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**Wednesday, May 24, 2017**  
**VBOA Board Meeting Agenda**

Virginia Society of CPAs  
4309 Cox Road  
Glen Allen, VA 23060  
Phone: (804) 367-8505

- 9 a.m. Call to Order – **Jim Holland, CPA, Chair**  
Security Briefing – **Patti Hambright, Administrative Assistant**  
Determination of Quorum  
Approval of May 24, 2017 Agenda  
Approval of Consent Agenda:
- Approval of April 27, 2017 Board meeting minutes
  - Reinstatement:
    - 2017-077-005E (Jewell and Allen)
- Public comment period\*
- 9:10 a.m. 1. APA – FY2016 Audit Exit – **Kevin Savoy, Audit Director, Strategic Risk Management, APA, and Shiree Parnell, In-Charge Auditor, APA**
- 9:30 a.m. 2. Presentation of Discussion Topics – **Matthew Boshier, Vice Chair**  
(Topics may include, but not limited to):
- Guidelines for assessing non-CPE penalties
    - Including social media discussion
  - Proposed changes to Board Policy #4 (CPE documentation retention period from 3 to 4 years)
  - Periodic review of regulations and proposed changes that:
    - Qualify for exempt action
    - Potentially qualify for fast track
    - Will be handled through normal process
  - Publication of Board Disciplinary Actions – California initiative update
  - NASBA's CPT Professional Ethics Certification Program
  - Overview of CPE Audit Process
  - CPE for Publications/Written Materials
  - Volunteer services
  - Enforcement Committee subordinates
  - Open/other topics
  - Repeal of § 54.1-4413.2(B)
- 12 p.m. Recess for Board lunch
- 12:45 p.m. 3. Additional Items for Discussion - **Matthew Boshier, Vice Chair**
- Carry over items
    - CPE

- Single renewal date for all Virginia licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- Fraudulent transcripts and CPE certificates
- North Carolina Dental Case
- Sign Conflict of Interest forms
- Sign Travel Expense vouchers
- Future meeting dates – June 14, 2017

2 p.m.

5. *Closed Session*

Enforcement – **Rebekah E. Allen, Enforcement Director**

- OAG updates
- Status of open cases
- Consent Order:
  - 2016-0018E (Bradshaw and Allen) – continued from February 22, 2017 meeting
  - 2016-0036U (Saunders and Ferguson)
- Final Orders:
  - 2016-CPE-0014 (Jewell and Allen)
  - 2016-0018D (Ferguson and Saunders) – continued from previous meeting

4 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  
April 27, 2017  
Draft/Unapproved minutes**

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The Virginia Board of Accountancy met on Thursday, April 27, 2017, in Board Room #1 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

**MEMBERS PRESENT:**

D. Brian Carson, CPA  
Susan Quaintance Ferguson, CPA  
Andrea M. Kilmer, CPA  
Stephanie S. Saunders, CPA  
Laurie A. Warwick, CPA

**MEMBER PRESENT  
FOR A PORTION OF  
THE MEETING:**

James M. "Jim" Holland, CPA, Chair

**MEMBER ABSENT:**

Matthew P. Boshier, Esq., Vice Chair

**LEGAL COUNSEL:**

Anna Birkenheier, Assistant Attorney General,  
Office of the Attorney General  
Robert Drewry, Assistant Attorney General,  
Office of the Attorney General

**LEGAL COUNSEL  
PRESENT BY  
TELECONFERENCE  
FOR A PORTION OF  
THE MEETING AND  
CLOSED SESSION:**

Joshua Laws, Assistant Attorney General,  
Office of the Attorney General

**STAFF PRESENT:**

Wade A. Jewell, Executive Director  
Fred Washington, Deputy Director  
Mary Charity, Director of Operations  
Rebekah Allen, Enforcement Director  
Kelli Anderson, Communications Manager  
Patti Hambright, CPE Coordinator and Administrative Assistant  
Christine Rappe, CPE Coordinator

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**MEMBERS OF THE  
PUBLIC PRESENT:**

Stephanie Peters, CAE, President and CEO, Virginia Society of Certified Public Accountants  
Maureen Dingus, CAE, Chief Operating Officer, Virginia Society of Certified Public Accountants  
Emily Walker, CAE, Vice President, Advocacy, Virginia Society of Certified Public Accountants  
Amy Mawyer, Vice President, Strategy and Development, Virginia Society of Certified Public Accountants  
Linda Newsom-McCurdy, CAE, Education Director, Virginia Society of Certified Public Accountants  
William (Bill) Berry, CPA, Kimble  
Brent A. Jackson, Esq., Brent A. Jackson & Associates, P.C.  
Phil B. Shane, Ph.D., Accounting Department Chair, Mason School of Business, College of William & Mary  
Kimberley Vanhuss, CPA, Kimble  
Pam Woodson  
Patrick A. Cushing, Esq., Williams Mullen, Counsel for Virginia Society of Certified Public Accountants

**CALL TO ORDER**

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

**SECURITY BRIEFING**

Ms. Hambright provided the emergency evacuation procedures.

**DETERMINATION OF QUORUM**

Ms. Saunders determined there was a quorum present.

**APPROVAL OF AGENDA**

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to approve the April 27, 2017, agenda as amended. The members voting “**AYE**” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

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**PUBLIC COMMENT PERIOD FOR ITEMS ON THE CONSENT AGENDA**

Ms. Saunders welcomed and invited members of the public to provide comments regarding the consent agenda. Professor Shane thanked the Board for this opportunity and spoke on his behalf.

**APPROVAL OF CONSENT AGENDA/MINUTES**

Upon a motion by Ms. Ferguson, and duly seconded, the members voted unanimously to approve the Consent Agenda as amended to include the February 22, 2017 Board meeting minutes as presented. The members voting “AYE” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

**PUBLIC COMMENT PERIOD**

There were no public comments at this time.

**COMMITTEE/NASBA UPDATES**

**NASBA CPE Committee**

There were no updates to the NASBA CPE Committee.

**NASBA Standard-Setting Advisory Committee**

Ms. Saunders led the discussion regarding the NASBA Standard-Setting Advisory Committee in Mr. Boshers' absence. She noted the committee planned to be more active this year with data analytics as a hot topic.

