

Tuesday, December 1, 2020

Board Meeting Agenda

Board Room #2

2nd Floor Conference Center

9960 Mayland Drive

Henrico, VA 23233

Join by phone at (US) **+1 614-871-8670** PIN: **743 879 564#**

or by Google Meets at meet.google.com/uon-sryd-dym

- 10 a.m. Call to Order – **D. Brian Carson, CPA, CGMA, Chair**
Security Briefing – **Patti Hambright, Administrative Assistant**
Determination of Quorum
Approval of December 1, 2020, Agenda
Approval of October 8, 2020, Board meeting minutes
Approval of Consent Agenda:
Consent Orders:
- 2019-229-021U (Brown)
 - 2019-246-021D (Rogers)
 - 2020-012-005U (Brown)
- Public comment period*
- 10:15 a.m. 1. Remote testing – **Colleen K. Conrad, CPA, Executive VP and COO, NASBA**
- 10:30 a.m. 2. 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 Administration and Finance Committee – **Laurie A. Warwick, CPA**
 - NASBA Education Committee – **Nadia A. Rogers, CPA**
 - AICPA’s Information Systems and Controls Task Force – **Nadia A. Rogers, CPA**
- 10:45 a.m. 3. Executive Director’s Report – **Nancy Glynn, CPA, Executive Director**
- General updates
 - MLO upgrade progress
 - Financial and Board Report update – **Renai Reinholtz, Deputy Director**
 - Enforcement update – **Amanda E. M. Blount, Enforcement Director**
 - Regulatory update – **Elizabeth M. Marcello, Information and Policy Advisor**
- 11:15 a.m. 4. Board Discussion Topics – **D. Brian Carson, CPA, CGMA, Chair**
- 2021 Ethics course update - **Nancy Glynn, CPA, Executive Director**
 - Modification to the Delegations of Authority, Administrative Policy and Procedure, for certain criminal convictions – **Elizabeth M. Marcello, Information and Policy Advisor**
 - Disposition of Cases Involving Unlicensed Use of the CPA Title by Previously Licensed Individuals- **Amanda E. M. Blount, Enforcement Director**

- 12 p.m. 5. Adjourn for lunch
- 12:30 p.m. 6. Additional Items for Discussion
- Sign Conflict of Interest forms
 - Sign Travel Expense vouchers
 - Future meeting dates
 - February 4, 2021
 - April 22, 2021
 - May 27, 2021
 - June 24, 2021
 - August 31, 2021
- 1 p.m. 7. Closed Session
- Enforcement – **Amanda E. M. Blount, Enforcement Director**
- Final Orders
 - 2019-041-003D (Saunders and Warwick)
 - OAG and legal updates
- 2 p.m. Adjournment

***For those attending the meeting virtually, any public comments must be emailed to boa@boa.virginia.gov with the subject line: Board meeting public comments and received by Nov. 30, 2020.**

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

**Board Meeting
October 8, 2020
Draft/Unapproved minutes**

The Virginia Board of Accountancy met on Thursday, October 8, 2020, in Board Room #2 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

MEMBERS PRESENT: D. Brian Carson, CPA, CGMA, Chair
W. Barclay Bradshaw, CPA
William R. Brown, CPA
Wendy P. Lewis, CPA

**MEMBERS APPEARING
VIRTUALLY:** Laurie A. Warwick, CPA, Vice Chair
Nadia A. Rogers, CPA
Jay Bernas

**LEGAL COUNSEL
APPEARING
VIRTUALLY:** 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
Patti Hambright, CPE Coordinator and Administrative Assistant
Elizabeth Marcello, Information and Policy Advisor
Elaina Johnson, CAI contractor for VBOA

**STAFF PRESENT FOR
A PORTION OF THE
MEETING:** Nicole Reynolds, Licensing and Operations Support

**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

CALL TO ORDER

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

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DETERMINATION OF QUORUM

Mr. Carson determined there was a quorum present.

SECURITY BRIEFING

Ms. Hambright provided the emergency evacuation procedures.

APPROVAL OF AGENDA

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the October 8, 2020, agenda, as presented.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Aye
Jay Bernas – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Wendy P. Lewis, CPA – Aye
Nadia A. Rogers, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

APPROVAL OF MINUTES

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted to approve the August 18, 2020, Board meeting minutes, as presented.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Aye
Jay Bernas – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Wendy P. Lewis, CPA – Aye

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Nadia A. Rogers, CPA – Aye

VOTE:

Ayes: Seven (7)

Nays: None

PUBLIC COMMENT PERIOD

Ms. Peters announced the launch of the VSCPA Diversity, Equity and Inclusion Advisory Council. She noted Ms. Lewis serves on the 19-member council. The first meeting was held on September 22, 2020. The council is committed to diversity, equity and inclusion in the CPA profession.

Ms. Peters announced that the VSCPA will host a free student virtual career showcase on October 29, 2020. The showcase will answer questions about becoming a CPA.

Regarding the CPA Evolution Initiative, Ms. Peters noted colleges and universities needed to get prepared for the upcoming changes. The AICPA has created a hub to help prepare colleges and universities.

Ms. Peters noted the evaluations received by the VSCPA regarding the 2020 Virginia-Specific Ethics Course continued to be between 4.5 and 4.7 out of 5.

Ms. Peters also noted the VSCPA was working on 2021 ethics courses.

COMMITTEE UPDATES

NASBA Communications Committee

Mr. Carson noted there had been a regional call last week. The call had covered topics including CPA Evolution and UAA Model Rules.

NASBA Enforcement Resources Committee

Mr. Brown noted there were no updates for the NASBA Enforcement Resources Committee at this time.

General NASBA updates

Ms. Rogers is serving as co-chair of the AICPA's Information Systems and Controls Task Force whose charge is to oversee, advise, and assist with the development of a high-level model curricula with learning objectives for the Information Systems and Controls discipline that complements the new CPA Evolution

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licensure model. She reinforced the need for colleges and universities to prepare for the CPA Evolution Initiative as well as how the efforts of the Task Force and others will be helpful.

Ms. Glynn reminded the Board of the virtual NASBA Annual Meeting to be held November 2-4. Ms. Glynn will provide Board members with the registration link.

Ms. Glynn stated NASBA had received few comments regarding the Education Model Rule exposure draft. She noted it would be finalized soon.

Ms. Glynn noted the CPA Evolution Initiative was moving forward. She stated the required managerial accounting course would be replaced with a technology course.

Ms. Glynn noted NASBA is working with state boards to understand and adopt remote CPA exam testing. Board members are invited to attend the webinar.

Ms. Glynn noted the NASBA CPE Audit Service continued to present many challenges.

EXECUTIVE DIRECTOR'S REPORT

General updates

Ms. Glynn introduced Nicole Reynolds as the VBOA's Licensing and Operations Support. She noted the office is staffed daily. Additional staff members are in the office at least a few days a week. There has been an increase in CPA license reinstatement and Inactive applications over the past two months, in addition to many new CPA exam applications.

Ms. Glynn noted due to scheduling and other COVID-related hindrances non-CPE IFF (Informal Fact Finding) hearings have been limited.

Ms. Glynn noted the challenges with the NASBA CPE Audit Service reduced the efficiency of the CPE audit process. The September audit pool had been selected and another 150 to 175 would be selected for the October CPE audit pool. A thorough discussion ensued.

Ms. Glynn noted the Ethics Committee had met again in September to review and discuss the 2021 ethics draft video. Ms. Anderson has been busy working on the ethics video.

Ms. Glynn noted the PROC (Peer Review Oversight Committee) would meet in November.

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Ms. Glynn stated that over the past two months the VBOA had completed the DHRM Workforce Planning Assessment tool, the Continuity of Operations plan, the Biennial report and the completion of the SWaM plan. The Biennial report will be distributed to the Board soon.

Ms. Anderson has sent out the VBOA customer satisfaction survey to more than 4,500 CPA exam candidates and CPA licensees.

MLO upgrade progress

Ms. Glynn provided an update to the Board regarding the licensing software upgrade and the move to a hosted environment. The anticipated go live date for the system will be the weekend of October 23, 2020. The VBOA's online systems will be taken down early Friday morning with the anticipation of having the system up and running by noon on Monday, October 26, 2020.

Ms. Glynn noted once the licensing and examination system has been implemented, the focus will be on enforcement. She noted the upgraded system will have a document storage library.

