations and support their involvement. The information contained is intended to provide guidance to CPAs who are serving in volunteer roles and may be asked to provide services, which may fall under the Virginia accountancy statutes and regulations.

All services provided by licensees are subject to the relevant parts of the standards of conduct and practice in [§ 54.1-4413.3](#). Application of the accountancy statutes and regulations is not affected by whether compensation is received for the service.

### What can CPAs do?

Opportunities abound for CPAs to serve the nonprofit sector in Virginia. The implementation of Statement on Standards for Accounting and Review Services (SSARS) No. 21 (Section 70) has affected volunteer services provided by CPAs to nonprofit organizations. Significantly, Virginia license holders must realize that the preparation of financial statements for such entities by Virginia CPAs may require a firm license, even when performed as a volunteer. Under Virginia law, “Only a firm can provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia.” ([Code of Virginia § 54.1-4412.1](#)) Performance of such services may also require enrollment in the Peer Review Program. ([Code of Virginia § 54.1-4412.1.D.6](#))

However, a firm license and peer review enrollment may not be required in some cases, including if the CPA was acting as a member of the governing board or as an officer of the entity.

Nonprofit organizations have long realized that the skills and abilities of CPAs are a valuable resource and that CPAs can provide much needed financial and accounting services. These organizations often call on CPAs to provide assistance on a volunteer basis. Consistent with the VBOA’s mission of protecting the public, the VBOA believes that CPAs can bring valuable knowledge, experience and insights as volunteers and therefore supports such involvement with nonprofit entities.

If a person who only holds a Virginia individual license is asked to provide volunteer services to a nonprofit organization, the CPA must ask two very important questions:

1. What service is to be provided (i.e., for what service has the CPA been engaged)?
2. In what capacity will I be providing the service?

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## What service is to be provided? (i.e., for what service has the CPA been engaged)

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For instance, if a charity requested a CPA to complete a form that is entitled Audit Checklist, the CPA may discover that the steps outlined on the form do not resemble anything close to an audit as that term is defined by auditing standards. For example, the charity may simply be asking the CPA reconcile beginning and/or ending cash balances to previously issued monthly reports. That procedure would constitute accounting services, but would not constitute an audit. The individual CPA can sign a statement related to the activities undertaken, but should exercise care to avoid using the CPA designation in such a statement. In this situation, the CPA would not need a firm license.

In another example, a CPA may be asked to serve as a member of an Audit Committee, which will then examine the financial records and issue a report that they “found nothing out of the ordinary.” In this case, regardless of the nature of the work undertaken or its findings as reported, the individual CPA is not engaged to perform an audit. In reality, the group was engaged to perform various auditing-type procedures, but not the individual CPA. The individual CPA can, along with other members of the Audit Committee, sign a statement related to the committee’s activities, but should exercise care to avoid using the CPA designation in such a statement. In this situation, the CPA would not need a firm license.

Often, volunteer board members are familiar with some accounting terms, but do not fully understand those terms. For instance, a CPA could be asked as a volunteer to compile the financial statements for the entity. Upon inquiry, the CPA may learn the entity simply wants someone to prepare financial statements, not perform a compilation, as defined by professional standards. Since the preparation of financial statements is a separate professional service distinct from a compilation service, the CPA should thoroughly understand the entity’s needs in the situation.

CPAs should first consider whether the service being provided is an attest, compilation or preparation of financial statement service as those terms are defined by accounting standards. Often, nonprofit entities freely use terms such as audit or review in manners different from that defined in accounting standards.



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## In what capacity will I be providing the service?

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A CPA may provide services to a nonprofit entity as part of the normal practice of public accounting or as a volunteer. If the CPA is a volunteer, they may serve in many capacities, including as a governing board member, officer, committee member (e.g. finance or audit) or simply as a volunteer worker.

When a CPA in public practice provides professional services to any entity for compensation, whether the entity is a for-profit business, a government agency or a nonprofit entity, then clearly the normal rules apply. Specifically, providing attest, compilation or financial statement preparation services would require that the CPA have a firm license and may need to be enrolled in peer review. All work performed must comply with the profession's technical standards. However, when a CPA is serving as a volunteer, and in that volunteer capacity, is asked to provide attest, compilation or financial statement preparation services, a careful review of both Virginia law and professional standards is required.

### EXAMPLE

A not-for-profit entity could appoint a committee or task force consisting entirely of persons who do not hold a license to perform services similar to attest services that are not the practice of public accounting. A common example is performing agreed-upon procedures. The governing body of a church may specify procedures to be performed on the financial statements and communicated to the governing body and ultimately the congregation.

Similarly, the regional body that oversees a church may specify procedures to be performed on the financial statements and communicated to the regional body. Communicating the results of the procedures does not constitute giving an assurance, and the service is not the practice of public accounting.

A church may ask a member who is a licensee to serve as a member of the group. That does not make the service an attest service. The church did not engage the licensee to perform the services. Instead, it appointed the group to provide the services.