**NASBA Diversity Committee**

Ms. Kilmer led the discussion regarding the NASBA Diversity Committee. She noted the committee is scheduled to meet on May 9 in Nashville, TN.

**NASBA Education Committee**

Ms. Ferguson led the discussion regarding the NASBA Education Committee. She noted the committee met on March 16 and 17. Topics of discussion included addressing the skills gap with new employees and critical thinking.

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**NASBA Communications Committee**

Mr. Carson led the discussion regarding the NASBA Communications Committee. He noted the scheduled conference call for March had been postponed.

**NASBA UAA Committee**

Ms. Saunders led the discussion regarding the NASBA UAA Committee. She noted the committee had been charged with providing language in the UAA to deal with the issue of non-CPA CGMA title users. She noted the committee did agree to language in regards to the Use of Titles and the NASBA board agreed to expose the Exposure Draft. AICPA needs to also vote on the exposure. While Virginia does not have an issue with this topic based on current statutes she will review with the Board at a later date for possible comments.

**NASBA Middle Atlantic Regional Director**

Ms. Saunders led the discussion regarding her role as NASBA's Middle Atlantic Regional Director. Ms. Saunders noted focus questions were due on April 10, 2017. Responses have been received by 31 state boards. She noted that Virginia had responded. She noted topics for the June regional meeting were discussed.

**NASBA Executive Director's Committee**

Mr. Jewell led the discussion regarding the NASBA Executive Director's Committee. He noted the American Institute of CPAs (AICPA), National Association of State Boards of Accountancy (NASBA) and Prometric were pleased to announce the successful launch of the updated version of the Uniform CPA Examination on April 1, 2017. He noted May 31 as the last testing day for the current window. Scores will not be released until late August and a review of candidates would be on a case by case basis regarding any examination score extensions due to the score delay.

Mr. Jewell noted he had attended a NASBA/AICPA/Prometric Quarterly Business Review meeting in late January, an AICPA/NASBA Accreditation Task Force Meeting in late January, an AICPA/NASBA summit meeting in February and a NASBA Board meeting in April.

Mr. Jewell noted both the Executive Directors/Staff and the Legal Counsel Conferences were held March 14<sup>th</sup> – 16<sup>th</sup> in New Orleans, Louisiana. Mr. Jewell and Ms. Anderson attended the Executive Directors/Staff Conference while Ms. Allen attended the Legal Counsel Conference. For a third consecutive year State Society CEOs were invited. Ms. Peters was also in attendance. Mr. Jewell provided an overview of the presentations. Mr. Jewell also noted the conference was well attended. The

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Executive Director's Committee will next meet following NASBA's Eastern Regional Meeting on June 30 in Newport, RI.

**NASBA Nominations**

Ms. Kilmer led the discussion regarding NASBA nominations. Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to nominate Mr. Jewell for the Lorraine P. Sachs Standard of Excellence Award. The members voting "AYE" were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to nominate Ms. Saunders for a third term as the NASBA Middle Atlantic Regional Director and to continue to serve on NASBA's Board of Directors. The members voting "AYE" were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

**OTHER**

Ms. Saunders introduced Mr. Washington as the Board's new Deputy Director. Mr. Washington noted he had been in state government for 21 years in various capacities and looked forward to working with the staff and Board members.

Ms. Birkenheier introduced Mr. Drewry as the Board's new legal counsel. She noted she had enjoyed working with the Board and would continue to be of assistance if necessary.

**EXECUTIVE DIRECTOR'S REPORT**

**General Updates**

Mr. Jewell presented the following general updates regarding the VBOA:

- The new VBOA licensing/database project continues to move forward. VITA continues to ensure the new system maintains the highest security.
- Ms. Charity will continue to compose CPE compliance statistics for the Board members.
- Mr. Jewell noted Ms. Brentni Henderson, NASBA, Associate Director Business Development & Research had visited the VBOA office on April 6. She spoke with select staff regarding the issues around educational institutions accreditation, evaluation services, transfer credits, education evaluation providers, fraudulent documents and experience credits.

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- Mr. Jewell noted beginning July 1, 2017 all licensure experience must be verified by an active, licensed CPA.
- The CPA CPE audits have been increased to 10% monthly.

**March 2017 Board Report**

Mr. Jewell presented and fielded questions regarding the March 2017 Board Report.

**March 2017 Financial Report**

Mr. Jewell presented and fielded questions regarding the March 2017 Financial Report.

**BOARD DISCUSSION TOPICS**

**2017 Virginia-Specific Ethics Course updates**

Ms. Newsome-McCurdy led the discussion regarding the 2017 Virginia-Specific Ethics course. She noted the course content was available on March 1, 2017 as scheduled. The VSCPA has had 541 participants to date take the course. She also noted the comments received from participants thus far had been favorable.

**Approval of changes to CPE deficiency guidelines**

Ms. Allen led the discussion regarding the proposed changes to the CPE deficiency guidelines and comments received from the public. Ms. Walker and Ms. Peters offered comments and concerns. Ms. Allen fielded questions from Board members and the VSCPA.

Upon a motion by Ms. Kilmer and duly seconded, the members voted unanimously to accept the proposed changes to the CPE deficiency guidelines as presented. The members voting “**AYE**” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

**Presentation of guidelines for assessing non-CPE penalties**

Ms. Allen led the discussion regarding the presentation of guidelines for assessing non-CPE penalties. She noted the document was a rough draft and outlined the sections including Statement of Intent, Aggravation of Penalty, Mitigation of Penalty and Rehabilitation Criteria. The Board requested that Mr. Drewry review the document and provide comments.

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**Repeal of § 54.1-4413.2(B) and treatment of expired licenses post July 1, 2017**

Mr. Jewell and Ms. Allen led the discussion regarding the repeal of § 54.1-4413.2(B) and the impact it would have on licensing processes. Ms. Walker and Ms. Peters provided comments and made suggestions for a transition plan to be put in place after July 1, 2017. The Board requested that Mr. Drewry provide guidance at the next scheduled meeting.

**Single renewal date for all Virginia licensees**

Discussion of a proposed single renewal date for all Virginia licensees' was deferred to the May meeting.

