



Virginia  
Regulatory  
Town Hall

## Proposed Regulation Agency Background Document

<b>Agency Name:</b>	Board of Accountancy
<b>VAC Chapter Number:</b>	18 VAC 5-30-10 et seq.
<b>Regulation Title:</b>	Continuing Professional Education Sponsor Registration Rules and Regulations
<b>Action Title:</b>	Repeal of Existing CPE Sponsor Registration Rules and Regulations
<b>Date:</b>	December 30, 2002

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the *Virginia Register Form, Style and Procedure Manual*. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

### Summary

*Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

The Board of Accountancy is proposing to repeal the existing Continuing Professional Education (CPE) Sponsor Registration Rules and Regulations (18 VAC 5-30-10 et seq.), which were effective October 23, 1991.

## Basis

*Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.*

---

According to Section 54.1-4403 of the Code of Virginia, the Board of Accountancy has the power and duty to “promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) necessary to assure continued competency, to prevent deceptive or misleading practices by practitioners and to effectively administer the regulatory system.”  
*(To view Section 54.1-4403, please go to the Legislative Information System at the following web address: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+54.1-4403>.)*

The Board also has the statutory authority, according to Section 54.1-4410, to “promulgate regulations establishing procedures and requirements for the renewal of a CPA certificate granted by the Board,” which include requirements for continuing professional education (CPE). Subsections B and C of this section state that, with regards to the Board’s CPE requirements, the “certificate holder may choose the areas of study and courses.”  
*(To view Section 54.1-4410, please go to the Legislative Information System at the following web address: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+54.1-4410>.)*

Finally, this action is being submitted in compliance with Section 2.2-4016 of the Administrative Process Act, which states that “a regulation may be repealed after its effective date only in accordance with the provisions of this chapter that govern the adoption of regulations.”  
*(To view Section 2.2-4016, please go to the Legislative Information System at the following web address: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+2.2-4016>.)*

## Purpose

*Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.*

---

The National Association of State Boards of Accountancy (NASBA), a national organization to which the Virginia Board of Accountancy belongs, along with 53 other state boards of accountancy, has several divisions that strictly monitor CPE and CPE sponsors nationwide. These divisions include: (1) the Regulatory Compliance Services, which offers programs to

assist state boards and their licensees to determine high quality CPE sponsors, (2) the National Registry of CPE Sponsors, which lists organizations that provide high quality CPE in accordance with nationally-recognized standards, (3) the Quality Assurance Service, which recognizes organizations that provide self-study CPE courses of the highest caliber, (4) the CPE Advisory Committee, which reviews the methodology of maintaining qualitative aspects of the National Registry of CPE Sponsors and advises the NASBA Board of Directors about innovations in CPE, and (5) the Statement on Standards of CPE Programs, which were developed jointly by NASBA and the American Institute of Certified Public Accountants (AICPA).

After a review of the substance and purpose of the existing CPE Sponsor Registration regulations, and of the programs provided by NASBA, the Board of Accountancy determined that such regulations in the Commonwealth were no longer necessary to fulfill the Board's statutory mandate, enumerated in Section 54.1-4403, to establish qualifications for licensure, and CPE standards as a condition for the issuance or renewal of a CPA certificate. The Board deemed these regulations as repetitious and unduly burdensome on CPE sponsors in the Commonwealth, in light of regulations and programs at the national level. Further, the Board determined that the repeal of these regulations would not jeopardize the public's safety or welfare in the Commonwealth.

On July 19, 1999, the Board unanimously voted to repeal the existing CPE Sponsor Registration regulations, which were effective October 23, 1991. Therefore, the purpose of this action is to repeal these regulations.

### Substance

*Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.*

---

The purpose of this action is to repeal the Board's existing CPE Sponsor Registration Rules and Regulations (18 VAC 5-30-10 et seq.).

### Issues

*Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.*

---

The repeal of the Board's existing CPE Sponsor Registration regulations will not disadvantage the public or the Commonwealth because national organizations such as NASBA and AICPA strictly monitor CPE and CPE sponsors.

## Fiscal Impact

*Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus on-going expenditures; (b) the projected cost of the regulation on localities; (c) a description of the individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.*

---

The repeal of the Board's existing CPE Sponsor Registration regulations will not have a fiscal impact on the state or localities (since no costs will be necessary to implement this action), or on individuals or businesses.

## Detail of Changes

*Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.*

---

The Board of Accountancy is proposing to repeal the existing CPE Sponsor Registration Rules and Regulations (18 VAC 5-30-10 et seq.).

## Alternatives

*Please describe the specific alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.*

---

The only alternative to this proposal is that the Board would maintain the CPE Sponsor Registration regulations, which would be an additional level of regulation on CPE sponsors, since similar programs and regulations are currently provided at the national level.

## Public Comment

*Please summarize all public comment received during the NOIRA comment period and provide the agency response.*

---

With no public comment being submitted as a result of the publication of the NOIRA in the Virginia Register, the Board, on November 22, 2002, unanimously voted to file the proposed regulations with the Registrar of Regulations.

### Clarity of the Regulation

*Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.*

---

A review of the substance and purpose of the existing CPE Sponsor Registration regulations, as well as similar programs and regulations provided at the national level, led the Board of Accountancy to determine that such regulations in the Commonwealth were no longer necessary to fulfill the Board's statutory mandate, enumerated in Section 54.1-4403, to establish qualifications for licensure, and CPE standards as a condition for the issuance or renewal of a CPA certificate. The Board determined that such regulations are unduly burdensome and repetitious on the CPE sponsors in the Commonwealth.

### Periodic Review

*Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.*

---

Since the Board is proposing to repeal the existing CPE Sponsor Registration regulations, no periodic review is necessary, unless, or until, the Board should determine, based upon information from the regulants and public affected, that such regulations are again needed.

### Family Impact Statement

*Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

---

The repeal of the Board's CPE Sponsor Registration regulations will not have an impact on the institution of the family and family stability. This repeal will not strengthen nor erode the authority and rights of parents in the education, nurturing, and supervision of their children. It will not encourage nor discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse and one's children and/or elderly parents. This repeal will not strengthen nor erode the marital commitment. The effect of the repeal of these regulations on disposable family income will be minimal.