

**Thursday, May 21, 2020**  
**VBOA Board Meeting Agenda**  
**1 – 4 p.m.**

Virtual Meeting

Streamed video: <https://stream.meet.google.com/stream/6ab82118-c7ee-4a73-a74f-dde136f5926d>

Call information: +1 260-301-2697 (PIN: 356808738)

For technical difficulties, please contact the VBOA by phone at (804) 367-8505.

This meeting will be recorded.

- 1 p.m.      **Call to Order – D. Brian Carson, CPA, CGMA, Chair**  
Determination of Quorum  
Approval of May 21, 2020, Agenda  
Approval of February 25, 2020, Board meeting minutes  
Public comment period\*  
Approval of Final Orders
- 2018-468-413C (Glynn and Winters)
  - 2018-470-415C (Glynn and Winters)
  - 2018-474-419C (Glynn and Winters)
  - 2018-477-422C (Glynn and Winters)
  - 2018-478-423C (Glynn and Winters)
  - 2019-170-130C (Glynn and Winters)
  - 2019-171-131C (Glynn and Winters)
- 1:30 p.m.      1. **Executive Director’s Report – Nancy Glynn, CPA, Executive Director**
- General updates
    - South African Mutual Recognition Agreement (decision needed)
    - Software upgrade initiative
    - June planning meeting topics
  - Financial and Board Report update – **Renai Reinholtz, Deputy Director**
    - Cash forecast for fiscal year ending June 30, 2020
    - Additional appropriations/cash transfer (decision needed)
  - Enforcement update– **Amanda E.M. Blount, Enforcement Director**
- 2 p.m.      2. **Board Discussion Topics – D. Brian Carson, CPA, CGMA, Chair**
- CPA Evolution Update – **Stephanie Saunders, CPA**
  - COVID-19 updates and extensions (decision needed) – **Nancy Glynn, CPA, Executive Director**
  - Virginia-Specific Ethics Course 2021 (decision needed) – **Elizabeth Marcello, Information and Policy Advisor**
  - VBOA Chair and Vice Chair elections (decision needed) – **Nancy Glynn, CPA, Executive Director**
- 3:30 p.m.      3. **Additional Items for Discussion – D. Brian Carson, CPA, CGMA, Chair**  
Carryover topics (Additional items for discussion)

- CPA Evolution
- Required coursework for CPA examination/licensure
- CPE survey results/research
- Publication of disciplinary action
- Sign Conflict of Interest forms
- Future meeting dates
  - June 23, 2020
  - August 18, 2020
  - October 8, 2020

4 p.m.           Adjournment

---

**\*All public comments must be emailed to [boa@boa.virginia.gov](mailto:boa@boa.virginia.gov) with the subject line: Board meeting public comments and received by May 19, 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  
February 25, 2020  
Draft/Unapproved minutes**

---

The Virginia Board of Accountancy met on Tuesday, February 25, 2020, in Board Room #2 of the Perimeter Center, 9960 Mayland Drive, Henrico, Virginia 23233.

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

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

**STAFF PRESENT:** Nancy Glynn, CPA, Executive Director  
Renai Reinholtz, Deputy Director  
Amanda E. M. Blount, Enforcement Director  
Kelli Anderson, Communications Manager  
Patti Hambright, CPE Coordinator and Administrative Assistant  
Elizabeth Marcello, Information and Policy Advisor  
Jennifer Winters, Adjudication Specialist

**LEGAL COUNSEL  
PARTICIPATING FOR  
A PORTION OF THE  
CLOSED MEETING:**

Christopher K. Jones, Esq., Sands Anderson PC

**MEMBERS OF THE  
PUBLIC PRESENT:**

Reza Mahbod, CPA, CISA, CGFM, CICA, CGMA, CDFM, CFE,  
Chair of Virginia Board of Accountancy Peer Review Oversight  
Committee  
Stephanie Peters, CAE, President and CEO, Virginia Society of Certified  
Public Accountants  
Gary R. Thomson, CPA, Chair of Virginia Society of Certified Public  
Accountants Board  
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, Learning, Virginia Society of  
Certified Public Accountants  
Kymberly Messersmith, Managing Director of State Government  
Affairs, KPMG

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

**CALL TO ORDER**

Mr. Carson called the meeting to order at 10:01 a.m.

**SECURITY BRIEFING**

Ms. Hambright provided the emergency evacuation procedures.

**DETERMINATION OF QUORUM**

Mr. Carson determined there was a quorum present.

**APPROVAL OF AGENDA**

Upon a motion by Mr. Brown, and duly seconded, the members voted unanimously to approve the February 25, 2020, agenda, as amended. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**APPROVAL OF MINUTES**

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the January 7, 2020, Board meeting minutes, as amended. The members voting “**AYE**” were Mr. Carson, Mr. Boshier, Mr. Bradshaw, Mr. Brown and Ms. Rogers. (Ms. Warwick and Ms. Saunders voted to approve the portion of the January 7, 2020, Board meeting they attended.)

**PUBLIC COMMENT PERIOD**

Ms. Walker provided an update to the legislative session. Mr. Carson thanked the VSCPA for keeping the VBOA well informed.

Mr. Thomson provided comments to Board members regarding the VSCPA’s recent discussion of the proposed changes to the Virginia CPE ethics requirement outlined in the Board meeting packet. A letter was provided.

**APPROVAL OF CONSENT AGENDA**

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

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

**NASBA COMMITTEE UPDATES**

**NASBA Communications Committee**

Mr. Carson led the discussion regarding the NASBA Communications Committee. No updates were reported.