**Proposed changes to Board Policy #4 (retention period from 3 to 4 years)**

Ms. Allen led the discussion regarding the proposed changes to Board Policy #4 (CPE documentation retention period from 3 to 4 years). Ms. Allen noted a four year CPE retention period would ensure uniformity in CPE compliance reviews. A thorough discussion ensued and the Board members agreed. Revisions to Board Policy #4 will be posted on the VBOA website for public comment.

**AICPA Discussion Paper – Proposed Evolution of Peer Review Administration – updated January 2017**

Mr. Jewell led the discussion regarding the AICPA discussion paper – Proposed Evolution of Peer Review Administration – Revised January 2017. He noted the Peer Review Oversight Committee had provided comments (provided to all present). The Board will take these comments into consideration and respond by the June 30, 2017 deadline, following discussions at the NASBA Regional Meetings in June.

**CPE Credit for Exams**

Ms. Ferguson led the discussion in recommending CPE credit for the Certified Financial Planner (CFP), Certified Anti-Money Laundering Specialist (CAMS) and the ACAMS Advanced AML Audit Certification (CAMS-Audit). Ms. Ferguson recommended 30 CPE for the CFP, 10 CPE for the CAMS and 10 CPE for the CAMS-Audit.

Upon a motion by Ms. Ferguson and duly seconded, the members voted unanimously to accept the proposed CPE recommendations as presented. The members voting “AYE” were Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

**RECESS FOR LUNCH 12:11 p.m.**

**RECONVENE 12:45 p.m.**

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**Public comment period for enforcement cases being discussed in closed session**

Mr. Jackson spoke on behalf of Mr. Ryan Shipley. Mr. Shipley was not present.

Mr. Berry spoke on behalf of Mr. Ryan Shipley.

Ms. Vanhuss spoke on behalf of Mr. Ryan Shipley.

**ENFORCEMENT**

**Begin closed meeting**

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

**End closed meeting**

Upon a motion by Ms. Kilmer, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the Code of Virginia, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision 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 law 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:**

James M. “Jim” Holland, CPA – Aye

D. Brian Carson, CPA – Aye

Susan Quaintance Ferguson, CPA – Abstain

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Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Abstain  
Laurie A. Warwick, CPA – Aye

**VOTE:**

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

Ms. Ferguson and Ms. Saunders were not present and did not participate in the closed discussion.

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**Begin closed meeting**

Upon a motion by Ms. Kilmer, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately convene a closed meeting under the Virginia Freedom of Information Act for the provision of legal counsel and to consult with legal counsel on issues relating to probable litigation, and/or consider the status of all open Enforcement Cases and cases listed on our agenda, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27). The following non-members will be in attendance to reasonably aid in the consideration of this topic: Joshua Laws, Anna Birkenheier, Robert Drewry, Wade Jewell and Rebekah Allen.

**End closed meeting**

Upon a motion by Ms. Kilmer, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the Code of Virginia, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision 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 law 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:**

James M. “Jim” Holland, CPA – Aye  
D. Brian Carson, CPA – Aye

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Susan Quaintance Ferguson, CPA – Aye  
Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Six (6)

Nays: None

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**Begin closed meeting**

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

**End closed meeting**

Upon a motion by Ms. Kilmer, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the Code of Virginia, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision 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 law 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:**

James M. “Jim” Holland, CPA – Aye  
D. Brian Carson, CPA – Aye  
Susan Quaintance Ferguson, CPA – Abstain  
Andrea M. Kilmer, CPA – Aye

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Stephanie S. Saunders, CPA – Abstain  
Laurie A. Warwick, CPA – Aye

**VOTE:**

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

Ms. Ferguson and Ms. Saunders were not present and did not participate in the closed discussion.

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

Case #2016-0018D (Ferguson and Saunders)

Upon a motion by Ms. Kilmer, and duly seconded, the members voted unanimously to table their decision pending further discussion.

Ms. Ferguson and Ms. Saunders were not present and did not participate in the closed discussion.

**CALL FOR VOTE:**

James M. “Jim” Holland, CPA – Aye  
D. Brian Carson, CPA – Aye  
Susan Quaintance Ferguson, CPA – Abstain  
Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Abstain  
Laurie A. Warwick, CPA – Aye

**VOTE:**

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

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**Begin closed meeting**

Upon a motion by Ms. Saunders, and duly seconded, the members approved by unanimous vote the meeting be recessed and the VBOA immediately 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

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agenda, a matter lawfully exempted from open meeting requirements under the ‘consulting with legal counsel’ and ‘disciplinary proceedings’ exemptions contained in Virginia Code § 2.2-3711(A)(7),(27). The following non-members will be in attendance to reasonably aid in the consideration of this topic: Anna Birkenheier and Robert Drewry. The following non-members will be in attendance for a portion of the closed meeting to reasonable aid in the consideration of this topic: Wade Jewell and Rebekah Allen.

**End closed meeting**

Upon a motion by Ms. Saunders, and duly seconded, the VBOA approved by unanimous vote that the closed meeting, as authorized by § 2.2-3712.A of the Code of Virginia, be adjourned and that the VBOA immediately reconvene in an open public meeting. WHEREAS, the VBOA has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision 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 law 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:**

James M. “Jim” Holland, CPA – Aye  
D. Brian Carson, CPA – Aye  
Susan Quaintance Ferguson, CPA – Aye  
Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Six (6)  
Nays: None

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Case# 2016-CPE-0048 (Jewell and Allen)

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the final order as presented.

**CALL FOR VOTE:**

James M. “Jim” Holland, CPA – Aye

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D. Brian Carson, CPA – Aye  
Susan Quaintance Ferguson, CPA – Aye  
Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Six (6)

Nays: None

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Case#2016-0043U (Ferguson and Saunders) and Case#2017-015-001D (Ferguson and Saunders)

Upon a motion by Ms. Saunders, and duly seconded, the members voted unanimously to approve the consent orders as presented.