Financial and Board Report update

Ms. Reinholtz presented and fielded questions regarding the August 2020 Financial and Board Report. For the benefit of new Board members, Ms. Reinholtz explained the operating fund and trust fund functionality.

Enforcement update

Ms. Blount led the discussion regarding the enforcement update. She provided handouts, which included the Status of Open Cases as of September 30, 2020, and the Enforcement Report. She reiterated there had been fewer IFF hearings due to COVID and due to licensees signing the offered Consent Orders. Ms. Blount noted the licensee CPE deficiency rate to be 8%. Ms. Blount fielded questions.

Regulatory update

Ms. Marcello led the discussion regarding regulatory updates. She noted the VBOA regulatory revisions were awaiting final approval.

BOARD DISCUSSION TOPICS

2021 Ethics course update

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- **Video presentation**
Ms. Anderson presented the approximate 12-minute VBOA Segment draft ethics video. The Board provided comments. Ms. Glynn and Ms. Anderson fielded questions.
- **Process and timeline**
Ms. Marcello led the discussion regarding the 2021 ethics course timeline. She noted communication had been sent out to previous and current ethics course providers in Virginia. The anticipated official application form for ethics providers will be available on the VBOA website in November. Ms. Marcello fielded questions.
- **Deliverables**
Ms. Glynn led the discussion regarding delivery methods for the 2021 ethics course. She fielded questions.

Modification to the Delegations of Authority, Administrative Policy and Procedure, for certain criminal convictions

Ms. Marcello led the discussion regarding the Delegations of Authority, Administrative Policy and Procedure Policy. After a thorough discussion, the Board agreed to revisit the topic at the December Board meeting.

Five-year forecast and licensing trends

Ms. Reinholtz presented and fielded questions regarding the five-year forecast and licensing trends. She presented three years of actual data and the projection for the following five years. Discussion ensued.

Enforcement update (continued)

Ms. Blount provided information regarding File #2018-470-415C. The Board agreed to move the discussion to closed session.

RECESS FOR LUNCH 12:45 p.m.

RECONVENE 1:15 p.m.

ADDITIONAL ITEMS FOR DISCUSSION

- Sign Conflict of Interest forms
- Sign Travel Expense vouchers

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FUTURE MEETING DATES

- December 1, 2020
 - February 4, 2021
 - April 22, 2021
 - May 27, 2021
 - June 24, 2021
 - August 31, 2021
-

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 a matter lawfully exempted from open meeting requirements under the ‘Legal advice regarding specific legal matters’ exemption contained in Virginia Code §2.2-3711 (A)(8).

The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn, Amanda Blount and James Flaherty (Mr. Flaherty is participating virtually).

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Aye
Jay Bernas – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Wendy P. Lewis, CPA – Aye
Nadia A. Rogers, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

End closed meeting

Upon a motion by Ms. Warwick, and duly seconded, the Virginia Board of Accountancy 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 (D) of the Code of

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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 – Abstain
Jay Bernas – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Wendy P. Lewis, CPA – Aye
Nadia A. Rogers, CPA – Aye

VOTE:

Ayes: Six (6)
Abstain: One (1)
Nays: None

The following action was taken as a result of the closed session:

Case #2019-176-014U (Blount, Glynn, Warwick and Winters)

Ms. Blount, Ms. Glynn, and Ms. Winters were not present and did not participate in the closed discussion. Ms. Warwick did not participate in the closed discussion.

Upon a motion by Mr. Bradshaw, and duly seconded, members voted to accept the presiding officer's recommendation except for paragraphs two, three and four of the presiding officer's recommendation.

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Abstain
Jay Bernas – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye

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Wendy P. Lewis, CPA – Aye
Nadia A. Rogers, CPA – Aye

VOTE:

Ayes: Six (6)
Abstain: One (1)
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 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).

CALL FOR VOTE:

D. Brian Carson, CPA, CGMA – Aye
Laurie A. Warwick, CPA – Aye
Jay Bernas – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Wendy P. Lewis, CPA – Aye
Nadia A. Rogers, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

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

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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
Jay Bernas – Aye
W. Barclay Bradshaw, CPA – Aye
William R. Brown, CPA – Aye
Wendy P. Lewis, CPA – Aye
Nadia A. Rogers, CPA – Aye

VOTE:

Ayes: Seven (7)
Nays: None

ADJOURNMENT

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

APPROVED:

D. Brian Carson, CPA, CGMA, Chair

COPY TESTE:

Nancy Glynn, CPA, Executive Director



REMOTE PROCTORING OF THE UNIFORM CPA EXAMINATION

Discussion with the Boards of Accountancy
October 19 and 22, 2020

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Agenda for Today

- ▶ Why considering
- ▶ What is remote testing / proctoring?
- ▶ Approach, technology and process for remote testing
- ▶ Considerations
 - Legal
 - Cyber and system security
 - Operational
- ▶ Prometric ProProctor™
- ▶ Open issues and closing thoughts
- ▶ Q & A

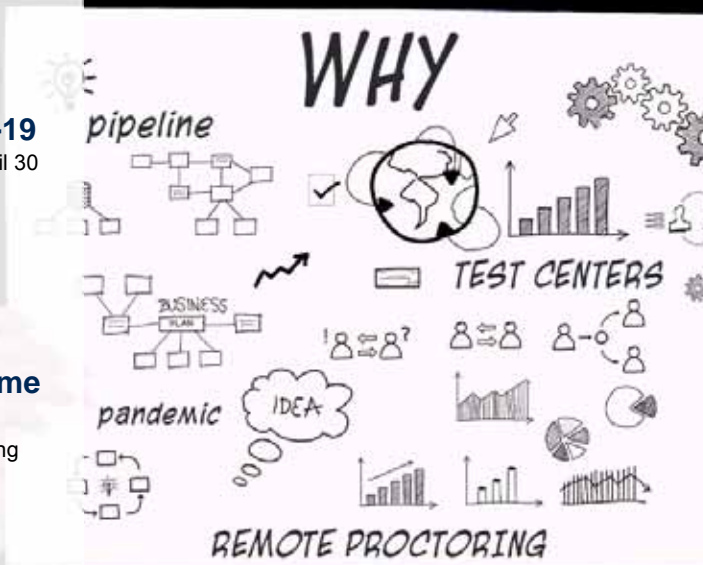


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Why Under Consideration

- ▶ **Test centers shut down for COVID-19**
 - Complete shut down from March 18 through April 30
 - Ramp up throughout May – essential service examinations (including CPA Exam)
 - Social distancing / limited capacity / full capacity
- ▶ **What if there is a need for an extended shutdown?**
 - Likelihood of repeat of complete closure
- ▶ **What if candidates are afraid to come to test centers to test?**
 - Candidate behavior reflective of comfort in coming back to test
- ▶ **Could candidates drop out of the pipeline?**



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Decision Process

- ▶ **NASBA working with AICPA and Prometric on viable model**
- ▶ **NASBA working with CBT Administration Committee on possible policies / procedures, with Executive Director Committee consultation**
- ▶ **Tri-party (NASBA / AICPA / Prometric) contract requires amendment**
- ▶ **Boards of accountancy touchpoints**
 - Periodic informational updates – via email, webcasts, direct contact
 - Questions answered
 - Comments received
 - Ultimate individual Board of Accountancy decisions necessary



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What Exactly is Remote Testing?

- ▶ Candidate tests in their home or other location outside of a test center
- ▶ Test area must be clear and free from distractions
- ▶ Candidate uses their own computer, monitor, camera and wifi with minimum requirements
- ▶ Computer is locked down so that only allowed software can be accessed (by downloading ProProctor application).
- ▶ Candidate walks through initial steps by themselves – ID capture, image capture and checklist
- ▶ Readiness Agent then walks them through candidate detail confirmation, 360-degree environmental check and candidate person check.

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What Exactly is Remote Testing?