**NASBA Enforcement Resources Committee**

Mr. Brown led the discussion regarding the NASBA Enforcement Resources Committee. No updates were reported.

**NASBA Education Committee and UAA Committee**

Ms. Saunders led the discussion regarding the NASBA Education Committee and UAA Committee. No updates were reported.

**NASBA Board of Directors**

Ms. Saunders led the discussion regarding the NASBA Board of Directors. She noted the NASBA Board of Directors met on January 17, 2020, and were not in support of staff augmentation – allowing a CPA firm’s staff to provide non-attest services to an attest client while under the client’s supervision. The NASBA Board of Directors wrote to PEEC, urged licensees to stop this practice, and encouraged state boards to provide enforcement.

Additional topics included the CPA Evolution initiative, NOCLAR (noncompliance with laws and regulations by clients), and increasing internships.

**PROC 2019 REPORT**

Mr. Mahbod presented an update from the Peer Review Oversight Committee. The committee reviewed and evaluated, for the period of January 1 through December 31, 2019, the policies and procedures of the VSCPA and the National Peer Review Committee of the AICPA as those policies and procedures relate to the administration of the AICPA Peer Review Program for firms licensed by the VBOA. Based on their review, Mr. Mahbod explained the committee believed peer reviews were being conducted and reported on consistently and in accordance with the Standards for Performing and Reporting on Peer Review.

Upon a motion by Ms. Rogers, and duly seconded, the members voted unanimously to accept the Peer Review Oversight Committee’s recommendation, as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

**EXECUTIVE DIRECTOR'S REPORT**

**General Updates**

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

- Ms. Glynn noted CPAs would be able to renew their CPA license as early as March 1, 2020. Licenses not renewed on or before June 30, 2020, would go into expired status.
- Ms. Glynn provided an update to the VITA IT Security Audit.
- Ms. Glynn and Ms. Blount plan to attend the 2020 Executive Director and Legal Counsel Conference March 16-18, 2020, in Clearwater Beach, FL.

**Financial and Board Report Overview**

Ms. Reinholtz presented and fielded questions regarding the January 2020 Financial and Board Report.

**Enforcement, CPE and status of open cases**

Ms. Blount led the discussion regarding the enforcement, CPE and status of open cases reports. She provided a comparison chart, handouts and fielded questions. A discussion ensued.

---

**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 the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn, Renai Reinholtz and James Flaherty.

**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 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

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA.

**CALL FOR VOTE:**

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

**VOTE:**

Ayes: Seven (7)

Nays: None

---

**BOARD DISCUSSION TOPICS**

**Fiscal Year 2019 Draft Financial Statements**

Ms. Reinholtz presented and fielded questions regarding the draft FY2019 Financial Statements.

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve the Fiscal Year 2019 Draft Financial Statements with the exception of Footnote 5 to be amended. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**VBOA Website redesign**

Ms. Anderson led the discussion regarding the VBOA website redesign. She noted specific updates and received positive feedback from Board members.

Ms. Anderson also discussed the license renewal communications plan that begins in early March.

**General update**

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

**NOIRA update**

Ms. Marcello led the discussion regarding the NOIRA (Notice of Intended Regulatory Action) update. She noted the proposed regulations were moving forward.

**Pending legislation**

Ms. Marcello led the discussion regarding pending legislation. Discussion ensued.

**AICPA Practice Analysis**

Ms. Marcello led the discussion regarding the AICPA Practice Analysis. She noted the American Institute of CPAs (AICPA) published an Exposure Draft and invited comment following the completion of the CPA examination practice analysis. Comments are due April 30, 2020.

**Continuous testing window date**

Ms. Glynn led the discussion regarding the continuous testing window date. She noted July 1, 2020, as the target date for the Uniform CPA Examination to switch to continuous testing.

Upon a motion by Mr. Bradshaw, and duly seconded, the members voted unanimously to approve continuous testing for the Uniform CPA Examination. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**Ethics 2020 and 2021**

Mr. Carson led the discussion regarding the ethics 2020 and 2021. An in-depth discussion ensued. The topic will be revisited during the April Board meeting.

**Bylaws**

Ms. Glynn led the discussion regarding the bylaws. Ms. Glynn presented the draft bylaws and fielded questions.

**RECESS FOR LUNCH 12:45 p.m.**

**RECONVENE 1:05 p.m.**

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to approve the Virginia Board of Accountancy bylaws, as amended. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

**Enforcement Processes**

**Statement of Intent in the CPE Violation Penalties Guidelines**

Ms. Blount led the discussion regarding the proposed Statement of Intent in the CPE Violation Penalties Guidelines. Discussion ensued.

Upon a motion by Mr. Carson, and duly seconded, the members voted unanimously to approve the Statement of Intent in the CPE Violation Penalties Guidelines, as presented. The members voting “**AYE**” were Mr. Carson, Ms. Warwick, Mr. Boshier, Mr. Bradshaw, Mr. Brown, Ms. Rogers and Ms. Saunders.

**Enforcement Manual**

Ms. Blount led the discussion regarding the Enforcement Manual. She presented and fielded questions regarding the proposed enforcement processes. Discussion ensued.

Upon a motion by Mr. Brown, and duly seconded, the members voted as follows to approve the Enforcement Processes manual, as amended.

**CALL FOR VOTE:**

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

**VOTE:**

Ayes: Six (6)  
Nays: One (1)

**Disposition of Disciplinary cases against CPAs practicing with expired licenses for unlicensed use of the CPA Title**

Ms. Blount led the discussion regarding the proposed disposition of disciplinary cases against CPAs practicing with expired licenses for unlicensed use of the CPA title. Ms. Blount provided a handout and fielded questions. A detailed discussion ensued. The matter was tabled for a later date.