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## **Audit, Review and Attest Services**

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If the CPA is serving as a volunteer officer or governing board member of a nonprofit entity, then no audit, review or other attest engagements could be performed by the CPA since these services require independence. Those services are defined by professional standards.

If the CPA is serving solely as a volunteer worker for a nonprofit entity, then the CPA could perform audit, review or other attest engagements, if and only if the CPA in his or her professional judgment could establish that independence exists in accordance with professional standards. These services would require that the CPA have a firm license and be enrolled in peer review and all work performed must comply with the profession's technical standards.

These same facts would apply if a CPA who was otherwise employed in business or industry agreed to volunteer to audit the nonprofit entity's records.

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## **Compilation Services**

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While serving as a volunteer officer or governing board member, a CPA could prepare the entity's financial statements. As noted in SSARS No. 21 Section 80, Interpretation 8, "If an accountant is not in the practice of public accounting, the issuance of a (compilation) report under SSARS would be inappropriate." Virginia law defines the practice of public accounting to exclude situations in which the service "is provided by one or more owners, officers, employees, or members of the governing body of the entity or entities about whom the financial information is presented." ([Code of Virginia § 54.1-4400](#))

Therefore, when a CPA serving as a volunteer board member or officer prepares the financial statements of the entity, this does not represent a compilation engagement as that service is defined by SSARS No. 21 Section 80.

However, to avoid any misconceptions, it is recommended that the financial statements clearly indicate that no assurance is provided on them.

A firm license would not be required, nor would the CPA be required to enroll in peer review. The work performed for this service would not be required to meet the profession's technical standards.

If the CPA is serving solely as a volunteer worker for a nonprofit entity, they could perform a compilation on a volunteer basis. Independence is not required, but proper disclosure of the lack of independence (if that is judged by the CPA to be the case) would be required and a firm license and enrollment in peer review would be required. All work performed must comply with the profession's technical standards.

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## Financial Statement Preparation Services

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While serving as a volunteer officer or governing board member, a CPA could prepare the entity's financial statements. Accounting standards, as noted in SSARS No. 21 Section 70, define the preparation of financial statements service as pertaining solely to "accountants in public practice engaged to prepare financial statements." Virginia law defines the practice of public accounting to exclude situations in which the service "is provided by one or more owners, officers, employees, or members of the governing body of the entity or entities about whom the financial information is presented." ([Code of Virginia § 54.1-4400](#))

Therefore, when a CPA serving as a volunteer board member or officer prepares the financial statements of the entity, this does not represent the preparation of financial statements as that service is defined by SSARS No. 21 Section 70.

However, to avoid any misconceptions, it is recommended that the financial statements clearly indicate that no assurance is provided on them.

A firm license would not be required, nor would the CPA be required to enroll in peer review. The work performed for this service would not be required to meet the profession's technical standards.

If the CPA is serving solely as a volunteer worker for a nonprofit entity, then preparation of the entity's financial statements would meet the definition of the service as defined in SSARS No. 21 Section 70, because the CPA does not meet the exception under Virginia law of being an officer or member of the governing board.

These volunteer services would require that the CPA have a firm license, but would not need to be enrolled in peer review, as long as no attest or compilation services have been performed. SSARS No. 21 Section 70 would require that the financial statements clearly indicate that no assurance is provided. All work performed must comply with the profession's technical standards.

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## Inactive Status

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Based on VBOA Policy #9, Inactive Status Procedure for Approval/Denial/Appeal – A person who holds a Virginia license with the status of Inactive has the privilege of using the CPA title. However, the individual's current job duties may not require a substantial use of accounting, financial, tax or other skills that are relevant, as determined by the VBOA and therefore is not required to meet the VBOA's CPE requirements.

CPAs who hold the Inactive status generally cannot provide volunteer services since such services typically require a substantial use of accounting or other relevant accountancy skills.

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## Definitions

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### **Not-for-Profit Entity**

An entity that possesses the following characteristics, in varying degrees, that distinguish it from a business entity:

- Contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate monetary return.
- Operating purposes other than to provide goods or services at a profit.
- Absence of ownership interests like those of business entities. Entities that clearly fall outside this definition include the following:
  - All investor-owned entities and entities that provide dividends, lower costs or other economic benefits directly and proportionately to their owners, members, or participants, such as mutual insurance entities, credit unions, farm and rural electric cooperatives, and employee benefit plans.

The following definitions are based on [Code of Virginia § 54.1-4400](#).

### **Attest Services**

Audit, review, or other attest services for which standards have been established by the Public Company Accounting Oversight Board, by the Auditing Standards Board or the Accounting and Review Services Committee of the AICPA, or by any successor standard-setting authorities.

### **Compilation Services**

Compiling financial statements in accordance with standards established by the AICPA or by any successor standard-setting authorities.

### **Financial Statement Preparation Services**

Preparing financial statements in accordance with standards that have been established by the AICPA or by any successor standard-setting authorities.

### **Financial Statement**

A presentation of historical or prospective financial information about one or more persons or entities.

### **Practice of Public Accounting**

The giving of an assurance other than (i) by the person or persons about whom the financial information is presented or (ii) by one or more owners, officers, employees, or members of the governing body of the entity or entities about whom the financial information is presented.