- ▶ Candidate then proceeds to a Proctor for examination observation
- ▶ If any concerns are noted, ProProctor Security Agent engaged
 - Agent can interrupt testing and question candidate or request camera scan
 - Has the ability to back up review video of testing during testing
 - Can terminate testing, as needed



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Steps to Get There

- ▶ AICPA must implement the CPA Exam web driver for a cloud deployment
- ▶ AICPA must implement the interface between the web driver and Prometric's ProProctor; other interfaces must be considered
- ▶ Prometric must implement changes necessary for ProProctor to support the CPA Exam program
- ▶ All parties must configure the test delivery experience.
- ▶ NASBA would work with CBT Admin Committee, ED Committee and Boards on updated administration policies



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Approach, Technology and Process for Remote Testing

Presented by:

Robin Stackhouse
AICPA Director, Exam Development and Operations


Elizabeth Forman
AICPA Associate Director, Project and Technology



NASBA



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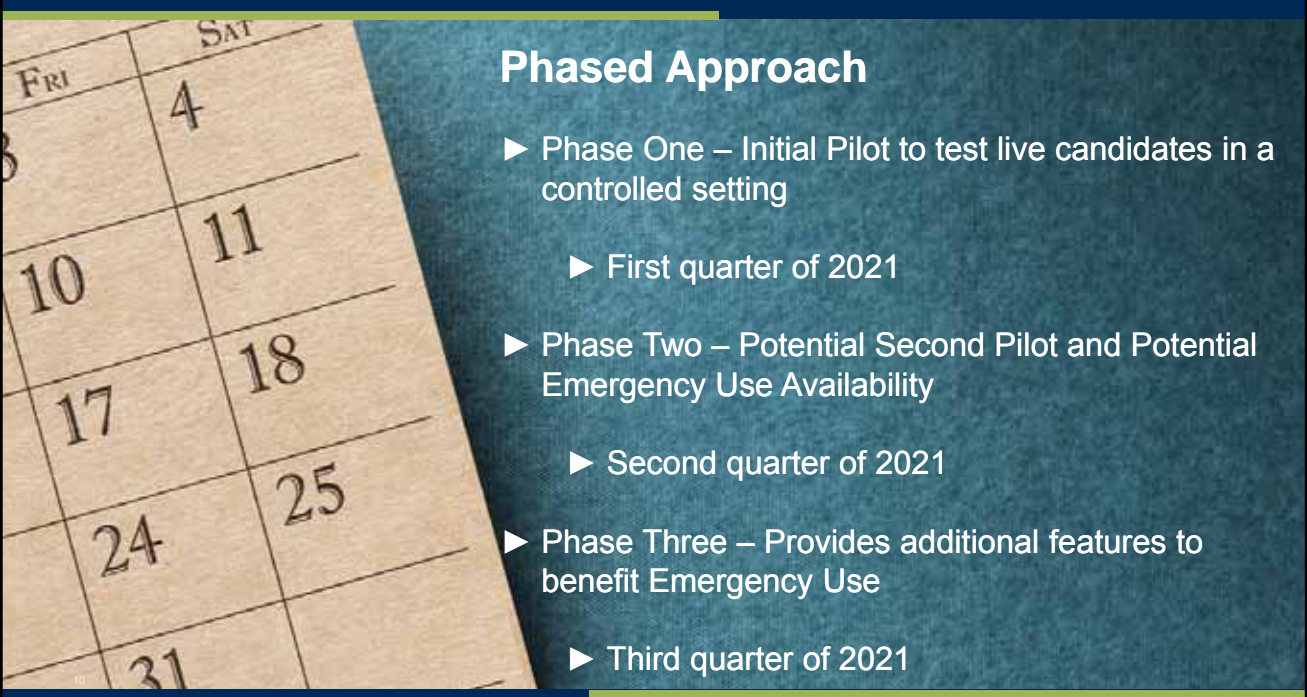
Agenda

- **Phased Approach**
- **Driver Software Development**
- **Content Security**
- **Process to Possible Go Live**

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Phased Approach

- ▶ Phase One – Initial Pilot to test live candidates in a controlled setting
 - ▶ First quarter of 2021
- ▶ Phase Two – Potential Second Pilot and Potential Emergency Use Availability
 - ▶ Second quarter of 2021
- ▶ Phase Three – Provides additional features to benefit Emergency Use
 - ▶ Third quarter of 2021

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Software Development Efforts

- ▶ The current driver used in test centers was developed with web-based technology but operates in a client-server-based Prometric test center as it is deployed from a Prometric server.
- ▶ Development of the Remote Testing Driver takes the somewhat available technology, connects it with Prometric's WebLaunch application (allows the CPA driver to launch via web), and the Prometric server interfaces are replaced with cloud-based systems.
- ▶ Software development is required for all three parties (NASBA/AICPA/Prometric).
- ▶ Prometric has most of the development to meet the CPA program technical requirements.
- ▶ Prometric's remote testing solution provides the same experience for candidates for registration and scheduling.

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Content Security

- 
- Primary goal is to minimize the exposure/use of content within the testing window
 - Offer the test within a strict time window to reduce the potential of shared information
 - Select panels that are unique to remote testing
 - Expand current enhanced web monitoring
 - Data monitoring: pass rates, testing time / item time, test performance

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Process to Go Live – Target Dates Under Review

- January: Software is released for Phase 1
- February: Software is tested across NAP and with friends and family
- March: Initial Pilot with live candidates

- April: Software is released for Phase 2
- May: Software is tested across NAP
- June: Potential Second Pilot and Potential Emergency Use Availability

- June: Software is released for Phase 3
- July: Software is tested across NAP
- August: All features are available for Emergency Use



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Remote Testing - Legal Considerations

Maria Caldwell, Esq.
NASBA Chief Legal Officer & Director of Compliance Services



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Entering Uncharted Territory...

- ▶ Uncharted territory = Little precedent
- ▶ NASBA, AICPA and Prometric attorneys have met on several occasions to discuss legal considerations and have come to the same conclusions
- ▶ Discussion with DOJ attorneys

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Remote Testing Landscape

- ▶ CPA profession is not alone
- ▶ CPA profession is ahead of the curve
- ▶ Legal considerations:
 - Fairness and Commonality of Experience
 - ADA requirements
 - Data Privacy
- ▶ Limited pilot while traditional model widely available
 - Eliminates concerns about ADA and commonality of experience

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Cyber and System Security Consideration

Presented by:
Roy Hall Jr.

NASBA Chief Information Security Officer / Data Privacy Officer
CISSP, CISA, CRSC, CISM, AWS Certified



NASBA



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Security Risk Assessment

- ▶ NASBA, AICPA, Prometric (NAP Cyber Team)
- ▶ Monitor and collaborate regarding cyber risks surrounding the CPA Examination.
- ▶ Meets about quarterly
- ▶ Working as a team to evaluate the remote proctoring service utilizing NIST CSF.



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Security Risk Assessment Approach

NASBA, AICPA and Prometric have agreed to a four-phase approach utilizing a third-party independent firm to perform analysis and testing of the ProProctor product. The evaluation includes the following components:

Third Party Review

- ▶ Architecture Review (session management and back office)
- ▶ Static Security Code Review
- ▶ Penetration Test

NAP Cyber Team

- ▶ NAP Cyber Risk Assessment

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Security Safeguard Focus Areas - Examples

- ▶ Malware
- ▶ Compromised Workstation Threats
- ▶ Session Hijacking HTTPS
- ▶ Event Detection and Response (EDR)
- ▶ Code Security
- ▶ Authentication and Authorization Services
- ▶ Screen Capture Prevention

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Security Risk Assessment

The outcome of the analysis is a risk assessment that might be considered in determining the levels of risk surrounding the product's cyber readiness.

Security Controls considered include:

- ▶ Preventive
- ▶ Detective
- ▶ Administrative

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Security Risk Assessment

▶ Status

- Architecture Review (Complete)
- Static Code Analysis (In progress)
- Penetration Testing (In progress)
- NAP Cyber Risk Assessment (In progress)

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Target Completion Date

Prometric is thinking it might be late 4Q2020 before the analysis could start for the NAP Cyber Security team.*

* The timing depends on the amount of remediation that might be needed by Prometric to address important changes that could be surfaced in the third-party assessments.



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Operational Considerations

Presented by:
Patricia Hartman
NASBA Director of Client Services



NASBA



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Operational Considerations

- ▶ Policy and Procedure Changes
- ▶ Scheduling System Changes
- ▶ Operational Security
- ▶ State Board Process / Policy Changes

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Policy & Procedure Changes

- ▶ Changes to the candidate registration process
- ▶ Changes to interactions between NASBA, Prometric and AICPA
- ▶ Testing irregularities
- ▶ Early test terminations
- ▶ Test interruptions
- ▶ Hardware problems
- ▶ Software problems
- ▶ Retest policy

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Scheduling System Changes

- ▶ Changes to the Notice to Schedule (NTS)
- ▶ Changes to Guam and international administration
- ▶ Changes to scheduling events with specific testing accommodations
- ▶ Changes to attendance files

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Operational Security Considerations

- ▶ ID management and issues
- ▶ Center Problem Reports (CPRs) (Incident Reports?)
- ▶ Break procedures
- ▶ Note boards / scratch paper
- ▶ Candidate misconduct
- ▶ Cheating
- ▶ Copyright infringement
- ▶ Digital video recordings

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Consideration of State Board Changes Needed

- ▶ Do your rules / regulations / statutes allow for remote proctoring?
- ▶ Will you need to make changes to your systems?
- ▶ Are there any changes to reporting you would need to have NASBA make?