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

**Publication of disciplinary action**

Publication of disciplinary action was tabled for a later date.

**ADDITIONAL ITEMS FOR DISCUSSION**

**Carry over topics**

- Required coursework for CPA examination/licensure
- CPE survey results/research
- Publication of disciplinary actions

**Sign Conflict of Interest forms**

**Sign Travel Expense vouchers**

**Future meeting dates**

- April 28, 2020
  - May 21, 2020 (Planning meeting will begin at 9 a.m.)
  - June 23, 2020
  - August 18, 2020
  - October 8, 2020
- 

**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' and 'contracts' exemptions contained in Virginia Code §2.2-3711 (A)(8) and § 2.2-3711(A)(29).

The following non-member will be in attendance for the closed meeting to reasonably aid in the consideration of this topic: James Flaherty.

The following non-members will be in attendance for a portion of the closed meeting to reasonably aid in the consideration of this topic: Nancy Glynn, Amanda Blount, Elizabeth Marcello and Christopher Jones.

**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

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

provisions of the Virginia Freedom of Information Act; and WHEREAS, § 2.2-3712 (D) of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law; NOW THEREFORE, BE IT RESOLVED, that the VBOA hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia laws were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the VBOA."

**CALL FOR VOTE:**

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

**VOTE:**

Ayes: Seven (7)  
Nays: None

---

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

Upon a motion by Mr. Boshier, and duly seconded, the members voted unanimously to approve the motion, with respect to certain legal claims the board has considered pursuing, based on the advice of counsel, and pending approval by the Governor, the board accepts the resolution outlined by counsel during closed session.

---

Case #2018-465-410C (Glynn and Winters)

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

Upon a motion by Mr. Boshier, and duly seconded, members voted unanimously to accept Final Order 2018-465-410C, as amended.

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

**CALL FOR VOTE:**

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

**VOTE:**

Ayes: Seven (7)  
Nays: None

---

Case #2018-471-416C (Glynn and Winters)

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

Upon a motion by Mr. Brown, and duly seconded, members voted unanimously to accept Final Order 2018-471-416C, as amended.

**CALL FOR VOTE:**

D. Brian Carson, CPA, CGMA – Aye  
Laurie A. Warwick, CPA – Aye  
Matthew P. Boshier, Esq. – Aye  
W. Barclay Bradshaw, CPA – Aye

William R. Brown, CPA – Aye  
Nadia A. Rogers, CPA – Aye  
Stephanie S. Saunders, CPA – Aye

**VOTE:**

Ayes: Seven (7)  
Nays: None

---

Case #2018-433-001R (Brown and Saunders)  
Case #2018-435-023D (Brown and Saunders)

**Board Meeting  
February 25, 2020  
Draft/Unapproved minutes**

Upon a motion by Ms. Rogers, and duly seconded, members voted unanimously to accept Final Orders 2018-433-001R and 2018-435-023D, as presented.

**CALL FOR VOTE:**

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

**VOTE:**

Ayes: Seven (7)

Nays: None

---

**ADJOURNMENT**

There being no further business before the VBOA, Mr. Carson adjourned the meeting at 2:40 p.m.

**APPROVED:**

\_\_\_\_\_  
D. Brian Carson, CPA, CGMA, Chair

**COPY TESTE:**

\_\_\_\_\_  
Nancy Glynn, CPA, Executive Director



February 24, 2020

Members of the Virginia Board of Accountancy  
9960 Mayland Drive, Suite 402  
Richmond, VA 23233

Dear Members of the Virginia Board of Accountancy:

As members of the Virginia Society of CPAs (VSCPA) Executive Committee, we recently discussed the proposed changes to the Virginia CPE Ethics requirement as outlined in the February 25, 2020 Virginia Board of Accountancy's (VBOA) meeting packet. As the statewide association representing more than 13,000 members, as well as your current sole source provider for the course content, we believe we have unique insight into the requirement's impact on CPAs, and we have significant concerns about the direction and feasibility of the proposal.

### **Intent of Course**

First and foremost, we believe the intent of the VBOA's Ethics CPE requirement is to protect the public (and CPAs) by ensuring all licensees are effectively trained on issues, matters, policies and/or concepts deemed necessary and relevant by the VBOA. Since the inception of the requirement, licensees have achieved a greater understanding of the requirements and expectations of the VBOA, and they have received training on numerous behavioral ethics concepts and decision models. As a result, the VBOA has seen a marked decrease in the rate of CPE enforcement violations as well as in the number of complaints. Each of these outcomes indicate an increase in public protection.

While we believe the VBOA has experienced a positive result so far from the Ethics CPE requirement, we continue to see where many CPAs struggle with understanding aspects of VBOA rules. We believe more education needs to be done, and we do not want to see an erosion of the understanding that has occurred. Therefore, we strongly urge the VBOA to continue to require a 2-hour course based on the content the VBOA believes is necessary and relevant to all CPAs.

While it may work some years, we do not believe a short video will always accomplish the goal of effectively training CPAs on critical VBOA policies or concepts. With CPA Evolution and other disruption on the horizon, we know licensure requirements will continue to change and evolve. The current Ethics CPE requirement is structured with utmost flexibility for the VBOA to train licensees on as little or as much regulatory change as needed now and in the future. The remainder of the time can be on ethics training that not only can be unique every year, but also can be training deemed acceptable by the VBOA.