### **Assurance**

Any form of expressed or implied opinion or conclusion about the conformity of a financial statement with any recognition, measurement, presentation, or disclosure principles for financial statements.

# COMMONWEALTH OF VIRGINIA



VIRGINIA BOARD OF ACCOUNTANCY

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ENFORCEMENT PROCESSES

JANUARY 7, 2020

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DRAFT

# STATEMENT OF INTENT

The Virginia Board of Accountancy (“VBOA”) is required by statutory mandate to take appropriate action against license holders, individuals, and entities to ensure the protection of the public. The general statutory mandate provides the VBOA with the authority to investigate possible violations of the VBOA's statutes and regulations, and provides the VBOA with authority to enforce these laws through several different types of penalties, which includes, but not limited to, revoking, suspending or restricting a license.

In addition to the general statutory mandates and the VBOA's basic law, the disciplinary process is governed by the Virginia Administrative Process Act (“APA”), Va. Code § 2.2-4000 *et seq.*, by the provisions of law generally applicable to the regulation of professions and occupations, and by court decisions interpreting these laws. The Office of the Attorney General provides significant resources to support the VBOA in the quasi-judicial role of hearing charges of misconduct that have been made against a regulated person or entity.

This manual is designed to provide guidance to meet this important responsibility and to be of assistance to staff in the Enforcement Division. It contains general policies and procedures and is intended to provide guidance only to the staff of the Division. The guidance in the manual does not carry the force of law; it is intended to provide a framework for ensuring fair and consistent enforcement of Virginia's public accountancy laws. It has been prepared by the VBOA's Enforcement Division and has been approved as a guidance document by the VBOA. This manual should be used in conjunction with the VBOA's statutes, regulations, policies, and other guidance documents.

This manual is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter, civil or criminal. The information contained herein does not constitute and shall not be construed as legal advice. Please consult an attorney regarding any legal questions related to state or federal laws and regulations, including the interpretation and application of the laws and regulations governing the profession regulated by the VBOA. Under no circumstances shall the VBOA, its members, officers, agents, or employees be liable for any actions taken or omissions made in reliance on any information contained in this publication.

# SECTION ONE: COMPLAINT PROCESS

Consistent with statutory duties of the Executive Director and investigators of the VBOA, all reports received by the VBOA that may allege misconduct are referred to the Enforcement Division. The VBOA also generates a large volume of internal referrals from the Licensing Division and CPE Division, as well as Enforcement Division staff monitoring news and social media for information regarding licensees or licensed practice that may suggest a violation has occurred.

The complaint form can be obtained through the VBOA's website at [www.boa.virginia.gov](http://www.boa.virginia.gov), by referring to the Appendix of this Adjudication Manual, or upon request to the Enforcement Division. The completed complaint form can be submitted by fax, email or by mail.

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## INITIAL RECEIPT & INTAKE

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The Enforcement Director or designee is responsible for reviewing reports and complaints to determine if there is a possible violation and if the agency has jurisdiction over the matter. If the Enforcement Director requires additional information to make a determination, a preliminary inquiry is performed. Various types of records and documents may be obtained, interviews may be conducted by telephone, or correspondence may be generated to gather information to assist in making the initial determination.

The following are examples of items that will not be considered a complaint:

- Inquiries seeking advice or information
- Courtesy copies of complaints addressed to another agency
- Allegations of matters that the VBOA does not have jurisdiction over
- Courtesy copies of internal grievances
- Allegations submitted with no supporting documentation
- Allegations that a violation has been committed in another state
- Fee disputes

If the Enforcement Director determines that the information does not appear to warrant an investigation, it is referred to the Executive Director for review. If the Executive Director concurs with the Enforcement Director's recommendation, the Complainant is notified by the Enforcement Director, in writing, of the disposition of the complaint.

If the Enforcement Director determines that the information supports a reasonable suspicion that a possible violation of law or regulation has occurred, a case is opened for investigation and assigned to an Investigator. Unless the Complainant was anonymous, the Complainant is notified, in



writing that an investigation will be opened and is provided with the case number for reference purposes. Pursuant to Va. Code § 54.1-108, the VBOA does not disclose information about open cases, including to Complainants.

Additional allegations from the same Complainant against the same recipient after the investigative process has begun can be reviewed on a case-by-case basis to determine whether the allegations should be added to the open complaint or treated as a new complaint. Retaliation complaints that are received after an investigation has begun will be assigned a new complaint number.

A person may file a complaint that is filed on behalf of another named individual(s). The VBOA will contact that individual (or, where the victim is a minor child or incompetent adult, contact the victim's parent, guardian, or attorney) on whose behalf the complaint is filed to ensure that the named victim wishes to pursue the allegations raised on their behalf. If the person declines to pursue the complaint, and the Enforcement Director believes a violation may have occurred the Enforcement Director will present the complaint to a board member to determine whether an investigation should be initiated in light of the refusal.