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ProProctor

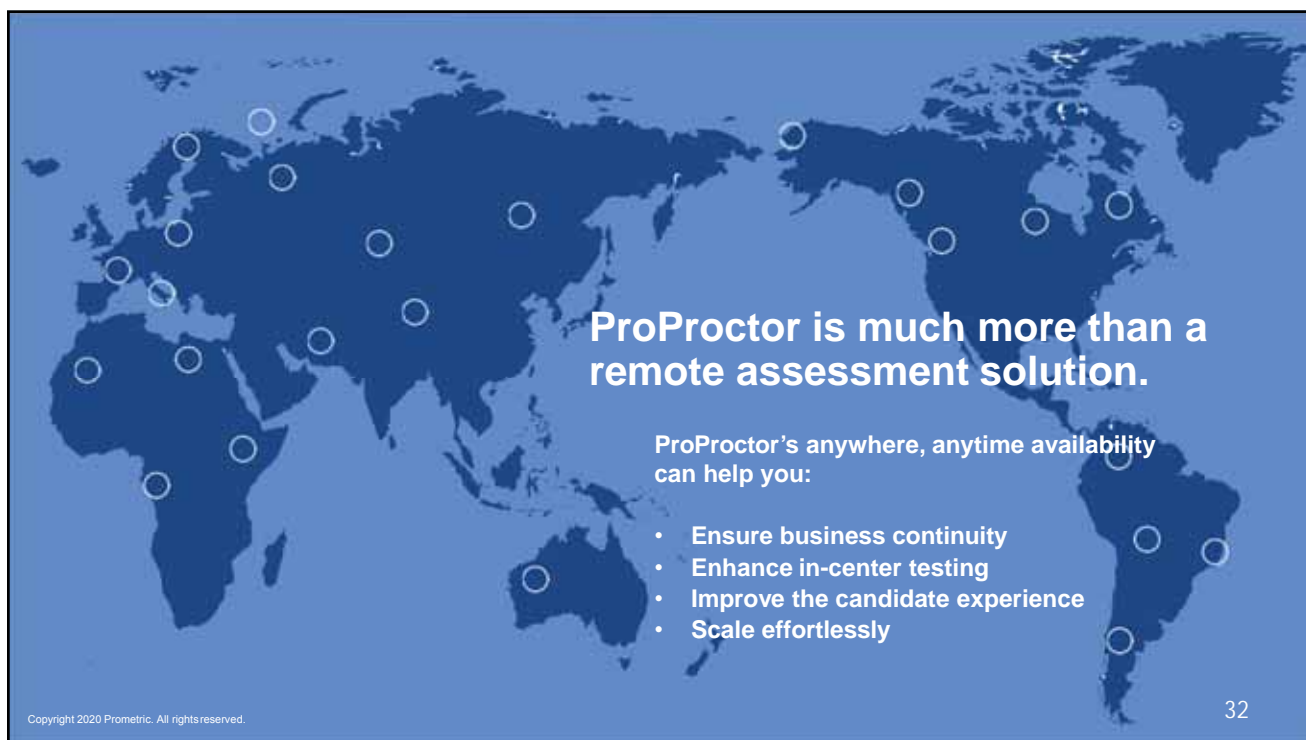
Presented By:
Mark Muth
Prometric Vice President – Global Account Management



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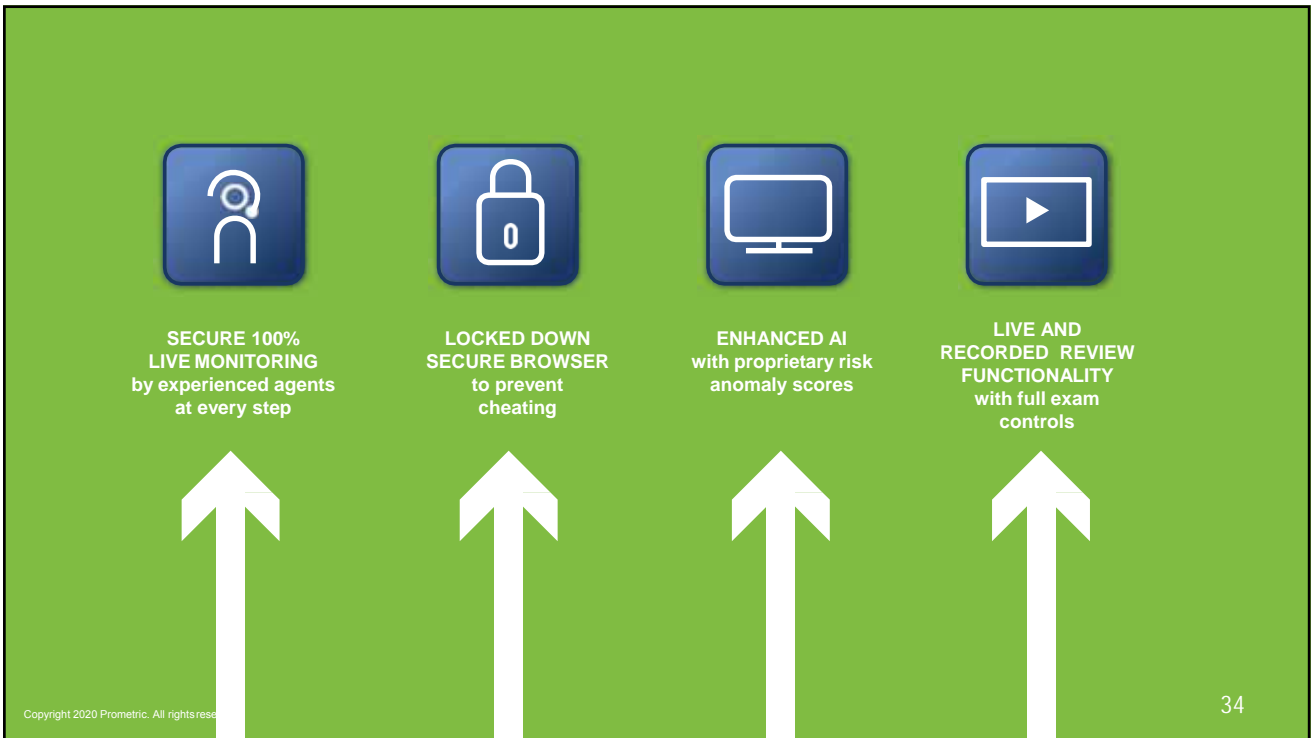
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SECURE MULTI-MODALITY TESTING
featuring simple validation and setup

GLOBAL 24/7 ACCESS
for expanded reach and capabilities

SAME PROVEN DELIVERY TECHNOLOGY
that helped make us the trusted world-leader for in-center assessment

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**State of the art solution for today.
Enhanced flexibility for tomorrow.
Global scale for the future.**