### **Relevancy**

We understand and appreciate the VBOA's desire that the Ethics CPE requirement be considered relevant to CPAs taking the course. We believe the course can be designed using targeted content based on CPA practice areas while also providing core content needed by all CPAs.

As your current partner and the leading provider of continuing education for CPAs in Virginia, the VSCPA is extremely interested in working with the VBOA to explore an Ethics CPE requirement where core content needed by all licensees is taught to all, but where further content and case studies are targeted to specific practice areas. We envision a course targeting CPAs in tax, accounting and auditing, business and industry, as well as a general course. We also envision adding new practice areas as needed in the future. We agree the Ethics CPE requirement is best if it is relevant to CPAs while also providing key information they need as a licensee of the VBOA.

4309 Cox Road  
Glen Allen, VA 23060  
p (804) 270-5344  
f (804) 273-1741  
vscpa@vscpa.com  
www.vscpa.com

## Quality

We know the quality of the course and its content is a high priority for the VBOA, and we know many VBOA members were dissatisfied with the quality of content provided by some Ethics course providers in the past. Maintaining a course requirement that ensures accurate and clear information continues to be of utmost priority. We do not want to return to a time when CPAs mistakenly took poor quality courses, or worse, took courses that did not qualify for the VBOA's ethics requirement. We also want to be sure all providers are required to quickly and effectively address quality concerns of content or instructors.

## Administrative process

We believe the Ethics CPE requirement proposal would be highly cumbersome for the VBOA staff to administer. The current content outsourcing model eliminates this additional staffing work at no additional cost to the VBOA, and we are concerned the additional staff work could impact CPA license fees. Also, we do not believe the benefits outlined in the proposal outweigh the administrative burden we believe this change creates – the procurement process is performed by a separate agency and the process is an open, legal, and competitive process.

## Summary

In summary, we believe Virginia and the VBOA have always been leaders in the nation – the VBOA was one of the first two boards to enact licensure mobility and it has effectively run an independent board since moving out of the Department of Professional and Occupational Regulation. We urge you to consider how this proposal could easily move Virginia back to a system where quality and compliance suffered. Instead, we urge you to build on the success the current requirement has gained the VBOA, CPAs and the public you protect.

The VSCPA thanks you for the opportunity to provide our additional thoughts on this requirement, and we appreciate your consideration of our positions. If you have questions or would like to discuss any of these comments further, please contact any of us or President & CEO Stephanie Peters at (804) 612-9428 or [speters@vscpa.com](mailto:speters@vscpa.com).

Sincerely,  
VSCPA Executive Committee

Chair Gary Thomson, CPA  
President & CEO, Thomson Consulting

Chair-Elect Henry Davis, CPA  
Director of Finance and Budget, VCU

Vice Chair Melinda Coley, CPA  
Senior Director of Finance and Operations  
Westminster-Canterbury Chesapeake Bay

Vice Chair Anne Hagen, CPA  
CEO, Masonic Home of Virginia

Vice Chair George Forsythe, CPA  
Managing Partner, WellsColeman

Vice Chair Krystal McCants, CPA  
Principal, CST Group, CPAs, PC

Stephanie Peters, CAE  
President & CEO, Virginia Society of CPAs

**Public Comments Submitted to the Virginia Board of Accountancy**  
**May 19, 2020**  
**By**  
**Stephanie Peters, CEO**  
**The Virginia Society of Certified Public Accountants**

Thank you for the opportunity to provide comments on the Virginia-Specific Ethics Course proposal as outlined in the May 21, 2020 VBOA meeting materials.

I'd like to open by saying the VSCPA has worked collaboratively with the VBOA for many years, and we look forward to continuing to work with and support the VBOA, not only on the Ethics Course of the future, but in all areas that impact the CPA profession. We are proud of the work we have done with the VBOA in continuously improving the Virginia-Specific Ethics Course, and we are eager to continue that work.

As part of these comments, I have attached the February 24, 2020 letter to the VBOA from the VSCPA Executive Committee that details our position on the proposed changes to the Ethics Course as outlined in the May 21, 2020 VBOA Board meeting materials.

As we have previously stated, we believe the Ethics Course must evolve and improve upon the successes of past Ethics Courses, although we do not believe the new proposal accomplishes this. In sum, we are concerned that the new model will:

- Erode public protection;
- Increase non-compliance with VBOA statute and rules;
- Decrease course quality and effectiveness;
- Increase VBOA administrative time and cost.

Also, considering the current COVID-19 crisis and the tremendous uncertainty faced by CPAs, their businesses and organizations, CPE vendors and the VBOA itself, we believe attempting to implement a major change to the Ethics Course requirement in this environment would be burdensome and cause undue confusion amongst licensees. As you are aware, CPAs are extremely busy dealing with changes to federal law and government mandates, assisting clients navigating funding options to stay in business, and preparing their offices to slowly return to work. CPAs do not need an unexpected change to their Ethics CPE requirement that could impact their license and livelihood.

We hope you will consider renewing the Ethics contract with the VSCPA for the remaining two-year period, which goes through 2022. We are eager to work with you and your Ethics Committee on changes to the content that will be meaningful and relevant to Virginia CPAs. Maintaining the contract will not only allow Virginia CPAs to continue to take the course they know will count toward their license renewal, but it also allows you to evolve the course in a manner that is more meaningful and less disruptive.

Thank you for the opportunity to provide comments and our recent letter. I am happy to provide additional information or answer questions at any time.