## SECTION TWO: INVESTIGATIONS

It is the responsibility of the VBOA's Enforcement Division to conduct an investigation by obtaining copies of relevant documents, interviewing potential witnesses, and obtaining any other relevant evidence. Once jurisdiction has been established, and complaints are assigned for investigation, the VBOA may engage outside consultants to assist in the investigation of complaints.

Once the investigation is initiated, the Enforcement Division will notify the Respondent of the complaint via a Notice of Apparent Violation ("NOAV"). Included in the NOAV will be information on the nature of the violations being investigated and the specific information being requested. This could include producing documents, answering specific questions, or both. The letter will also provide specific information on where to send a response.

Generally, a Respondent is given 15 days to submit a written response to any request from the VBOA as required by 18VAC5-22-170(A). Failure to respond without good cause is a violation of the VBOA's regulations and will result in disciplinary action being taken.

The purpose of the investigation is to gather facts and assess whether violations of Virginia's public accountancy laws and the VBOA's regulations have occurred. Enforcement Division staff may make multiple requests during the course of the investigation to obtain all necessary and relevant facts and documentation.

The Enforcement Division will send the NOAV and any information requests by certified and first-class mail to the Respondent's address of record, or if the Respondent does not have an address of record, and then at the Respondent's last known address. The Enforcement Division may also send copies of its correspondence to the Respondent via the Respondent's email address of record. It is the licensee's responsibility to notify the VBOA of any change to their mailing address or email address within 30 days of the change.

It is important for Respondents to fully cooperate with the VBOA during the entire investigation process. Below are some tips in assisting in the investigation:

- Respond promptly to any requests from Enforcement Division staff
- Provide true and accurate responses to questions and documentation requested by the Enforcement Division staff
- Provide as much documentation as possible to ensure Enforcement Division staff have a clear understanding of the facts and circumstances
- Ensure that the address of record is current

Refusing to provide complete documentation to the VBOA may result in the VBOA pursuing a subpoena to secure the relevant evidence. The VBOA can both issue subpoenas under its own authority and can petition a court to issue a subpoena. This includes subpoenas duces tecum and subpoenas for witnesses.

The VBOA is committed to treating a licensee fairly and objectively during the course of the investigation to ensure it has all necessary and relevant facts and documentation to reach an outcome.

## SECTION THREE: ELIGIBILITY DETERMINATIONS

The Licensing Division makes initial eligibility determinations for initial licensure, renewal of licensure, or reinstatement of licensure. Upon receipt of a licensing denial, a license applicant may (i) cure the issue(s) identified by the Licensing Division through submission of a new application or (ii) request a proceeding under Code of Virginia § 2.2-4019, which are also referred to as an Informal Fact-Finding (“IFF”) Conference as defined in Va. Code §§ 2.2-4019 and 2.2-4021.

The Licensing Division will transfer the denied licensing application and any attachments to the application to the Enforcement Division if a licensing applicant requests an IFF Conference. The Enforcement Director will generate a case number for the referral and it will be assigned to an Investigator.

## SECTION FOUR: CONTINUING PROFESSIONAL EDUCATION COMPLIANCE REVIEWS

All holders of a Virginia individual CPA license are required to meet the continuing professional education (“CPE”) requirements prescribed by VBOA regulations 18VAC5-22-90 and 18VAC5-22-140, unless they have applied for and received an exemption from the VBOA. As part of the annual renewal process, CPAs are required to either affirm they are in compliance with the VBOA’s CPE

regulations or if they cannot make such affirmation, to contact the VBOA to report their CPE deficiencies.

To encourage strict compliance with the VBOA's CPE requirements, the VBOA randomly selects a percentage of licensees on a yearly basis (spread out over twelve months) to complete CPE compliance reviews. Additionally, some licensees may be subject to a CPE compliance review under the terms and conditions of a previously entered Consent Order. If a Respondent is a licensee who is under investigation for unlicensed activity, due professional care, or peer review issues in their firm, the VBOA will also require the submission of CPE documentation as part of the investigation.

Regardless of whether the basis for a CPE compliance review is a self-report, random selection, or required by a disciplinary action, the Respondent must respond within thirty (30) days of transmittal of the CPE compliance review notice, as required by 18VAC5-22-170(A). Failure to respond without good cause is a violation of the VBOA's regulations and will result in disciplinary action being taken.

## SECTION FIVE: PROBABLE CAUSE DETERMINATION

Following completion of the investigation, the investigative report is reviewed to determine whether probable cause exists to proceed with an administrative proceeding on charges that one or more of the VBOA's statutes or regulations may have been violated. In order to take disciplinary action against a licensee, the VBOA must have clear and convincing evidence that a violation of law or regulation has occurred. While one may believe that a practitioner's action could be considered improper, unethical or otherwise deserving of corrective action, it may not always be a violation of law or regulation.

The review may conclude with –

- Requesting more information from the Complainant or Respondent
- Offering a consent order, which the Respondent may accept. If accepted by the Respondent and ratified by the VBOA, the consent order will resolve the matter without the need for further administrative proceedings;
- Referring the matter to an IFF Conference as described in Va. Code §§ 2.2-4019 and 2.2-4021; or
- Closing the case by issuing a Letter of No Finding or a Letter Declining Action.