**CALL FOR VOTE:**

James M. “Jim” Holland, CPA – Aye  
D. Brian Carson, CPA – Aye  
Susan Quaintance Ferguson, CPA – Aye  
Andrea M. Kilmer, CPA – Aye  
Stephanie S. Saunders, CPA – Aye  
Laurie A. Warwick, CPA – Aye

**VOTE:**

Ayes: Six (6)

Nays: None

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**ADDITIONAL ITEMS FOR DISCUSSION**

**Carry Over Items/Potential Future Topics**

- CPE – VBOA/VSCPA discussions
- Single renewal date all Virginia licensees
- Trust Fund Reserve Policy
- Background checks
- Statute/Regulation changes
- Fraudulent Transcripts and CPE Certificates
- North Carolina Dental Case

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**Sign Conflict of Interest forms**

**Sign Travel Expense vouchers**

**Future meeting dates**

- Wednesday, May 24, 2017
  - Wednesday, June 14, 2017
- 

**ADJOURNMENT**

There being no further business before the VBOA, upon a motion by Ms. Saunders and duly seconded, the meeting was adjourned by unanimous vote at 2:30 p.m. The members voting **AYE** were Mr. Holland, Mr. Carson, Ms. Ferguson, Ms. Kilmer, Ms. Saunders and Ms. Warwick.

**APPROVED:**

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James M. "Jim" Holland, CPA, Chair

**COPY TESTE:**

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Wade A. Jewell, Executive Director

## **Disciplinary guidelines**

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### **Non-CPE penalties**

DRAFT

Proposed first edition as of April 17, 2017

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## **I. STATEMENT OF INTENT**

To assist in the efficient, effective, and fair resolution of disciplinary cases, these guidelines have been provided to the Virginia Board of Accountancy's ("the Board") Enforcement Committee. Review of similar cases and consequences of previously adjudicated cases should also be utilized by the Enforcement Committee in determining the appropriate disciplinary outcomes.

These guidelines are intended as a supplement to the Board's adjudication manual.

## **II. AGGRAVATION OF PENALTY**

The following are among aggravating circumstances to be considered by the Enforcement Committee in providing penalties in proposed decisions:

- a. Nature and severity of the violation(s)
- b. Number of years over which the violation(s) occurred
- c. Number of violations
- d. Evidence that a violation was knowingly committed and/or was premeditated
- e. Evidence that the Respondent knew or should have known that his or her actions could harm the Complainant, his or her clients, or the public
- f. Evidence that the Respondent took advantage of the Complainant, his or her clients, or the public for personal gain, especially if the Respondent was able to take advantage due to the ignorance, impairment, age, or lack of sophistication of the injured party
- g. Potential past impact or possible future impact to the public based on violation(s)
- h. Known past impact or harm to Complainants or other parties
- i. Net income derived over time generated from violation(s) as a present value calculation
- j. Lack of credibility of the Respondent's statements, testimony, documentation, or other evidence provided in the course of investigation
- k. Misrepresentations, deceit, or fraud by the Respondent in answering Board inquiries
- l. Lack of cooperation and timeliness by the Respondent in providing information and responding to Board inquiries
- m. Respondent's disciplinary history with the Board or any other jurisdiction, particularly where prior discipline has occurred for the same or similar violation(s)
- n. Respondent's failure to comply with prior disciplinary actions

### **III. MITIGATION OF PENALTY**

The following are among mitigating circumstances that may be taken into account by the Enforcement Committee in providing penalties in proposed decisions:

- a. Self-reporting of violation(s)
- b. Lack of previous disciplinary history in this or any other jurisdiction
- c. Demonstration of remorse by the Respondent
- d. Timeliness of remedial actions by the Respondent to correct any violation upon notice
- e. Acceptance of responsibility for compliance with the accountancy statutes and/or regulations and violation(s) thereof
- f. Demonstration of corrective action to prevent reoccurrence
- g. Passage of considerable time since an act of professional misconduct occurred with no evidence of recurrence or evidence of any other professional misconduct
- h. If violation(s) involved multiple Respondents, the relative degree of culpability of the subject Respondent should be considered
- i. Degree of financial hardship incurred by the Respondent as a result of the imposition of penalties or of the suspension or revocation of licensure

### **IV. REHABILITATION CRITERIA**

When considering the denial of a license, the suspension or revocation of a license or reinstatement of a revoked or suspended license, the Board, in evaluating the rehabilitation of the Respondent and his or her present eligibility for a license, will consider the following criteria:

- a. Nature and severity of the act(s) or offense(s)
- b. Criminal record and evidence of any act(s) committed subsequent to the act(s) or offense(s) under consideration that could also be considered as grounds for denial, suspension, or revocation
- c. The time that has elapsed since commission of the act(s) or offense(s) referred to above
- d. The extent to which the Respondent has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the Respondent
- e. If applicable, evidence of expungement proceedings or restoration of civil rights
- f. Evidence, if any, of rehabilitation submitted by the Respondent

## Board Policy #4

**TITLE:**

Continuing Professional Education (CPE) Guidelines for CPAs

**EFFECTIVE DATE:**

June 30, 2015

**AUTHORITY:**

§§ 54.1-4409.2 and 54.1-4413.2 of the Code of Virginia and Board Regulations  
18VAC5-22-90 and 18VAC5-22-140

**POLICY STATEMENT:**

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

**General guidelines**

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

The Board recognizes that 50 minutes of CPE participation equals one hour of CPE credit. One semester hour of credit for courses at an accredited college or university constitutes 15 hours of CPE and one quarter-hour of credit constitutes 10 hours of CPE.

CPE requirements may be adjusted depending upon when a Virginia CPA begins or ceases to provide services to the public or to an employer in accordance with Board Regulation [18VAC5-22-90](#). Specific questions may be addressed by contacting the [Virginia Board of Accountancy](#).

**Virginia-Specific Ethics Course**

The VBOA requires that all licensees providing services to the public or to an employer complete on an annual basis a Virginia-Specific Ethics Course that complies with Board Regulation [18VAC5-22-90](#). The two-hour Virginia-Specific Ethics Course is a separate and distinct annual requirement from the one-time American Institute of Certified Public Accountants ethics course needed for initial licensure.

Virginia licensees must complete the required annual ethics course no later than January 31 of each year to meet the previous calendar-year requirement. Therefore, no sponsor may provide the annual ethics course later than January 31 for the previous calendar year.

The Board has approved the Virginia Society of CPAs as the only provider of content/material for the Virginia-Specific Ethics Course. The ethics course content/material must follow an annual outline approved by the Board.

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

It is the licensee's responsibility to ensure that sponsors providing the Virginia-Specific

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**POLICY STATEMENT, con't:**

Ethics Course are listed on the Board's website as an approved provider of this course.