Stephanie Peters  
CEO, Virginia Society of CPAs

Case No. 2019-170-130C

Hello Amanda,

Thank you for returning my phone call so promptly yesterday. I would like to confirm my desire to participate in the VBOA meeting on 5-21-20 by phone and to add the following to my previous statement on 10-31-2019:

First, I would like to thank the Board for the opportunity to come before it at this late stage of the process. I acknowledge that I have not been quick to respond to emails, letters, etc. and it has been to my own worry and detriment.

We own two retail packing and shipping stores, and as always, I have too many balls in the air at one time. Most recently, with Covid-19, we are down by three out of eight employees and have been since before Virginia shut down two months ago. All three employees are in high risk categories. One has cancer and is undergoing chemo, one is 65 with underlying upper respiratory issues, and one is 73. So, not only am I doing the bookkeeping for two retail stores, I am also scouring stores in a 20 mile radius on an almost daily basis in search of cleaning supplies, masks, and gloves to be able to sanitize the stores to keep our customers and employees safe, and I occasionally find myself behind the counters at the stores as well.

Second, I would like to reiterate that I have not been holding myself out as a CPA for over a decade. It was my understanding that I could activate my license by completing 120 hours of CPE. The reason that I renewed it each year was that we had small children and I thought that if anything should happen to my husband, I could provide a good living for our family by completing 120 hours of CPE and begin working in corporate or public accounting. I do not know the packing and shipping industry like my husband does. I know bookkeeping and accounting. I would not be able to keep the stores running without his expertise and thought I would use my CPA certificate in the event he was incapacitated or, God forbid, died. I know it sounds silly now but when our kids were infants and toddlers being able to provide for them was top in my mind.

Third, I have attached the CPE certificates that I mentioned to Ms. Glynn, CPA. As I told her, these were classes that were of interest to me personally as a small business owner as you can see by the titles on the classes. We were poised to open our second store and I wanted to make sure that I was handling various pay issues correctly and using QBO to it's fullest capacity in properly allocating income and expenses to two different stores. I was not trying to fulfill a CPE requirement because, again, I was in what I thought was an inactive status and not holding myself out as a CPA and was not aware that I needed CPE hours.

Fourth, recommendation #8 states that I not use the CPA title and remove any signage with the CPA title on it, etc. which implies that I have been using the title. I emphatically state again that I have not been holding myself out as a CPA. I have not used the CPA title nor have I had any signage digitally or in print for well over a decade that would indicate that I am actively or even inactively for that matter been practicing as a CPA.

My good name is a concern to me. That is the reason I have not held myself out as a CPA because it would have been breaking the rules that I understood to be in effect. Now, I find that at some point there were new rules put into place that I actually have to apply for Inactive status and I am on the brink of having my name entered in somewhere as being disciplined for not completing CPE and having the license that I did not use be suspended. Yes, I understand now that I should have checked to see if there were rule changes as each year went by, but it did not occur to me.

In making your decision, I would ask that you consider that I have not defrauded anyone or provided anyone with advice (good or bad), etc. as a CPA and decide to not punish me. But, if you find it necessary to punish me, I would ask that you consider not charging penalties. We are a small business in an environment of high unemployment resulting in reduced sales at both of our stores. We are struggling in many ways as it is, including financially.

I deeply regret not staying on top of the regulations pertinent to CPE in an inactive status and applying for inactive status when the rules changed. I also regret not communicating promptly to letters that have been sent to me.

Thank you in advance for allowing me to enter this statement into my file.

Sincerely,

Case No. 2019-171-131C.

Good evening Ms. Winters,

Regarding the 5.21.2020 meeting your email references, the following comments have been forwarded for your consideration.

1. To the best of my ability, I was not aware nor received 2018 communications on this subject. I became aware of this investigation on receipt of the 2019 communication late in the year. I received this late as I was overseas until 2 days prior to the deadline identified in the correspondence to enter data into the VBOA database and was unable to meet the deadline for data entry. I understand the committee may not believe this but regardless this is correct.
2. I have completed the required CPE of 40 hours for the years 2015, 2016 and 2017 and include pdf versions of the certificates of training for the CPE I completed in each of the years in question. I understand I have not entered this documentation in the VBOA database, but nonetheless I wanted to provide this committee documentation that I completed the required CPE for each of the 3 years in question. Given a second opportunity this documentation could be entered into the VBOA database as your organization requires.
3. I acknowledge I have shortfalls for CPE training for 2018 and 2019 and have made efforts in 2020 to address this shortfall in order to achieve the necessary 120 hours for the 3-year period 2018 - 2020.
4. Please note regarding the CPA license, I have not used the CPA license or designation in any capacity or any circumstances to include employment or any correspondence or communication - there has been no need for it's use or reference, and I do not anticipate using it in any capacity in the future.

Thank you for your time and consideration.

## Board Report

<b>Individual and firm license activity April 30, 2020</b>				
<i>Fiscal Period</i>	Period ending 4/30/20	Period ending 4/30/19	Year ending 6/30/2019	Year ending 6/30/2018
<b>REGULANTS</b>				
<b>Individuals</b>				
Active, licensed CPAs	27,147	26,794	26,282	26,318
Inactive, licensed CPAs	1,951	1,721	1,784	1,585
<b>Total Licensed CPAs</b>	<b>29,098</b>	<b>28,515</b>	<b>28,066</b>	<b>27,903</b>
Out-of-state licensees	8,756	8,628	8,435	8,330
Reinstatements - Individuals	155	137	162	178
New CPA licenses issued	1,095	1,085	1,133	1,227
Expired/voluntarily surrendered licenses	98	170	871	1,177
<b>Exam Candidates</b>				
<b>Number of first time exam candidates</b>	<b>1,045</b>	<b>1,127</b>	<b>1,624</b>	<b>1,675</b>
<b>Firms</b>				
<b>Total active, licensed CPA firms</b>	<b>1,190</b>	<b>1,167</b>	<b>1,126</b>	<b>1,177</b>
Reinstatements - Firms	8	9	10	10
New CPA firm licenses issued	59	36	38	74
Expired/voluntarily surrendered licenses	3	36	79	74