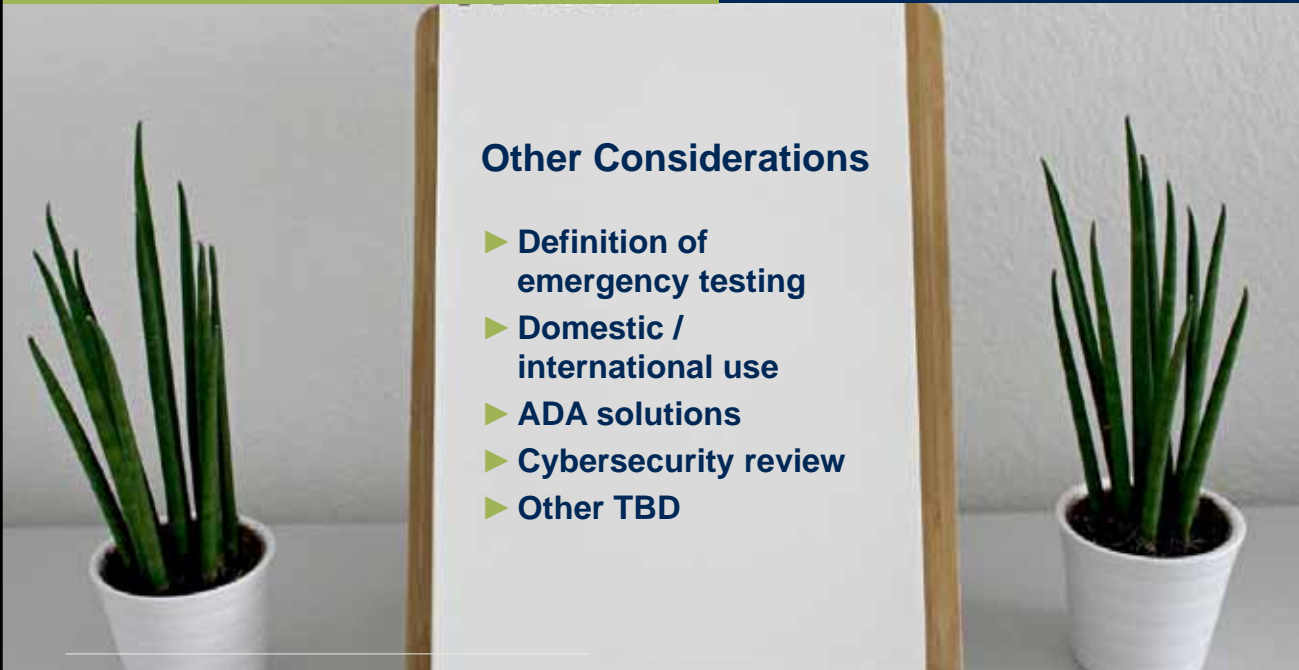
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Open Issues



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Other Considerations

- ▶ Definition of emergency testing
- ▶ Domestic / international use
- ▶ ADA solutions
- ▶ Cybersecurity review
- ▶ Other TBD

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Other Risk Considerations / Mitigation Strategies

- ▶ Reliant on internet connectivity – web-based driver / remote testing
- ▶ Increased possibility of cheating due to less controlled environment
- ▶ Item harvesting possibilities
 - Requires larger item bank
 - Requires shorter managed testing schedules
 - Requires enhanced web monitoring
- ▶ Proxy testing
- ▶ Uniform testing availability for special accommodation candidates



The Uniform CPA Examination

39



Closing Thoughts



NASBA



40



Individual and firm license activity October 31, 2020					
<i>Fiscal Period</i>	Period ending 10/31/2020	Period ending 10/31/2019	Year ending 6/30/2020	Year ending 6/30/2019	Year ending 6/30/2018
REGULANTS					
Individuals					
Active, licensed CPAs	27,116	26,643 *	26,666	26,282	26,318
Inactive, licensed CPAs	1,984	1,840 *	1,915	1,784	1,585
Total Licensed CPAs	29,100	28,483 *	28,581	28,066	27,903
Reinstatements - Individuals	78	77	170	162	178
New CPA licenses issued	401	389	1,241	1,133	1,227
Expired/voluntarily surrendered licenses	26	28 *	861	871	1,177
Exam Candidates					
Number of first time exam candidates	396	429	1,673	1,624	1,675
Firms					
Total active, licensed CPA firms	1,167	1,147 *	1,157	1,126	1,177
Reinstatements - Firms	3	5	8	10	10
New CPA firm licenses issued	12	20	37	38	74
Expired/voluntarily surrendered licenses	3	1	81	79	74

* Amounts reported are as of 9/30/2019

Financial Report
FY20 Budget vs. Actual Expenses
As of October 31, 2020

<u>Expenditure Type</u>	<u>FY21 Operating Budget</u>	<u>FY21 YTD Expenditures</u>	<u>% Expended</u>	<u>FY20 YTD Expenditures</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>
<u>Salaries & Benefits</u>	1,424,635	469,703	33.0%	1,308,884	1,175,925	1,174,172
Total Salaries & Benefits	\$ 1,424,635	\$ 469,703	33.0%	\$ 1,308,884	\$ 1,175,925	\$ 1,174,172
<u>Contractual Services</u>						
1211 Express Services	150	13	8.9%	84	134	722
1214 Postal Services	14,000	8,357	59.7%	12,011	9,984	12,886
1215 Printing Services	7,500	508	6.8%	6,459	4,537	5,487
1216 Telecommunications - VITA	9,432	3,368	35.7%	9,609	12,539	11,613
1217 Telecommunications - Nonstate (CallFire)	6,000	30	0.5%	2,495	100	100
1219 Inbound Freight	300	9	3.0%	260	56	160
1221 Organization Memberships (primarily NASBA)	8,217	7,175	87.3%	8,327	7,625	7,255
1222 Publication Subscriptions	3,570	172	4.8%	3,655	1,271	1,266
1224 Training - Courses, Workshops, Conferences	5,500	50	0.9%	7,563	4,822	11,459
1225 Employee Tuition Reimbursement	-	-	---	-	1,618	-
1227 Training-Transportation, Lodging, Meals, Incidentals	9,000	-	0.0%	9,511	4,567	23,825
1228 Employee IT Training Courses/Workshops and Conferences	-	-	---	-	91	-
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	14,594	26.5%	68,818	34,498	48,558
1243 Attorney Services	25,000	26,217	104.9%	48,624	62,020	51,736
1244 Mgmt. Services - NASBA/special accommodations	30,000	1,901	6.3%	28,061	33,808	21,736
1245 Personnel Management Services	-	-	---	-	79	-
1246 Public Info/Public Relations (subscriptions)	1,100	384	34.9%	4,484	3,470	3,538
1247 Legal Services (court reporting services)	2,000	-	0.0%	2,688	10,834	19,562
1252 Electrical Repair/Maintenance	-	3,681	---	-	-	-
1253 Equipment Repair/Maintenance	850	-	0.0%	440	823	-
1263 Clerical / Temp Services	-	-	---	-	-	2,754
1264 Food and Dietary Services	3,500	377	10.8%	2,377	3,585	3,236
1265 Laundry & Linen Services	-	-	---	-	13	-
1266 Manual Labor Services (Includes shredding services)	4,500	1,330	29.6%	1,757	320	394
1268 Skilled Services	1,200	-	0.0%	600	1,138	-
1272 VITA Pass Thru Charges	381,505	62,273	16.3%	135,675	133,466	135,170
1273 Info Mgmt Design and Development Services (IT Support)	129,000	61,910	48.0%	108,689	108,923	94,600
1275 Computer Software Maintenance	6,830	1,895	27.7%	6,435	-	-
1278 VITA Information Technology Infrastructure Services	132,000	17,901	13.6%	148,216	146,380	119,126
1279 Computer Software Development Services	-	-	---	-	234,015	346,155
1282 Travel - Personal Vehicle	7,500	642	8.6%	6,318	6,603	8,099
1283 Travel - Public Carriers	-	-	---	-	77	-
1284 Travel - State Vehicles	1,000	-	0.0%	243	200	652
1285 Travel - Subsistence and Lodging	1,500	-	0.0%	1,221	1,612	2,182
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	-	0.0%	723	824	1,423
Total Contractual Services	\$ 847,154	\$ 212,788	25.1%	\$ 625,343	\$ 830,032	\$ 933,694
<u>Supplies and Materials</u>						
1312 Office Supplies	3,500	285	8.1%	1,191	3,783	5,023
1313 Stationery and Forms	1,800	375	20.8%	997	1,844	2,028
1323 Gasoline (Enterprise vehicles)	250	-	0.0%	87	103	221
1335 Packaging and Shipping Supplies	800	-	0.0%	351	1,237	485
1342 Medical & Dental Supplies	50	-	0.0%	-	5	-