## SECTION SIX: EXPERTS AND CONSULTANTS

The scope of the VBOA's regulatory authority and the range of possible complaints demand that the VBOA receives guidance from consultants for licensing and disciplinary matters involving specialized fields of practice. The VBOA may contract with an expert in a particular specialty to review the investigative file and, if necessary, to testify on behalf of the VBOA in an administrative or court proceeding arising from the matter. An expert assists the VBOA in understanding the standard of practice in the specialty, and in evaluating the evidence to determine whether a practitioner performed in accordance with that standard.

The contract with the expert provides that the expert will:

- Be available to work with the Board to develop and present evidence of the alleged violation;
- Review and evaluate a completed investigative report and other supporting material indicating the standard of practice;
- Render in writing a well-documented expert opinion regarding the standard of practice provided by the subject;
- Assist the staff in preparing for any disciplinary proceedings which are brought against the subject practitioner by the Board; and
- Provide expert testimony on behalf of the Board on any administrative or court proceeding arising from the matter.

## SECTION SEVEN: INFORMAL FACT-FINDING CONFERENCES

Informal Fact-Finding ("IFF") Conferences, as described in Va. Code §§ 2.2-4019 and 2.2-4021, provide for case resolution without the formalities of a trial-like procedure. These conferences are public proceedings, held before a presiding officer assigned by the VBOA. The IFF Conference gives the Respondent the opportunity to discuss with the committee the allegations stated in the VBOA's notice and the evidence contained in the investigative file. In all disciplinary matters and proceedings, the burden of proof rests with the Commonwealth to establish evidence of a violation of law or regulation that governs the practice of public accounting. An exception is cases involving applicants for initial licensure, lifting of a suspension, or reinstatement, who bear the burden of proof to establish evidence that they meet eligibility requirements and are fit and suited to be licensed as a CPA.

IFF Conferences offer a timely, less costly, less adversarial means of adjudication, and most cases are resolved at this level. Respondents have the following rights with respect to informal conferences:

- to receive reasonable notice of the date, time, and location of the proceeding;
- to receive reasonable notice of the allegations of misconduct;

- to receive copies of all documentation or information that may be relied on during the decision making process; and
- to be informed, briefly and in writing, of the action that VBOA is authorized to take.

The Respondent may choose to be represented by counsel at the IFF Conference. Enforcement Division staff's function at an IFF Conference in public session is to assist the presiding officer to determine whether the allegations are supported by the evidence.

IFF Conferences take place at the main office of the VBOA, in Henrico County, Virginia. Pursuant to Va. Code § 2.2-4003, venue for administrative proceedings is where the agency has its principal office, unless the parties agree otherwise.

A VBOA selected presiding officer hears an IFF Conference. Any presiding officer, VBOA members, or staff who participate in an IFF Conference may not participate in any subsequent formal hearing regarding the same matter or consideration of the matter by the full VBOA, unless a Respondent agrees in writing to permit ex parte communications between the full VBOA and those VBOA members, former VBOA members, and staff who participated in the IFF Conference.

Following an IFF Conference, the presiding officer may take any of the following actions:

- Offer a consent order, which the Respondent may accept. If accepted by the Respondent and ratified by the VBOA, the consent order will resolve the matter without the need for further administrative proceedings;
- Submit a Proposed Finding of Facts, Conclusions of Law, and Recommendation to the VBOA for its consideration; or
- Close the case by issuing a Letter of No Finding or a Letter Declining Action.

## SECTION EIGHT: CASE CLOSURE

The VBOA's disposition of a case involving violations of law or regulation by a Respondent must be documented, and in the event, the VBOA finds that a violation has occurred that warrants discipline, will take the form of an order. An order may result from a disciplinary proceeding or from a negotiated settlement in lieu of further disciplinary proceedings.

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### OUTCOMES OF INVESTIGATIONS

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There are four (4) types of case decisions that the VBOA can choose in closing an investigation:

- a Letter of No Finding;
- a Letter Declining Further Action;

- a Consent Order; or
- a Final Opinion and Order.

A letter of no finding is a determination, either by the presiding officer or by the VBOA, that no facts have been discovered during the investigation that indicate a violation has occurred.

A letter declining action is a determination, either by the presiding officer or by the VBOA, that while facts have been discovered that indicate a violation has occurred, the violation is so minor or inconsequential that further disciplinary proceedings are not in the public interest.

A consent order results from a negotiated settlement, either prior to or in lieu of further disciplinary proceedings, reflects a decision agreed to by the VBOA and a Respondent. Consent orders are typically offered by the presiding officer when the Respondent admits to the facts or when the issues are clear. A proposed consent order that contains findings of fact, conclusions of law, sanctions and a waiver of rights to further proceedings is prepared and presented to the Respondent. If the Respondent agrees to the settlement offered, the consent order will be presented to the VBOA for approval. The VBOA may accept or reject, in whole or in part, the consent order. While consent orders are generally offered before an informal conference or formal hearing is scheduled, they may be used after an IFF Conference.