**Financial Report**  
**FY20 Budget vs. Actual Expenses**  
**As of April 30, 2020**

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<b><u>Salaries &amp; Benefits</u></b>	1,386,575	1,147,936	82.8%	1,175,925	1,174,172	1,103,143
<b>Total Salaries &amp; Benefits</b>	<b>\$ 1,386,575</b>	<b>\$ 1,147,936</b>	<b>82.8%</b>	<b>\$ 1,175,925</b>	<b>\$ 1,174,172</b>	<b>\$ 1,103,143</b>
<b><u>Contractual Services</u></b>						
1209 Charge Card Purchases (not distributed)	-	-	---	-	-	-
1211 Express Services	150	84	56.2%	134	722	-
1214 Postal Services	12,000	9,448	78.7%	9,984	12,886	7,975
1215 Printing Services	5,500	3,720	67.6%	4,537	5,487	5,245
1216 Telecommunications - VITA	13,500	8,037	59.5%	12,539	11,613	12,272
1217 Telecommunications - Nonstate (CallFire)	300	995	331.7%	100	100	600
1219 Inbound Freight	150	260	173.2%	56	160	418
1221 Organization Memberships (primarily NASBA)	8,090	7,690	95.1%	7,625	7,255	7,250
1222 Publication Subscriptions	1,271	3,505	275.8%	1,271	1,266	4,730
1224 Training - Courses, Workshops, Conferences	7,290	7,863	107.9%	4,822	11,459	8,914
1225 Employee Tuition Reimbursement	-	-	---	1,618	-	-
1227 Training-Transportation, Lodging, Meals, Incidentals	11,000	9,511	86.5%	4,567	23,825	10,933
1228 Employee IT Training Courses/Workshops and Conferences	-	-	---	91	-	91
1242 Fiscal Services (Credit Card Merchant Fees)	55,000	44,307	80.6%	34,498	48,558	53,790
1243 Attorney Services (Including OAG)	77,315	43,989	56.9%	62,020	51,736	24,844
1244 Mgmt. Services - NASBA/special accommodations - IT Support	34,000	22,216	65.3%	33,808	21,736	75,641
1245 Personnel Management Services	-	-	---	79	-	-
1246 Public Info/Public Relations (subscriptions)	3,470	4,484	129.2%	3,470	3,538	5,015
1247 Legal Services (Includes court reporting services)	1,500	2,688	179.2%	10,834	19,562	12,977
1252 Electrical Repair/Maintenance	-	-	---	-	-	90
1253 Equipment Repair/Maintenance	850	440	51.8%	823	-	-
1263 Clerical / Temp Services	-	-	---	-	2,754	2,475
1264 Food and Dietary Services	3,600	2,377	66.0%	3,585	3,236	2,156
1265 Laundry & Linen Services	25	-	0.0%	13	-	25
1266 Manual Labor Services (Includes shredding services)	3,720	450	12.1%	320	394	1,122
1268 Skilled Services	1,200	600	50.0%	1,138	-	-
1272 VITA Pass Thru Charges	133,205	122,944	92.3%	133,466	135,170	122,620
1273 Info Mgmt Design and Development Services (Project Manager and Website)	92,936	97,489	104.9%	108,923	94,600	-
1275 Computer Software Maintenance	74,800	6,435	8.6%	-	-	-
1278 VITA Information Technology Infrastructure Services	185,240	132,371	71.5%	146,380	119,126	90,483
1279 Computer Software Development Services	149,500	-	0.0%	234,015	346,155	-
1282 Travel - Personal Vehicle	7,500	5,770	76.9%	6,603	8,099	6,980
1283 Travel - Public Carriers	-	-	---	77	-	589
1284 Travel - State Vehicles	1,000	243	24.3%	200	652	619
1285 Travel - Subsistence and Lodging	1,500	1,221	81.4%	1,612	2,182	1,250
1288 Travel, Meal Reimburse - Not IRS Rpt	1,000	723	72.3%	824	1,423	730
<b>Total Contractual Services</b>	<b>\$ 886,612</b>	<b>\$ 539,861</b>	<b>60.9%</b>	<b>\$ 830,032</b>	<b>\$ 933,694</b>	<b>\$ 459,834</b>
<b><u>Supplies and Materials</u></b>						
1311 Apparel Supplies	-	-	---	-	-	248
1312 Office Supplies	4,500	1,191	26.5%	3,783	5,023	4,338
1313 Stationery and Forms	2,300	997	43.4%	1,844	2,028	2,214
1323 Gasoline (Enterprise vehicles)	250	87	34.7%	103	221	155
1335 Packaging and Shipping Supplies	800	351	43.8%	1,237	485	958
1342 Medical & Dental Supplies	50	-	0.0%	5	-	260