<u>Expenditure Type</u>	<u>FY21 Operating Budget</u>	<u>FY21 YTD Expenditures</u>	<u>% Expended</u>	<u>FY20 YTD Expenditures</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>
<u>Supplies and Materials, continued</u>						
1352 Custodian Repair & Maintenance	-	-	---	728	-	389
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	-
1362 Food & Dietary Supplies	525	55	10.4%	442	365	498
1363 Food Service Supplies	50	35	70.6%	16	56	62
1373 Computer Operating Supplies	2,500	609	24.4%	823	3,989	3,194
Total Supplies & Materials	\$ 9,475	\$ 1,359	14.3%	\$ 4,634	\$ 11,382	\$ 11,900
<u>Transfer Payments</u>						
1413 Awards & Recognition	150	-	0.0%	-	1,033	848
1418 Incentives	1,200	-	0.0%	725	325	-
Total Transfer Payments	\$ 1,350	\$ -	0.0%	\$ 725	\$ 1,358	\$ 848
<u>Continuous Charges</u>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	12,100	1,380	11.4%	8,133	8,507	8,645
1539 Building Rentals - Non-State Owned Facilities	95,440	31,166	32.7%	95,161	93,416	90,982
1541 Agency Service Charges (shared services)	53,383	19,213	36.0%	37,675	37,335	38,169
1551 General Liability Insurance	328	-	0.0%	328	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,044	-	0.0%	1,023	1,044	978
Total Continuous Charges	\$ 163,790	\$ 51,759	31.6%	\$ 143,815	\$ 141,985	\$ 140,457
<u>Equipment</u>						
2216 Network Components	1,500	795	53.0%	1,357	452	341
2217 Other Computer Equipment	150	130	86.7%	97	1,590	685
2218 Computer Software Purchases	-	-	---	428	419	540
2224 Reference Equipment	-	-	---	-	32	80
2232 Photographic Equipment	-	-	---	-	-	552
2233 Voice and Data Transmission Equipment	-	969	---	23	511	164
2238 Electronic and Photo Equipment Improvements	-	-	---	-	3,791	6,125
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	-	0.0%	687	348	94
2262 Office Furniture	-	-	---	385	5,666	555
2263 Office Incidentals	500	345	69.0%	658	109	969
2264 Office Machines	-	-	---	-	412	65
2283 Mechanical Equipment	-	-	---	2,338	-	-
2328 Contruction, Building Improvements	-	150	---	44,209	-	-
Total Equipment	\$ 2,300	\$ 2,389	103.9%	\$ 50,182	\$ 13,330	\$ 10,170
Total Expenses	\$ 2,448,704	\$ 737,999	31.7%	\$ 2,133,583	\$ 2,174,012	\$ 2,271,240
Chapter 1289 Appropriation	\$ 2,328,158					
Additional Appropriation Request	\$ 120,546					
Total Projected Appropriation	\$ 2,448,704					

**Virginia Board of Accountancy
Financial Report
Cash Balance
As of October 31, 2020**

	Operating Fund (09226)		Special Fund (02020)	
	FY2021 - YTD as of 10/31/20	FY2020 - YTD as of 10/31/19	FY2021 - YTD as of 10/31/20	FY2020 - YTD as of 10/31/19
Beginning Fund Balance July 1:	\$ 1,915,719	\$ 681,659	\$ 3,617,992	\$ 4,405,230
YTD Revenue Collected *	150,559	166,466	9,170	27,227
Accounts Payable **	21,820	21,084	-	-
Cash Transfers In per Board Policy #1	481,940	284,552	-	-
Cash Transfers Out per Board Policy #1	-	-	(481,940)	(284,552)
YTD Expenditures	(737,999)	(677,119)	-	-
Cash Balance before required transfers	\$ 1,832,039	\$ 476,642	\$ 3,145,222	\$ 4,147,905
Required Cash Transfers:				
Transfers to Central Service Agencies ***	\$ (13,366)	\$ (11,302)	-	-
Cash Balance after required transfers	\$ 1,818,673	\$ 465,340	\$ 3,145,222	\$ 4,147,905

* 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
Revenue by Fee Type
Source: VBOA Licensing System (MLO)

Fee Type	FY2021 - YTD as of 10/31/20	FY2020 - YTD as of 10/31/19	Fiscal Year Ending 6/30/20	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18
Application Fee	\$ 79,565	\$ 91,265	\$ 271,705	\$ 300,895	\$ 309,965
(a) Re-Exam Application	\$ 26,780	\$ 31,220	\$ 80,240	\$ 95,420	\$ 90,580
(b) Renewal Fee	\$ 33,345	\$ 71,440	\$ 1,824,475	\$ 2,328,986	\$ 1,859,054
Reinstatement Fee	\$ 28,450	\$ 29,100	\$ 63,500	\$ 63,600	\$ 64,570
Duplicate Wall Certificate Fee	\$ 400	\$ 725	\$ 1,800	\$ 1,850	\$ 1,950
License Verification Fee	\$ 5,450	\$ 7,125	\$ 16,175	\$ 18,950	\$ 20,025
CPA Exam Score Transfers	\$ 475	\$ 825	\$ 1,750	\$ 1,950	\$ 2,325
Administrative Fee	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Bad Check Fee	\$ 50	\$ 50	\$ 313	\$ 50	\$ 150
Total Revenue	\$ 174,515	\$ 231,750	\$ 2,259,958	\$ 2,811,701	\$ 2,349,619
(c) Net Revenue per Commonwealth Accounting and Reporting System (Cardinal)	\$ 145,355	\$ 162,932	\$ 2,220,553	\$ 2,870,760	\$ 2,338,729
(d) Difference	\$ 29,160	\$ 68,818	\$ 39,405	\$ (59,059)	\$ 10,890

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 October 31, 2020**

	FY2021 - YTD as of 10/31/20	FY2020 - YTD as of 10/31/19	Fiscal Year Ending 6/30/20	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Fines levied	\$ 58,675	\$ 33,200	\$ 107,725	\$ 221,273	\$ 326,285	\$ 187,925
Fines collected	\$ 56,250	\$ 41,520	\$ 112,760	\$ 191,199	\$ 258,879	\$ 198,771
OAG Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Current fines receivable (< 365 Days)	\$ 41,799	\$ 49,580	\$ 49,975	\$ 60,230	\$ 92,026	\$ 25,442
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 669,913	\$ 656,423	\$ 659,313	\$ 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.



DECEMBER 2020 ENFORCEMENT BOARD REPORT

OPEN CASE STATUS FOR NON-CPE CASES (as of November 24, 2020)					
Open Case Stage	New (30 days)	30-160 Days	160-365 Days	>365 Days	Total
Investigation	1	19	4	1	25
Pending Investigative Report	0	6	6	4	16
Probable Cause Review	0	6	16	7	29
Pending Draft Pre-IFF Consent Order	0	0	0	0	0
Pending Signed Pre-IFF Consent Order	0	0	1	0	1
Pending Informal Fact-Finding Conference	0	1	1	1	3
Pending Draft Presiding Officer's Recommendation / Post IFF Consent Order	0	0	0	1	1
Pending Signed Post IFF Consent Order	0	0	1	1	2
Pending Board Approval	0	0	2	5	7
Pending Board Request for Additional Information	0	0	0	0	0
Deferred (Pending Trial, Litigation, Regulatory Review, etc.)	0	0	0	0	0
Total Open Non-CPE Cases	1	32	31	20	84

OPEN CASE STATUS FOR CPE DEFICIENCY CASES (as of November 24, 2020)					
Open Case Stage	New (30 days)	30-160 Days	160-365 Days	>365 Days	Total
Pending Investigative Report	0	0	1	4	5
Pending Draft Pre-IFF Consent Order	46	4	0	0	50
Pending Signed Pre-IFF Consent Order	9	12	0	2	23
Informal Fact-Finding Conference	0	0	0	0	0
Pending Draft Presiding Officer's Recommendation/ Post IFF Consent Order	0	0	1	0	1
Pending Signed Post IFF Consent Order	0	0	1	0	1
Pending Board Approval*	3	5	1	0	9
Pending Board Request for Additional Information	0	0	0	0	0
Total Open CPE Deficiency Cases	58	21	4	6	89

* These cases are pending closure by the Executive Director pursuant to the authority delegated by the Board.