A final opinion and order is a unilateral decision by the VBOA to impose penalties on a Respondent, and typically are the result of either a Respondent failing to cooperate with the investigation or a Respondent and the VBOA being unable to negotiate settlement. A final opinion and order is not utilized unless an IFF Conference or formal hearing has been held. The Presiding Officer or Hearing Officer will prepare a Proposed Finding of Facts, Conclusions of Law, and Recommendation to the VBOA for its consideration. The VBOA, in its final opinion and order, may accept or reject, in whole or in part, the proposal and may make its own findings of fact, conclusions of law, and impose penalties beyond what the presiding officer or hearing officer proposed.

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#### **PENALTIES AVAILABLE TO THE VBOA**

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In its deliberations, the VBOA may utilize statutes, VBOA regulations, and VBOA policies. VBOA policies are the VBOA's official interpretation of its governing statutes and regulations. An enumeration of the penalties the VBOA may utilize can be found at Code of Virginia §54.1-4413.4. The VBOA may impose one or more of the following penalties if a Respondent is found in violation:

- Revocation;
- Suspension or Refusal to Renew or Reinstatement;
- Reprimand;
- Censure;
- Limiting Scope of Practice;
- Probation with or without terms and conditions;
- Accelerated Peer Review;
- Completion of Additional or Specific CPE;
- Monetary Penalty;
- Discontinue Any Acts in Violation of §54.1-4414;
- Suspension

- Revocation

In licensure eligibility matters, the VBOA can also refuse to grant a person the privilege of using the CPA title in Virginia. See Code of Virginia §54.1-4409.1(C).

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#### FINAL ORDERS AND APPEALS

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An appeal of a VBOA's final order must be made within 33 days from the date of service by mail, and is handled in the judicial system at the circuit court level. An appeal at this level must comply with the procedures in Part Two A of the Rules of the Supreme Court of Virginia. The order of the VBOA is not automatically vacated when appealed to the circuit court. However, the appealing party may request from the court a stay of the VBOA's order pending the appeal.

Because consent orders contain a waiver of any right to appeal, Respondents may not appeal a Consent Order.

Final orders and consent orders are matters of public record, pursuant to Va. Code §§ 2.2-4023 and 54.1-2400.2. A copy of a final order or consent order is mailed to the Complainant, except in the case of anonymous Complainants. Final orders, consent orders, and all related disciplinary case information obtained and maintained during the course of an investigation or disciplinary proceeding become a matter of public record upon the closure of an investigation and are subject to disclosure under the Virginia Freedom of Information Act ("FOIA"), Va. Code § 2.2-3700 *et seq.*, unless otherwise exempted.

# APPENDIX:

## APPENDIX A

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### DEFINITIONS

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Administrative Process Act (“APA”) – The procedural requirements for promulgating regulations and for deciding cases, found in Va. Code § 2.2-4000 *et seq.* The APA supplements the basic law of the VBOA.

Agency Subordinate – A person designated by the VBOA to preside over administrative proceedings conducted in accordance with Va. Code § 2.2-4019, and who renders recommended findings of fact, conclusions of law, and decisions for review by the VBOA or offers revised consent orders that, if accepted by the Respondent, will then be submitted to the VBOA for approval. An agency subordinate may also be referred to as a Presiding Officer.

Appellant – The party who appeals a case decision of a VBOA to a circuit court for review.

Appellee – On appeal, the party who argues against the setting aside or the remand of a VBOA decision.

Basic law – Provisions of Virginia statutes that pertain specifically to the VBOA.

Case decision – Any agency proceeding or determination that, under laws or regulations at the time, a named party as a matter of past or present fact, either is, is not, or may or may not be (i) in violation of such law or regulation or (ii) in compliance with any existing requirement for obtaining or retaining a license or other right or benefit.

Censure – A formal sanction of a person or entity who holds a Virginia license or the license of a substantially equivalent jurisdiction. It is a declaration that a Respondent is guilty of misconduct that does not require suspension or revocation. A stern rebuke that finds the conduct of the Respondent violates the standards of conduct and practice, detrimentally affects the integrity of the profession, and undermines public confidence in the practice of public accountancy. A censure also serves as a public warning to other members of the profession.

Civil remedy – A remedy provided by a civil court (e.g., an award for damages in a malpractice lawsuit).

Complainant – An individual or entity that files a complaint or makes a report of an allegation of misconduct.

Complaint – A report or allegation of misconduct.

Consent order – An order voluntarily agreed to by both a Respondent and the VBOA. Sometimes called a “pre-hearing consent order” when it is offered in lieu of an IFF conference or a formal hearing. Consent orders have the same effect as any Final Order and Opinion (see below).



**Final Order and Opinion** – A unilateral decision issued by the VBOA pursuant to its statutory authority, affecting a person or entity engaged in prohibited acts or affecting the license of a regulant licensed by the VBOA.