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

If the licensee is not satisfied with the content of the course or the instructor, the licensee is encouraged to contact the [VBOA](#). Licensees will not be granted CPE credit for completing a Virginia-Specific Ethics Course from a non-approved sponsor.

**Qualifying CPE (excluding the Virginia-Specific Ethics Course)**

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

A variety of continuing professional education is acceptable, including:

- Attending a seminar or educational conference: Instructors must have up-to-date knowledge of the subject matter and use appropriate teaching materials. Attendance should be monitored in a manner that can be verified by the VBOA.
- Earning course credit at an accredited college or university.
- Completing a self-study course: Licensee must be able to demonstrate that learning objectives were met.
- Making a presentation: The licensee may present at a professional seminar, educational conference or classroom setting, provided that up-to-date knowledge of the subject matter is demonstrated and appropriate teaching materials are used.
- Producing written materials: The topic must be relevant to CPAs providing services to the public or an employer. The material is formally reviewed by an independent party and must be published in a book, magazine or similar publication.
- Additional Board approved CPE: The Board has approved CPE credit for passing specific exams (in the year passed), without a certificate of completion indicating CPE hours earned, not to exceed a total of 60 hours over a three-year rolling period. The listing of approved exams can be found on the Board's website under "Qualifying CPE."

The Board will determine on a case-by-case basis the acceptability of other forms of CPE.

The VBOA has restrictions on the CPE hours a licensee may regard as valid:

- Repeat presentations may not be counted as additional CPE.
- During each three-year period, a maximum of 30 hours for preparing and making presentations is allowable.
- One semester-hour of credit for courses at an accredited college or university constitutes 15 hours of CPE and one quarter-hour of credit constitutes 10 hours of CPE.

**POLICY STATEMENT, con't:**

The Board has also approved that Continuing Education (CE), Continuing Education Units (CEU), Continuing Legal Education (CLE), Continuing Medical Education (CME), Quality Assurance Service (QAS) and semester and quarter-hour credits are acceptable as CPE credits.

The VBOA does not currently require licensees to obtain CPE from specific or approved sponsors (excluding the Virginia-Specific Ethics Course).

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

**CPE reporting period**

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

**CPE compliance reviews**

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

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

Licensees should not submit CPE documentation during the annual renewal process unless specifically asked to by the VBOA. However, CPE documentation must be retained for the ~~three~~-four calendar-years preceding the current calendar-year.

**CPE documentation requirements**

Required documentation can generally be satisfied by providing:

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

**POLICY STATEMENT, con't:**

producing written material relevant to CPAs who provide services to the public or to an employer.

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

The VBOA will determine on a case-by-case basis whether other forums are acceptable for CPE credit.

For a complete summary of CPE accepted by the VBOA, see Board Regulation [18VAC5-22-90F](#).

**Retention requirements for CPE documentation**

Licensees must retain CPE documentation for the ~~three~~four calendar-years preceding the current calendar-year.

**CPE violations**

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

For a complete summary of CPE accepted by the VBOA, see Board Regulation [18VAC5-22-90F](#).

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

In accordance with Board Regulation [18VAC5-22-90H](#), depending on the facts and circumstances, the VBOA may waive all or part of the CPE requirement for one or more calendar-years or grant additional time for complying with the CPE requirement, provided that the waiver or deferral is in the public interest. However, requests for a waiver or a deferral must generally be received in advance of the deadline for CPE completion. It is the policy of the VBOA that such waivers or deferrals generally be considered only in situations resulting from extreme medical hardship or active military deployment. Requests for a waiver or deferral made under this section will be considered on a case-by-case basis. Such approvals are rare.

**[CPE FAQs](#)****APPROVAL AND REVIEW:**

This Board policy was reviewed on June 30, 2015.

**SUPERSESION:**

This Board policy replaces Board Policy #4 effective April 30, 2015.

**BOARD CHAIR AT  
LAST REVIEW:**

W. Barclay Bradshaw, CPA

**BOARD MEMBERS AT  
LAST REVIEW:**

Robert J. Cochran, Ph.D., CPA, Vice Chair  
Matthew P. Boshier  
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Andrea M. Kilmer, CPA, CFF, CGMA  
Marc B. Moyers, CPA  
Stephanie S. Saunders, CPA

**EXECUTIVE DIRECTOR:**

Wade A. Jewell

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## **PROPOSED REGULATIONS (EXEMPT) as of May 18, 2017**

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Effective January 1, 2013

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### Effective January 1, 2013

**18VAC5-22-50. Determining whether the principal place of business of a person ~~using the CPA title~~, or of a firm, is in Virginia.**

Complying with subdivision A 1 of § 54.1-4409.1, subsection B of § 54.1-4411, or subsection B of § 54.1-4412.1 of the Code of Virginia requires the person or firm to use reasonable judgment in determining whether Virginia is the principal place of business in which:

- ~~1. the~~The person provides services to the public ~~using the CPA title~~; or
- ~~2. the~~The firm provides attest services or compilation services.

The determination shall be reasonable considering the facts and circumstances and can be based on quantitative or qualitative assessments. The determination shall be reconsidered for changes in facts and circumstances that are not temporary.

### **18VAC5-22-70. Education.**

A. In order for a person to take the CPA examination through Virginia, he must have obtained from one or more accredited institutions ~~or from the National College~~ at least 120 semester hours of education, a baccalaureate or higher degree, and an accounting concentration or equivalent prior to taking any part of the CPA examination.

B. For the purpose of complying with subsection A of this section and with subdivision A 1 a of § 54.1-4409.2 of the Code of Virginia, obtaining an accounting concentration or equivalent requires obtaining at a minimum:

1. 24 semester hours of accounting courses, including courses in auditing, financial accounting, management accounting, and taxation
2. 24 semester hours of business courses, no more than six semester hours of which could be considered accounting courses

Principles or introductory accounting courses cannot be considered in determining whether a person has obtained the 48 minimum number of semester hours required for an accounting concentration or equivalent.

### **18VAC5-22-90. Continuing professional education.**

A. If during the current calendar year a person who holds a Virginia license provided services to the public ~~using the CPA title~~, he shall have obtained at least 120 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of

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the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including an ethics course of at least two hours.

1. If the person also holds the license of another state and Virginia is not the principal place of business in which he provides services to the public ~~using the CPA title~~, the ethics course taken to comply with this subsection either shall conform with the requirements prescribed by the board or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.
2. Otherwise, the ethics course shall conform with the requirements prescribed by the board.