NON-CPE CASES CLOSED (October 1, 2020 through November 24, 2020)

Closed Case Action	New (30 days)	30-160 Days	160-365 Days	>365 Days	Total
Closed during PC Review w/ no violation	0	0	1	0	1
Closed during PC Review w/ advisory letter	0	0	4	1	5
Closed following IFF w/ no violation	0	1	2	2	5
Pre-IFF Consent Order	0	0	0	0	0
Post-IFF Consent Order	0	0	0	0	0
Board Order	0	0	1	0	1
Order Permitting Reinstatement	1	0	0	0	1
TOTAL CASES CLOSED	1	1	8	3	13

CPE DEFICIENCY CASES CLOSED (October 1, 2020 through November 24, 2020)

Closed Case Action	New (30 days)	30-160 Days	160-365 Days	>365 Days	Total
Pre-IFF Consent Order	19	18	0	0	37
Closed following IFF w/ no violation	0	0	0	0	0
Post-IFF Consent Order	0	0	0	0	0
Board Order	0	0	0	0	0
Order Permitting Reinstatement	1	0	0	0	1
TOTAL CASES CLOSED	20	18	0	0	38

ENFORCEMENT REPORT
As of October 31, 2020

	As of 10/31/20	Year Ending 6/30/20	Year ending 6/30/19	Year ending 6/30/18	Year ending 6/30/17
ENFORCEMENT					
Number of new enforcement cases	21	61	49	85	82
<i>Types of Complaints</i>					
Unlicensed activity	11	27	14	20	45
Other disciplinary matters	10	34	35	65	37
CPE COMPLIANCE					
REVIEWS RESTATED					
Number of CPE audits requested initially reported	366	700	1699	2402	2022
Number of actual audits to be completed	366	695	1370	1938	1742
<i>Status of CPE Compliance Reviews</i>					
Audits resulting in compliance	199	516	1141	1526	1294
Audits resulting in deficiency	13	131	227	412	448
Audits open/pending review	154	48	2	0	0
CPE Audit Deficiency Rate	6%	20%	17%	21%	26%

VBOA Segment 2021

Beginning in 2021, all VBOA-approved ethics courses will include the VBOA Segment. CPAs have the choice which ethics course to take to meet the two-hour ethics course CPE requirement. Topics included in the 2021 video are below.

IMPORTANCE OF CPA TITLE



- CPAs are considered trusted advisors
- CPAs follow the [AICPA Code of Professional Conduct](#)
- CPAs act with objectivity, due care and competence
- CPA credential is synonymous with trust, integrity, high-level thinking and sound advice

INACTIVE STATUS

(FORMERLY ACTIVE - CPE EXEMPT)

- CPAs not using skills relevant to the CPA profession, as determined by the VBOA
- Must be pre-approved by the VBOA
- CPAs apply for the status on the [VBOA website](#)
- Cannot apply when selected for a CPE Audit

CPE REQUIREMENTS

Active CPAs must take CPE:

- 120 hours = rolling 3 year period
- 20 hours = minimum requirement each year
- 2 hours of VBOA-approved ethics = annually
- 8 hours of A&A, if releasing or authorizing the release of reports = annually

VBOA WEBSITE REDESIGN

- Redesign launched February 2020
- More intuitive and user-friendly
- Clean and sophisticated design
- User experience and functionality increased
- Mobile-friendly

CPE AUDITS

- CPAs are randomly chosen on a monthly basis
- Audit must be submitted through [NASBA's CPE Audit Service](#)
- Any enforcement case or open investigation will result in a CPE audit

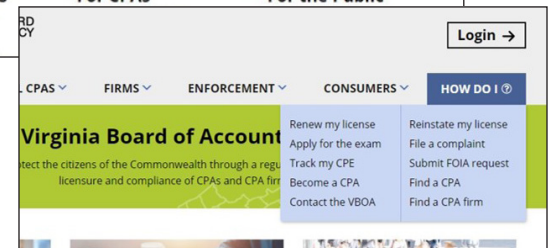
CPE REPORTING PERIOD

Jan. 1, 2021



Jan. 31, 2022

Remember, CPE is tracked and documented by calendar year, not fiscal year like the license renewal deadline.



QUESTIONS?

Contact the VBOA at
boa@boa.virginia.gov or
 (804) 367-8505
www.boa.virginia.gov

Welcome to the 2021 Virginia Board of Accountancy Segment.

The 2021 VBOA Segment will include the following topics:

- Importance of CPA title
- Website redesign
- Inactive status, formally Active – CPE Exempt status
- Overall CPE requirements

Importance of CPA title

- CPA stands for certified public accountant and is a credential that is synonymous with trust, integrity, high-level thinking and sound advice. You have to go the extra distance to earn and maintain the CPA credential. It is one of the most respected designations and professions in the world.
- All CPAs are tasked with following the AICPA Code of Professional Conduct. This code requires CPAs to act with integrity, objectivity, due care and competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.

Website redesign

- Recently, the VBOA redesigned their website to be more user- and mobile-friendly. You can find how to annually renew a license easily in a number of places online.
- The latest feature, the 'How Do I' drop down provides information on renewing, reinstating, applying, tracking CPE, and submitting an enforcement complaint. You can also find links to our statutes, regulations and VBOA policies on the website.
- One of the biggest functional changes is the mobile capacities available on the website. The website design and content responds appropriately to every size device from a cell phone, tablet, laptop and desktop computer.

Inactive status, formally Active – CPE Exempt status

- The VBOA has the Inactive status for licensees who have retired, are no longer actively employed or who have changed jobs outside the accounting or accounting-related profession.
- Audit, financial analysis, and even consultants involved in IT accounting and finance solutions would not qualify for the Inactive status. Holding a CPA is often a requirement or preferred qualification for these types of positions.

- As of January 1, 2020, the previous Active – CPE Exempt status was renamed Inactive status but the requirements to apply remain the same.
- If the licensee is not currently providing services that require a use of accounting, financial, tax or other skills that are relevant, including on a volunteer basis, to the public or to or on behalf of an employer, they may not be required to meet the VBOA’s CPE requirements.
- But remember, licensees must be pre-approved by the VBOA for the Inactive status first before ceasing to take CPE and be exempt from the requirements.
- Licensees apply for this status on the VBOA website and must provide a copy of their official job title and description, as necessary. Job duties and current services must be complete. Being deceptive or misleading may result in disciplinary action by the VBOA.
- Licensees also cannot apply for the Inactive status when they have been selected for a CPE audit. If a licensee has not been approved for the status at the time of CPE audit selection and notification, the licensee is responsible for meeting all the VBOA’s CPE requirements.
- Furthermore, all licensees, including those holding the Inactive status, must continue to annually renew their license. Failing to renew, even if Inactive, will result in an Expired license and require reinstatement.
- The VBOA encourages CPAs to serve their communities as volunteers by providing their knowledge and financial expertise. Licensees who hold the Inactive status can still volunteer but need to follow a few guidelines.
- If you have questions about volunteering as an Active or Inactive CPA, please check the Volunteer Services guidelines on our website at <https://boa.virginia.gov/individual-cpas/>.

Overall CPE requirements

- An individual who applies for an initial license, holds a Virginia individual CPA license, or applies to have their license reinstated is required to obtain CPE. It is the intent of the VBOA that all CPE meet the requirements of VBOA regulations and assist the licensee in becoming a better overall professional.
- Active CPAs must complete the required 120 CPE hours over a rolling three-year period, with a minimum of 20 hours annually. The CPE requirement also includes completing a two-hour VBOA-approved ethics course annually, just as you are doing right now, and eight hours of A&A courses, if releasing or authorizing the release of reports.

- The VBOA accepts CPE obtained through a variety of forums, provided the licensee is able to demonstrate that learning objectives were met.
- In addition, courses do not have to cover accounting topics to be eligible CPE. A licensee can take CPE on professional development, leadership and more.
- CPAs should not submit CPE documentation during the annual license renewal process unless specifically asked to by the VBOA. However, CPE documentation must be retained and available to the CPA easily for the four calendar years preceding the current calendar year.
- Remember that CPE is tracked and documented by calendar year, not fiscal year like the license renewal deadline.
- On a monthly basis, the VBOA randomly selects licensed CPAs in Virginia for a CPE audit. Licensees will be required to visit the NASBA-sponsored CPE Audit Service to complete the CPE audit.
- In addition to the random selection process, CPAs will also be selected for a CPE audit as a component of any open investigation, enforcement case or in situations where the VBOA believes a CPE audit is warranted.
- Explain the differences of reciprocity vs. mobility and how this might affect your CPE Requirements.

If you're having trouble viewing this email, you may [see it online](#).



Virginia Board of Accountancy opens ethics provider applications for 2021

The Virginia Board of Accountancy wants to alert you that the provider application for the 2021 VBOA-approved ethics course is [now available online](#).

To become a provider of the 2021 course, there are two steps to the application process.



First, you will complete the [VBOA-approved ethics course provider application and agreement](#) and include all required files/attachments. Once submitted, the VBOA will review your application.

Once approved, the VBOA will email you to indicate your **first-round approval**. This means you will be sent the VBOA Segment, the written script and a helpful reference guide. The VBOA Segment is an approximate 12-minute video that must be integrated into the beginning of your ethics course.