**Formal hearing** – A formal administrative proceeding of litigated issues, which is conducted in accordance with Va. Code §§ 2.2-4020 and 4021. The parties are the VBOA and the Respondent alleged to have violated laws or regulations governing their practice. The hearing is conducted before either the full VBOA, a quorum or panel of the VBOA, or a hearing officer. The formal hearing is a trial-like proceeding, which includes sworn testimony, cross-examination of subpoenaed witnesses, introduction of evidence, and transcription by a court reporter.

**Hearing officer** – A person who is qualified, in accordance with Va. Code § 2.2-4024, to preside over administrative proceedings conducted under Va. Code § 2.2-4020 and, if the parties mutually agree, over administrative proceedings conducted under Va. Code § 2.2-4019., when the VBOA (full VBOA, a quorum, or a panel thereof consisting of at least five members) does not convene to conduct the hearing itself.

**Informal Fact-Finding (“IFF”) Conference** – A fact-finding proceeding conducted by a board member or a designee with a Respondent. It may result in one or more of the following actions: exonerate the Respondent; offer the Respondent a consent order; or make a recommendation containing findings of fact, conclusions of law, and penalties to the VBOA.

**Investigative Questionnaire** – A list of questions submitted to a Respondent during the course of an investigation of alleged misconduct.

**Notice of Apparent Violation (“NOAV”)** – A statement to the Respondent to notify them that they are the subject of a complaint and the general subject matter of the complaint. Also enclosed with the notice is a copy of the complaint and an Investigative Questionnaire.

**Notice of Informal Fact-Finding Conference (“IFF Notice”)** – A statement of specific charges provided to the Respondent who is the subject of a complaint. The notice states the time, place, and nature of the proceeding. Also enclosed with the notice is any information on which the VBOA will rely to make a case decision.

**Party or parties** – A person or persons having a direct interest in the subject matter or outcome of a case; one(s) who could assert a claim, make a defense, control proceedings, examine witnesses, or appeal a case decision (e.g., a Respondent). Only the Respondent may appeal a case decision of the VBOA.

**Presiding officer** – see Agency Subordinate.

**Probable cause** – Reasonable cause; having more evidence for than against. A reasonable ground for belief in the existence of facts as reported.

**Reprimand** - A formal sanction of a person or entity who holds a Virginia license or the license of a substantially equivalent jurisdiction. It is a rebuke for one or more violations that does not require censure. A reprimand usually involves an isolated incident or behavior that can be easily corrected, or misconduct that is more serious but the Respondent presented substantial mitigating factors.

**Respondent** – The person or entity being investigated or responding to a complaint.

Service – The delivery of a notice of an administrative proceeding, a consent order, or an order of a VBOA to a party that charges the party with receipt of the document and subjects the party to the legal effect of it.

Standing – The legal right of a party to assert or enforce legal rights and duties against another. On appeal of a VBOA decision, the party aggrieved or claiming the unlawfulness of such decision (e.g., the Respondent).

Vacate – To set aside or render void an order of the VBOA.

Venue – The particular city, county, or geographical location in which a case may be heard and determined.

DRAFT



## Ethics Committee Application

The Virginia Board of Accountancy is seeking nominations for Virginia licensed CPAs interested in serving on the Ethics Committee. The VBOA Ethics Committee meets at least annually to develop and make a recommendation to the VBOA for a proposed outline for the next year's Virginia-Specific Ethics Course.

The primary duties of the VBOA Ethics Committee include:

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

VBOA Ethics Committee members serve 3-year terms. The next term will begin July 1, 2020. Ethics Committee members cannot be current VBOA members or members of the Virginia Society of Certified Public Accountants Board of Directors. Ethics Committee members must be in good standing with all governing bodies including state boards of accountancy.

Please complete the form to nominate an Active Virginia CPA for the VBOA Ethics Committee. All submissions must be received by March 1, 2020.

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### Application

Individuals wishing to serve on the VBOA Ethics Committee may nominate themselves or another individual. Attach additional pages, if necessary.

Nominee name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_

Phone number: \_\_\_\_\_ Virginia CPA license number: \_\_\_\_\_

Describe any experience related to regulatory and behavioral ethics.

\_\_\_\_\_

Describe other professional, association or public service experience and/or activities that qualify for this committee.

\_\_\_\_\_

Why are you interested in this position and how will your involvement benefit this committee? Have you ever been under investigation by the VBOA or any other regulatory board regarding ethics enforcement?

\_\_\_\_\_

\_\_\_\_\_

Name of individual submitting nomination form if other than nominee: \_\_\_\_\_



## Virginia-Specific Ethics Course Instructor Application 2020

Instructor name: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Phone number: \_\_\_\_\_ CPA license number: \_\_\_\_\_

Describe your experience related to regulatory and behavioral ethics. Attach additional pages, if necessary.

\_\_\_\_\_  
\_\_\_\_\_

Have you ever been under investigation by the VBOA or any other regulatory board for compliance or ethics violations, including CPE deficiencies? Attach additional pages, if necessary.