<u>Expenditure Type</u>	<u>FY20 Operating Budget</u>	<u>FY20 YTD Expenditures</u>	<u>% Expended</u>	<u>FY19 YTD Expenditures</u>	<u>FY18 YTD Expenditures</u>	<u>FY17 YTD Expenditures</u>
<b><u>Supplies and Materials, continued</u></b>						
1352 Custodian Repair & Maintenance	-	-	---	-	389	41
1353 Electrical Repair/Maintenance Materials	-	-	---	-	-	8
1362 Food & Dietary Supplies	525	442	84.2%	365	498	561
1363 Food Service Supplies	50	16	31.8%	56	62	107
1364 Laundry & Linen Supplies	-	-	---	-	-	24
1373 Computer Operating Supplies	4,100	823	20.1%	3,989	3,194	7,004
<b>Total Supplies &amp; Materials</b>	<b>\$ 12,575</b>	<b>\$ 3,907</b>	<b>31.1%</b>	<b>\$ 11,382</b>	<b>\$ 11,900</b>	<b>\$ 15,919</b>
<b><u>Transfer Payments</u></b>						
1413 Awards & Recognition	150	-	0.0%	1,033	848	863
1418 Incentives	1,200	725	60.4%	325	-	410
<b>Total Transfer Payments</b>	<b>\$ 1,350</b>	<b>\$ 725</b>	<b>53.7%</b>	<b>\$ 1,358</b>	<b>\$ 848</b>	<b>\$ 1,273</b>
<b><u>Continuous Charges</u></b>						
1512 Automobile Liability Insurance	231	-	0.0%	231	231	231
1516 Property Insurance	1,224	-	0.0%	1,224	1,224	1,224
1534 Equipment Rentals	8,112	5,463	67.3%	8,507	8,645	8,460
1539 Building Rentals - Non-State Owned Facilities	95,918	79,360	82.7%	93,416	90,982	88,126
1541 Agency Service Charges (DOA, PSB, DHRM, & eVA)	36,434	5,862	16.1%	37,335	38,169	36,071
1551 General Liability Insurance	188	-	0.0%	188	188	188
1554 Surety Bonds	40	-	0.0%	40	40	40
1555 Worker's Compensation	1,044	-	0.0%	1,044	978	968
<b>Total Continuous Charges</b>	<b>\$ 143,191</b>	<b>\$ 90,685</b>	<b>63.3%</b>	<b>\$ 141,985</b>	<b>\$ 140,457</b>	<b>\$ 135,308</b>
<b><u>Equipment</u></b>						
2216 Network Components	1,500	1,357	90.4%	452	341	1,117
2217 Other Computer Equipment	500	97	19.4%	1,590	685	300
2218 Computer Software Purchases	-	388	---	419	540	2,157
2223 Exhibit Equipment	-	-	---	-	-	-
2224 Reference Equipment	50	-	0.0%	32	80	26
2231 Electronic Equipment	-	-	---	-	-	164
2232 Photographic Equipment	-	-	---	-	552	845
2233 Voice and Data Transmission Equipment	-	23	---	511	164	-
2238 Electronic and Photo Equipment Improvements (Board Rooms)	-	-	---	3,791	6,125	-
2261 Office Appurtenances (Blinds, Carpet, etc.)	150	687	457.9%	348	94	-
2262 Office Furniture	5,000	385	7.7%	5,666	555	3,375
2263 Office Incidentals	500	568	113.6%	109	969	2,646
2264 Office Machines	-	-	---	412	65	928
2268 Office Equipment Improvements	-	-	---	-	-	129
2271 Household Equipment	-	-	---	-	-	342
<b>Total Equipment</b>	<b>\$ 7,700</b>	<b>\$ 3,505</b>	<b>45.5%</b>	<b>\$ 13,330</b>	<b>\$ 10,170</b>	<b>\$ 12,029</b>
<b>Total Expenses</b>	<b>\$ 2,438,003</b>	<b>\$ 1,786,618</b>	<b>77.4%</b>	<b>\$ 2,174,012</b>	<b>\$ 2,271,240</b>	<b>\$ 1,727,506</b>
<b>Chapter 854 Appropriation</b>	<b>\$ 2,104,195</b>					
<b>Additional Appropriation Approved</b>	<b>204,300</b>					
<b>Total FY20 Appropriation</b>	<b>\$ 2,308,495</b>					

<b>\$ 2,104,195</b>	<b>Chapter 854 Appropriation</b>
<b>333,808</b>	<b>Original Appropriation Request</b>
<b>\$ 2,438,003</b>	<b>Approved FY20 Budget</b>

**Virginia Board of Accountancy  
Financial Report  
Cash Balance  
As of April 30, 2020**

	<b>Operating Fund (09226)</b>		<b>Special Fund (02020)</b>	
	<b>FY2020 - YTD as of 4/30/20</b>	<b>FY2019 - YTD as of 4/30/19</b>	<b>FY2020 - YTD as of 4/30/20</b>	<b>FY2019 - YTD as of 4/30/19</b>
<b>Beginning Fund Balance July 1:</b>	\$ 681,659	\$ 614,003	\$ 4,405,230	\$ 3,700,807
YTD Revenue Collected *	1,134,277	1,717,129	66,040	52,659
Accounts Payable **	15,000	6,290	-	-
Cash Transfers In per Board Policy #1	868,979	(74,675)	-	(417,083)
Cash Transfers Out per Board Policy #1	-	417,083	(868,979)	74,675
YTD Expenditures	(1,786,618)	(1,878,514)	-	-
<b>Cash Balance before required transfers</b>	<b>\$ 913,296</b>	<b>\$ 801,316</b>	<b>\$ 3,602,291</b>	<b>\$ 3,411,058</b>
<b>Required Cash Transfers:</b>				
Transfers to Central Service Agencies ***	\$ (11,302)	\$ (11,302)	-	-
<b>Cash Balance after required transfers</b>	<b>\$ 901,994</b>	<b>\$ 790,014</b>	<b>\$ 3,602,291</b>	<b>\$ 3,411,058</b>