Second, to make sure the VBOA Segment is integrated into the beginning of your course properly, you will need to send the VBOA the entire course in the format you will present it to course participants. The VBOA will review the entire course to verify the VBOA Segment is correctly placed at the beginning of the course. This is the **second-round confirmation**.

After the second-round confirmation, the VBOA will send notification via email that you are officially approved as a provider for the 2021 VBOA-approved ethics course and course and contact information will be posted on the VBOA website.

[APPLY NOW](#)

The backbone of your course must be focused on ethics and can be presented in a variety of ways and

topics. If you are providing multiple ethics courses to participants, the VBOA must approve each of them separately. You may use one provider application, but you must include all materials for each course format in that application.

Virginia CPAs must take an ethics course from a VBOA-approved provider.

Please note: The VBOA does not require Virginia licensees to gain CPE from NASBA-approved providers; however, we encourage all providers to follow and be aware of [NASBA CPE provider standards](#).

If you have any questions about becoming a provider in 2021, please view the [frequently asked questions](#) or contact the VBOA at boa@boa.virginia.gov or at (804) 367-8505.

VIRGINIA BOARD OF ACCOUNTANCY
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Policy name: Delegations of Authority

Effective date: ~~December 4, 2018~~ December 1, 2020

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

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

Procedures: The VBOA Executive Director has the authority to:

- Sign Consent Orders that involve CPE deficiencies and any associated false statements on renewal applications.
- Sign Orders Permitting Reinstatement for those applicants who have fully complied with the terms and conditions of disciplinary orders where the VBOA suspended their Virginia CPA license for CPE deficiencies.
- In the event of circumstances beyond the control of the licensee, waive all or part of a licensee’s CPE requirements for a calendar year or a reporting period.
- Examine and determine on a case-by-case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation ~~§ 18VAC5-22-90(E)~~.
- Deny complaints if it is clear that the VBOA lacks subject matter jurisdiction, the complaint has been untimely filed, or both.
- Preside over proceedings held pursuant to Code of Virginia § 2.2-2019 for matters involving:
 - CPE deficiencies and any associated false statements on renewal applications
 - Eligibility matters where reinstatement applicants have not fully complied with the terms and conditions of disciplinary orders wherein their Virginia CPA license was suspended for CPE deficiencies
- Close enforcement cases involving alleged CPE deficiencies and any associated false statements on renewal applications if the Executive Director determines there is no finding of fact to indicate the VBOA has cause to impose discipline or if the violation is so minor that disciplinary action is not in the public’s best interest.
- Designate, in writing, a staff member to have the same authority in the

Administrative Policy and Procedure

event of the Executive Director's absence.

- Examine and approve applications for initial licensure, renewal of licensure, and reinstatement of licensure when a criminal conviction has been reported if it is determined bona fide that when considering the nature of the crime for which the individual is convicted, it is presumed not to affect the individual's ability to faithfully and ethically perform the duties of a CPA at the time of the application.

All crimes which are financial in nature or which involve actions that may reasonably affect the individual's ability to faithfully and ethically perform the duties of a CPA, including, but not limited to, bribery, criminal contempt of court, extortion, and perjury, will be brought to the Board for review.

VBOA staff have the authority to:

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

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

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VBOA investigators have the authority to:

- Initiate or receive complaints concerning compliance with any statutes or regulations pertaining to the VBOA or any of the programs that may be in another title of the Code of Virginia for which the VBOA has regulatory responsibility.
- Initiate a complaint if after two peer reviews, a firm receives “pass with deficiency,” “fail,” or any combination thereof, for review and determination as to whether there has been any violation of the VBOA’s statutes and/or regulations^[ME(1)].
- Offer^[ME(2)] Consent Orders for CPE deficiencies and any associated false statements on renewal applications in conformity with the guidelines set by the VBOA.
- Suspend proceedings for CPE deficiencies and any associated false statements on renewal applications if the licensee voluntarily surrenders their Virginia individual CPA license.

~~The VBOA Enforcement Committee has the authority to:~~

- ~~• Examine and determine on a case by case basis if hours of CPE will be granted for forums not otherwise specified in VBOA regulation 18VAC5-22-90^[ME(3)].~~
- ~~• Offer Consent Orders for any enforcement matter.~~
- ~~• Suspend investigations in any enforcement matter if criminal charges have been filed against a respondent involving the same matter under investigation by the VBOA, until such time as the criminal matter has been concluded and all appeals have been exhausted.~~
- ~~• Close enforcement cases if determined that there is no finding of fact to indicate the VBOA has cause to impose discipline or if the violation is so minor that disciplinary action is not in the public’s best interest.~~
- ~~• Preside over proceedings held pursuant to Code of Virginia § 2.2-4019 for any enforcement matter.~~

The policy and procedures provided herein apply to classified and hourly-wage employees, contractors, and at-will appointees of the VBOA.

Scope:

Policy review:

~~The Delegations of Authority Policy and Procedure was initiated on December 4, 2018. This policy was reviewed on December 1, 2020.~~

Staff awareness:

Employees are made aware of this policy through initial orientation and staff meeting review.

~~This policy is new. This policy replaces the Delegations of Authority policy which was effective on December 4, 2018.~~

Supersession: Nancy Glynn, CPA

Executive Director: ~~December 4, 2018~~ [December 1, 2020](#)

**Date
approved/reviewed:**



Disposition of Cases Involving Unlicensed Use of the CPA Title by Previously Licensed Individuals

The Virginia Board of Accountancy (“VBOA”) delegates to the Executive Director for the Board the authority to offer a prehearing consent order to resolve disciplinary cases in which a previously licensed certified public accountant (“CPA”) engages in use of the CPA title when he/she no longer holds a current active Virginia CPA license, and does not meet the requirements to use the CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411 and has not been granted Inactive status. This does not include cases where, in addition to engaging in unlicensed use of the CPA title, the individual was also found to be engaging in the unlicensed practice of public accounting, has used the CPA title in signing tax returns or power of attorney forms, or whose job duties require a substantial use of accounting, financial, or tax.

The Board adopted the following guidelines for resolution of cases:

Cause	Possible Action
First offense 90 days or less	Consent Order; Reprimand
First offense 91 days to 180 days	Consent Order; Reprimand and Monetary Penalty of \$250
First offense 181 days to one year	Consent Order; Reprimand and Monetary Penalty of \$500
First offense One to two years	Consent Order; Reprimand and Monetary Penalty of \$1,000
First offense More than two years	Consult Board Member – may result in the Board holding an Informal Fact-Finding (IFF) conference
Second offense One or more days	Consult Board Member – may result in the Board holding an IFF conference

Applicable Laws

§ 54.1-4400. Definitions.

As used in this chapter, unless the context clearly indicates otherwise...”Using the CPA title in Virginia” means using “CPA,” “Certified Public Accountant,” or “public accountant” (i) in any form or manner of verbal communication to persons or entities located in Virginia or (ii) in any form or manner of written communication to persons or entities located in Virginia, including but not limited to the use in any abbreviations, acronym, phrase, or title that appears in business cards, the CPA wall certificate, Internet postings, letterhead, reports, signs, tax returns, or any other document or device. Holding a Virginia license or the license of another state constitutes using the CPA title.

* * *



“Practice of Public Accounting” means 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.

* * *

§ 54.1-4409.1. Licensing requirements for persons.

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

1. The person shall hold a Virginia license if he provides services to the public and the principal place of business in which he provides those services is in Virginia.
2. Other persons shall not be required to hold a Virginia license in order to use the CPA title in Virginia provided that they hold the license of another state and comply with the substantial equivalency provisions of § 54.1-4411.

§ 54.1-4414. Prohibited acts.

Neither (i) a person who does not hold a Virginia license or who does not meet the requirements to use the CPA title in Virginia under the substantial equivalency provisions of § 54.1-4411 nor (ii) an entity that does not meet the criteria prescribed by subdivision D 1 of § 54.1-4412.1 shall:

1. Practice public accounting;
2. Claim to hold a license to use the CPA title;
3. Make any other claim of licensure, registration, or approval related to the preparation of financial statements that is false or misleading;
4. Use the CPA title; or
5. Refer to any of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § 54.1-4413.3, or refer to or use any of the terminology prescribed by those authorities for reporting on financial statements, in any form or manner of communication about services provided to persons or entities located in Virginia.