\_\_\_\_\_  
\_\_\_\_\_

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### Certification

- I understand that I must be pre-approved annually by VBOA staff as an instructor of this course. If approved, I will be listed on the VBOA's website as an approved instructor.
- I certify that I will review all instruction materials, including the instructor manual, prior to instructing the 2020 Virginia-Specific Ethics Course.
- I certify that I understand materials and examples taught have to be part of or directly related to the course materials, and I will not include any personal opinions regarding any events, including political views or current events, during instruction and evaluation of the Virginia-Specific Ethics Course.
- I understand that any disciplinary issues with the VBOA or any other regulatory body, or issues reported by the sponsors or attendees of the 2020 Virginia Specific Ethics course will be evaluated by the VBOA and can result in the rescission of my approval as an instructor.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## Virginia-Specific Ethics Course sponsor application 2020

The Virginia Board of Accountancy has contracted with the Virginia Society of Certified Public Accountants as the only content/material provider of the 2020 Virginia-Specific Ethics Course. The VBOA requires all sponsors of the Virginia-Specific Ethics Course be pre-approved prior to instructing the course. Sponsors will be required to demonstrate their compliance with the VBOA’s policy on content/material and instructor requirements prior to approval. Sponsors not pre-approved annually by VBOA staff will not be recognized as an acceptable course sponsor. Licensees will not be granted CPE credit for completing a Virginia-Specific Ethics Course from a non-approved sponsor.

Please complete and return this form by email to [boa@boa.virginia.gov](mailto:boa@boa.virginia.gov), fax at (804) 527-4409 or by mail at 9960 Mayland Drive, Suite 402, Henrico, VA 23233.

### Sponsor information

Name: \_\_\_\_\_

Address: \_\_\_\_\_ Phone number: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

- I certify that to my knowledge all the instructors listed below are VBOA approved instructors as listed the VBOA website.
- I certify that the Virginia-Specific Ethics Course will be instructor-led.
- I certify that I will obtain the course content/material from the approved provider, VSCPA, prior to providing the Virginia-Specific Ethics Course to any licensees.
- I certify that I will submit all course comments to the VBOA within 60 days of receipt.
- I certify that I will not provide the annual ethics course later than January 31 for the previous calendar year.
- I understand that each attendee must receive the ethics handbook.
- I understand that I must use the approved course evaluation format. This can be done on paper or electronically.
- I understand that I must be pre-approved annually by VBOA staff as a sponsor of this course. If approved, I will be listed on the VBOA’s website as an approved sponsor.
- I understand that my sponsorship can be suspended for any noncompliance of these conditions.

Instructors	Virginia license number	Methods to teach (ex. live seminars, conference sessions, online self-study, live webcast, on-demand webcast, in-house training)



## Virginia-Specific Ethics Course 2020 Evaluation Form

Name: \_\_\_\_\_

Instructor: \_\_\_\_\_

Sponsor: \_\_\_\_\_

Date: \_\_\_\_\_

### Course content and materials

- The objectives of the training were clearly defined.
- The topics covered were relevant to me.
- The training objectives were met.
- The content was organized and easy to follow.
- The materials provided were clear and helpful.
- The training was relevant to my career.
- Participation and interaction were encouraged.

Please provide any additional comments regarding course content and materials.

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### Trainer and accommodations

- The instructor was knowledgeable of the training topics.
- The instructor was well prepared.
- The instructor was informative and effective.
- The time allotted for the training was sufficient.
- The facilities and any equipment were satisfactory.

Please provide any additional comments regarding the instructor and the facilities.

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Please provide any general comments regarding the Virginia-Specific Ethics Course.

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RESPONSES	Years of Licensure										Total	
	0 to 3 years		3 to 5 years		6 to 10 years		11 to 20 years		20 years and more		%	#
	%	#	%	#	%	#	%	#	%	#	%	#
<b>Relevance</b>												
Not at all relevant	13.74%	65	15.98%	66	18.86%	136	16.85%	235	17.12%	341	16.51%	843
Slightly relevant	35.31%	167	29.06%	120	31.21%	225	32.47%	453	30.12%	600	31.63%	1,565
Moderately relevant	33.40%	158	31.48%	130	27.88%	201	28.89%	403	29.27%	583	30.18%	1,475
Very relevant	13.11%	62	17.19%	71	13.87%	100	14.84%	207	16.27%	324	15.06%	764
Extremely relevant	4.44%	21	6.30%	26	8.18%	59	6.95%	97	7.23%	144	6.62%	347
<b>Frequency</b>												
Yes, it should only be required once during each CPE reporting period (i.e., once every two years for a 2-year reporting period or once every three years for a 3-year reporting period)	72.78%	345	66.59%	275	66.48%	480	63.87%	891	62.54%	1,244	66.45%	3,235
No, the yearly 2-hour requirement for the Virginia-Specific Ethics Course should not be changed	18.99%	90	26.15%	108	25.48%	184	28.17%	393	28.26%	562	25.41%	1,337
Not sure	8.23%	39	7.26%	30	8.03%	58	7.96%	111	9.20%	183	8.14%	421

Regulation changes or other important information can be part of the renewal process