B. If during the current calendar year a person who holds a Virginia license provided services to or on behalf of an employer ~~using the CPA title~~ and did not provide services to the public ~~using the CPA title~~, he shall have obtained a minimum number of hours of continuing professional education determined as follows:

1. If the current calendar year is 2009 or 2010, the person shall have obtained at least 90 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 15 hours of continuing professional education, including an ethics course of at least two hours.
2. If the current calendar year is 2011 or later, the person shall have obtained at least 120 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including an ethics course of at least two hours.

The ethics course taken to comply with this subsection either shall conform with the requirements prescribed by the board or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.

C. If during the current calendar year a person who holds a Virginia license provided services to the public ~~using the CPA title~~ or to or on behalf of an employer ~~using the CPA title~~ and did not hold a Virginia license or the license of another state during one or both of the two preceding calendar years, he shall determine whether he has complied with the requirements of subsection A or B of this section as follows:

1. If the person became licensed during the current calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year.

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2. If the person became licensed during the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year he obtained at least the minimum number of hours of continuing professional education required by the subsection for the current calendar year, including an ethics course of at least two hours.
3. If the person became licensed during the calendar year prior to the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year and the preceding calendar year he obtained at least the minimum number of hours of continuing professional education required by the subsection for each of the years, including for each year an ethics course of at least two hours.

D. If during the current calendar year a person who holds a Virginia license did not provide services to the public ~~using the CPA title~~ or to or on behalf of an employer ~~using the CPA title~~, he is not required to have obtained continuing professional education during the three-calendar-year period ending with the current calendar year. However, in order to begin providing those services:

1. He is required to have obtained at least 120 hours of continuing professional education prior to providing the services, including an ethics course of at least two hours.
2. The ethics course shall conform with the requirements prescribed by the board for the calendar year in which the person begins providing the services.

Continuing professional education obtained during the three calendar years prior to the current calendar year and from the start of the current calendar year to when he begins providing the services shall be considered in determining whether the person has complied with the requirements of this subsection.

E. If a person who has not held the license of any state applies for a Virginia license after the end of the calendar year in which he passes the CPA examination, he shall obtain continuing professional education prior to applying for the license, including an ethics course of at least two hours.

1. The required minimum number of hours of continuing professional education shall be 40, 80, or 120 depending on whether he applies for the Virginia license by the end of the first calendar year after the calendar year in which he passes the CPA examination, by the end of the second calendar year, or later.
2. The ethics course shall conform with the requirements prescribed by the board for the calendar year in which the person applies for the license.

Continuing professional education obtained subsequent to passing the CPA examination but during the three calendar years prior to the calendar year in which the person applies for the license and

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from the start of that calendar year to when he applies for the license shall be considered in determining whether he has complied with this requirement.

F. Continuing professional education acceptable to the board may be obtained through a variety of forums, provided there is a means of demonstrating that the education was obtained. The following forums are acceptable:

1. Attendance at seminars and educational conferences, provided that the instructors have appropriate knowledge of the subject matter and use appropriate teaching materials and that attendance is monitored in a manner that can be verified by the board
2. Taking courses at an accredited institution for credit
3. Self-study courses, provided there is a method for determining that the person met the learning objectives
4. Making a presentation at a professional seminar, educational conference, or in a classroom setting, provided the person has appropriate knowledge of the subject matter and uses appropriate teaching materials
5. Writing material that is relevant to providing services to or on behalf of an employer ~~using the CPA title~~ or to the public ~~using the CPA title~~, that is formally reviewed by an independent party, and that is published in a book, magazine, or similar publication that is used by persons who provide services to the public ~~using the CPA title~~ or to or on behalf of an employer ~~using the CPA title~~.

Whether other forums are acceptable shall be determined by the board on a case-by-case basis.

G. In determining whether a person has obtained the required number of hours of continuing professional education:

1. Repeat presentations shall not be considered.
2. No more than 30 hours from preparing for and making presentations shall be considered during each three-calendar-year period.
3. One semester-hour of credit for courses at an accredited institution constitutes 15 hours of continuing professional education, and one quarter-hour of credit constitutes 10 hours of continuing professional education.

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

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**18VAC5-22-100. Experience.**

Prior to applying for a license, a person must have been employed in academia, a firm, government, or industry in any capacity involving the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the board, to providing services to the public ~~using the CPA title~~ or to or on behalf of an employer ~~using the CPA title~~ for a period that is the full-time equivalent of one year. Whether other skills are relevant shall be determined by the board on a case-by-case basis. Self-employment does not meet the definition of experience in § 54.1-4400 of the Code of Virginia.



## PROPOSED REGULATIONS (FAST TRACK) as of May 18, 2017

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Effective January 1, 2013

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### Effective January 1, 2013

#### 18VAC5-22-10. Definitions.

The definitions in § 54.1-4400 of the Code of Virginia apply to these regulations.

“Virginia-specific ethics course” means a continuing professional education course that incorporates the outline, content, and material approved annually by the board and that is taught by a board-approved sponsor or provider.

#### 18VAC5-22-20. Fees.

A. The board shall charge the following fees for services it provides:

- |  |                  |
|--|------------------|
| • Processing an initial application to take one or more sections of the CPA examination  | \$120            |
| • Processing additional applications to take one or more sections of the CPA examination   | \$20             |
| <del>• Preliminary evaluation of whether a person has met the requirements to take the CPA examination</del>   | <del>\$25</del>  |
| • Processing an application for issuance of a Virginia license to a person   | \$75             |
| • Processing an application for issuance of a Virginia license to a firm   | \$100            |
| • Processing an application for the timely renewal of a person's Virginia license  | \$60             |
| • Processing an application for the timely renewal of a firm's Virginia license  | \$75             |
| <del>• Additional fee for processing an application for the renewal of a person's Virginia license that is not timely</del>  | <del>\$100</del> |
| <del>• Additional fee for processing an application for the renewal of a firm's Virginia license that is not timely</del>  | <del>\$100</del> |
| • Processing an application for reinstatement of a person's Virginia license   | \$350            |
| • Processing an application for reinstatement of a firm's Virginia license   | \$500            |
| • Processing an application for lifting the suspension of the privilege of using the CPA title in Virginia   | \$350            |
| • Processing an application for lifting the suspension of the privilege of providing attest services, <del>or</del> compilation services, <u>or financial statement preparation services</u> for persons or entities located in Virginia | \$500            |
| • Providing or obtaining information about a person's grades on sections of the CPA examination  | \$25             |
| • Processing requests for verification that a person or firm holds a Virginia license:   |                  |
| 1. Online request  | \$25             |
| 2. Manual request  | \$50             |
| • Providing an additional CPA wall certificate   | \$25             |
| <del>• Additional fee for not responding within 30 calendar days to any request for information by the board under subsection A of 18VAC5-22-170</del>   | <del>\$100</del> |
| • Additional fee for not using the online payment option for any service provided  |                  |

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by the board

\$25

B. All fees for services the board provides are due when the service is requested and are nonrefundable.

~~18VAC5-22-40. Determining whether a person who holds a Virginia license is providing services to the public using the CPA title or to an employer using the CPA title.~~

~~For the purpose of determining whether a person who holds a Virginia license is providing services to the public using the CPA title or to an employer using the CPA title, as those terms are defined in § 54.1-4400 of the Code of Virginia, because of the written information readily available to the public through the board's Internet postings, holding a Virginia license constitutes using the CPA title. Accordingly, a person who holds a Virginia license:~~

- ~~1. Is providing services to the public using the CPA title if he provides services that are subject to the guidance of the standard setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § 54.1-4413.3 of the Code of Virginia.~~
- ~~2. Is providing services to an employer using the CPA title if he provides to an entity services that require the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the board.~~

**18VAC5-22-70. Education.**

A. In order for a person to take the CPA examination through Virginia, he must have obtained from one or more accredited institutions at least 120 semester hours of education, a baccalaureate or higher degree, and an accounting concentration or equivalent prior to taking any part of the CPA examination.

B. For the purpose of complying with subsection A of this section and with subdivision A 1 a of § 54.1-4409.2 of the Code of Virginia, obtaining an accounting concentration or equivalent requires obtaining at a minimum:

1. 24 semester hours of accounting courses, including courses in auditing, financial accounting, management accounting, and taxation; and
2. 24 semester hours of business courses, no more than six semester hours of which could be considered accounting courses.

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### 18VAC5-22

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Principles or introductory accounting courses cannot be considered in determining whether a person has obtained the 48 minimum number of semester hours required for an accounting concentration or equivalent.

#### 18VAC5-22-80. Examination.

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

1. Each section of the CPA examination must be passed by attaining a uniform passing grade established through a psychometrically acceptable standard-setting procedure approved by the board; and
- ~~2. Persons may take sections of the CPA examination in any order.~~
- ~~3. A person who fails a section of the CPA examination may not retake that section until the next quarter of the calendar year.~~
- 4.2. When a person first passes a section of the CPA examination, he has 18 months to pass the remaining sections. If the remaining sections are not passed within the 18-month period, the person loses credit for the first section passed, and a new 18-month period starts with the next section passed.

B. Failure to comply with the policies established by the board for conduct at the CPA examination may result in the loss of eligibility to take the CPA examination or credit for sections of the CPA examination passed. Cheating by a person in connection with the CPA examination shall invalidate any grade earned on any section of the CPA examination and may warrant expulsion from the CPA examination site and disqualification from taking the CPA examination for a specified period of time as determined by the board.

C. The board may postpone scheduled CPA examinations, the release of grades, or the issuance of licenses under the following circumstances:

1. A breach of CPA examination security;
2. Unauthorized acquisition or disclosure of the contents of a CPA examination;
3. Suspected or actual negligence, errors, omissions, or irregularities in conducting a CPA examination; or
4. Any other reasonable circumstances.

D. Prior to being considered for a Virginia license, a person shall pass an ethics examination approved by the board.

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#### 18VAC5-22-90. Continuing professional education.

A. If during the current calendar year a person ~~who~~ holds a Virginia license ~~provides services to the public~~, he shall have obtained at least 120 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including ~~an ethics course of at least two hours~~ the Virginia-specific ethics course.

1. If the person also holds the license of another state and Virginia is not ~~the his or his employer's~~ principal place of business ~~in which he provides services to the public~~, the ethics course taken to comply with this subsection either shall ~~conform with the requirements prescribed by the board~~ be the Virginia-specific ethics course or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.
2. Otherwise, the ethics course shall conform ~~with to~~ the requirements prescribed by the board.

~~B. If during the current calendar year a person who holds a Virginia license provided services to an employer using the CPA title and did not provide services to the public using the CPA title, he shall have obtained a minimum number of hours of continuing professional education determined as follows:~~

- ~~1. If the current calendar year is 2009 or 2010, the person shall have obtained at least 90 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 15 hours of continuing professional education, including an ethics course of at least two hours.~~
- ~~2. If the current calendar year is 2011 or later, the person shall have obtained at least 120 hours of continuing professional education during the three-calendar-year period ending with the current calendar year. For each of the calendar years in that period, he shall have obtained at least 20 hours of continuing professional education, including an ethics course of at least two hours.~~

~~The ethics course taken to comply with this subsection either shall conform with the requirements prescribed by the board or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.~~

~~CB. If during the current calendar year a person who~~ holds a Virginia license ~~provided services to the public or to or on behalf of an employer~~ and did not hold a Virginia license or the license of another

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state during one or both of the two preceding calendar years, he shall determine whether he has complied with the requirements of subsection A ~~or B~~ of this section as follows:

1. If the person became licensed during the current calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year.
2. If the person became licensed during the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year he obtained at least the minimum number of hours of continuing professional education required by the subsection for the current calendar year, including ~~an ethics course of at least two hours~~the Virginia-specific ethics course.
3. If the person became licensed during the calendar year prior to the preceding calendar year, he shall be considered to have met the requirements of the subsection for the three-calendar-year period ending with the current calendar year if during the current calendar year and the preceding calendar year he obtained at least the minimum number of hours of continuing professional education required by the subsection for each of the years, including for each year ~~an ethics course of at least two hours~~the Virginia-specific ethics course.

EC. If a person who has not held the license of any state applies for a Virginia license after the end of the calendar year in which he passes the CPA examination, he shall obtain continuing professional education prior to applying for the license, including ~~an ethics course of at least two hours~~the Virginia-specific ethics course.

1. The required minimum number of hours of continuing professional education shall be 40, 80, or 120 depending on whether he applies for the Virginia license by the end of the first calendar year after the calendar year in which he passes the CPA examination, by the end of the second calendar year, or later.
2. The ethics course shall conform ~~with~~to the requirements prescribed by the board for the calendar year in which the person applies for the license.

Continuing professional education obtained subsequent to passing the CPA examination but during the three calendar years prior to the calendar year in which the person applies for the license and from the start of that calendar year to when he applies for the license shall be considered in determining whether he has complied with this requirement.

D. If during the current calendar year a person who holds a Virginia license ~~did not provide services to the public or to or on behalf of an employer has been granted an exemption by the board~~, he is not required to have obtained continuing professional education during the three-calendar-year period

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ending with the current calendar year. However, in order to begin providing those services: ~~1. He~~ is required to have obtained at least 120 hours of continuing professional education prior to providing the services, including ~~an ethics course of at least two hours.~~ the Virginia-specific ethics course 2. ~~The ethics course shall conform with the requirements prescribed by the board~~ for the calendar year in which the person begins providing the services.

Continuing professional education obtained during the three calendar years prior to the current calendar year and from the start of the current calendar year to when he begins providing the services shall be considered in determining whether the person has complied with the requirements of this subsection.

**FE.** Continuing professional education acceptable to the board may be obtained through a variety of forums, provided there is a means of demonstrating that the education was obtained. ~~The following forums are acceptable~~ The acceptable forums are:

1. ~~Attendance at~~ Attending seminars and educational conferences, provided that the instructors have appropriate knowledge of the subject matter and use appropriate teaching materials and that attendance is monitored in a manner that can be verified by the board;
2. Taking courses at an accredited institution for credit;
3. ~~Self~~ Completing self-study courses, provided there is a method for determining that the person met the learning objectives;
4. Making a presentation at a professional seminar, educational conference, or in a classroom setting, provided the person has appropriate knowledge of the subject matter and uses appropriate teaching materials;
5. Writing material that is relevant to providing services to or on behalf of an employer ~~using the CPA title~~ or to the public ~~using the CPA title~~, that is formally reviewed by an independent party, and that is published in a book, magazine, or similar publication ~~that is used by persons who provide services to the public using the CPA title or to an employer using the CPA title; and~~
6. Passing exams and obtaining certifications that have been approved by the board.

Whether other forums are acceptable shall be determined by the board on a case-by-case basis.

**GF.** In determining whether a person has obtained the required number of hours of continuing professional education:

1. Repeat presentations shall not be considered.
2. No more than 30 hours from preparing for and making presentations shall be considered during each three-calendar-year period.

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3. One semester-hour of credit for courses at an accredited institution constitutes 15 hours of continuing professional education, and one quarter-hour of credit constitutes 10 hours of continuing professional education.
4. Credit for examination and certification shall be awarded for the calendar year in which the exam was passed and certification was received. If passage of the exam and certification occur in different calendar years, credit shall be awarded for the calendar year in which the exam was passed. The board shall determine how many hours are credited per certification.
- 4.5. No more than 60 hours from examination and certification shall be considered during each three-calendar-year period.

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

**~~18VAC5-22-110. Demonstrating that a person's education, CPA examination, and experience are substantially equivalent to the requirements for obtaining a Virginia license.~~**

~~Subdivision A 2 of § 54.1-4411 of the Code of Virginia does not require the person to notify the board that the person's education, CPA examination, and experience are substantially equivalent to the requirements for obtaining a Virginia license.~~

**18VAC5-22-140. Persons who release or authorize the release of reports.**

A. To comply with subdivision D 4 of § 54.1-4412.1 of the Code of Virginia, a person who releases or authorizes the release of reports on attest services, ~~or~~ compilation services, or financial statement preparation services provided for persons or entities located in Virginia shall annually obtain a minimum of eight hours of continuing professional education related to attest services, ~~or~~ compilation services, or financial statement preparation services. The hours obtained to meet this requirement shall be considered in determining whether the person has complied with the requirements of 18VAC5-22-90.

B. Firms providing attest services, ~~or~~ compilation services, or financial statement preparation services shall establish policies and procedures to provide the firm with reasonable assurance that persons who release or authorize the release of reports on attest services, ~~or~~ compilation services, or financial statement preparation services possess the kinds of competencies that are appropriate given the facts and circumstances. These policies and procedures shall address the required technical proficiency, familiarity with the industry and the person or entity, skills that indicate sound professional judgment, and other competencies necessary under the circumstances.

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18VAC5-22-170. Communication ~~between-with~~ the board ~~and licensees~~.

A. ~~When requested by the board:~~

- ~~1. Persons or firms applying for the issuance, renewal, or reinstatement of a Virginia license or for lifting the suspension of the privilege of using the CPA title in Virginia or providing attest services or compilation services for persons or entities located in Virginia shall provide the board with support for their conclusion that they have complied with applicable provisions of Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia and this chapter.~~
- ~~2. Firms shall provide the board with proof of enrollment in a monitoring program and copies of reports and other documentation related to acceptance of their peer reviews.~~
- ~~3. Persons or firms shall provide the board documents related to the board's investigation of their possible violation of provisions of Chapter 44 (§ 54.1-4400 et seq.) of Title 54.1 of the Code of Virginia or this chapter.~~

~~Each person or firm~~ Every licensee or applicant shall respond within 30 calendar days to any board request for information regarding compliance with any statutes or regulations pertaining to the board or any of the programs that may be in another title of the Code of Virginia for which the board has enforcement responsibility ~~by the board under this subsection~~. When the requested response is not produced by the person or entity within 30 days, this nonproduction shall be deemed a violation of this rule, unless the person or entity can demonstrate that there is reasonable justification for that delay.

B. Each holder of a Virginia license shall notify the board in writing within 30 calendar days of any change in the holder's name or in the postal and electronic addresses where the person or firm may be reached.

C. The board shall transmit courtesy license renewal notices electronically unless a person or firm is unable to communicate electronically. ~~However, § 54.1-4413.2 of the Code of Virginia places t~~Ihe responsibility for renewing a Virginia license is on its holder, and that responsibility is not affected by whether the holder receives a courtesy license renewal notice.