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

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

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

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

Fee Type	FY2020 - YTD as of 4/30/20	FY2019 - YTD as of 4/30/19	Fiscal Year Ending 6/30/19	Fiscal Year Ending 6/30/18	Fiscal Year Ending 6/30/17
Application Fee	\$ 211,970	\$ 235,320	\$ 300,895	\$ 309,965	\$ 333,960
(a) Re-Exam Application	\$ 68,440	\$ 78,540	\$ 95,420	\$ 90,580	\$ 115,480
(b) Renewal Fee	\$ 830,090	\$ 1,316,236	\$ 2,328,986	\$ 1,859,054	\$ 2,086,540
Reinstatement Fee	\$ 58,250	\$ 53,500	\$ 63,600	\$ 64,570	\$ 45,775
Duplicate Wall Certificate Fee	\$ 1,650	\$ 1,500	\$ 1,850	\$ 1,950	\$ 1,775
License Verification Fee	\$ 13,475	\$ 15,775	\$ 18,950	\$ 20,025	\$ 20,487
CPA Exam Score Transfers	\$ 1,525	\$ 1,650	\$ 1,950	\$ 2,325	\$ 2,075
Failure to Respond to Board Requests	\$ -	\$ -	\$ -	\$ -	\$ 5,100
Administrative Fee	\$ -	\$ -	\$ -	\$ 1,000	\$ 5,100
Bad Check Fee	\$ 263	\$ 50	\$ 50	\$ 150	\$ 50
<b>Total Revenue</b>	<b>\$ 1,185,663</b>	<b>\$ 1,702,571</b>	<b>\$ 2,811,701</b>	<b>\$ 2,349,619</b>	<b>\$ 2,616,342</b>
<b>(c) Net Fee Revenue per Commonwealth Accounting and Reporting System (Cardinal)</b>	<b>\$ 1,124,808</b>	<b>\$ 1,709,040</b>	<b>\$ 2,870,760</b>	<b>\$ 2,338,729</b>	<b>\$ 2,604,132</b>
<b>(d) Difference</b>	<b>\$ 60,855</b>	<b>\$ (6,469)</b>	<b>\$ (59,059)</b>	<b>\$ 10,890</b>	<b>\$ 12,210</b>

**NOTES:**

- (a) Effective January 5, 2016, VBOA implemented the Re-Exam Application fee.
- (b) Renewal Fee also includes associated late fees prior to FY19.
- (c) Net Revenue per Cardinal reported above includes only revenue received from regulatory fees.
- (d) Revenue Totals from the VBOA Licensing System (MLO) will not always match Revenue collected and reported on the VBOA Cash Report (Cardinal), due to timing differences in dates transactions are posted into each system and pending adjustments.

**Virginia Board of Accountancy  
Financial Report  
Accounts Receivable  
As of April 30, 2020**

	<b>FY2020 - YTD as of 4/30/20</b>	<b>FY2019 - YTD as of 4/30/19</b>	<b>Fiscal Year Ending 6/30/19</b>	<b>Fiscal Year Ending 6/30/18</b>	<b>Fiscal Year Ending 6/30/17</b>
Fines levied	\$ 80,925	\$ 173,373	\$ 221,523	\$ 326,285	\$ 187,925
Fines collected	\$ 97,794	\$ 161,469	\$ 191,199	\$ 258,879	\$ 198,771
Outstanding Current fines receivable (< 365 Days)	\$ 36,641	\$ 93,910	\$ 60,230	\$ 92,026	\$ 25,442
Outstanding Written-off receivables (=> 365 Days) (a)	\$ 660,813	\$ 602,243	\$ 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.

## ENFORCEMENT REPORT

	As of 5/1/2020	Year ending 6/30/19	Year ending 6/30/18	Year ending 6/30/17
<b>ENFORCEMENT</b>				
Number of new enforcement cases	53	49	85	82
<i>Types of Complaints</i>				
Unlicensed activity	24	14	20	45
Other disciplinary matters	29	35	65	37
<b>CPE COMPLIANCE REVIEWS</b>				
Number of CPE audits requested	780 <sup>1</sup>	1325	2402	2022
<i>Status of CPE Compliance Reviews</i>				
Audits resulting in compliance	506	1116	2001	1594
Audits resulting in deficiency	66	145	401	428
Audits open/pending review	208	0	0	0
<b>CPE Audit Deficiency Rate</b>	<b>12%</b>	<b>11%</b>	<b>17%</b>	<b>21%</b>

---

<sup>1</sup> Number does not include Inactive or recently audited

## Enforcement Report - May 21, 2020 Board Meeting

Case Statistics	As of May 8, 2020	As of January 31, 2020*	Open Case Status for Non-CPE Cases	As of May 8, 2020	As of January 31, 2020*
All Cases	160	128	1 Investigation Ongoing	32	24
Open Cases (Non-CPE)	77	66	2 Pending Investigative Report	14	13
≥ 160 Days	38	36	3 Pending Probable Cause Review	17	15
<b>Source of Referrals</b>			4 Pending IFF	5	3
<b>Internal</b>	101	79	5 Pending Presiding Officer's Recommendation/Consent Order	0	0
Licensing			6 Pending Signed Consent Order from Respondent	4	1
» Self-Report	2	4	7 Pending Board Approval	4	8
» Failure to Disclose	7	6	8 Pending Board Request for Add'l Info	1	2
» Eligibility	0	0	9 Deferred (Pending Trial, Litigation, Regulatory Review, etc.)	0	0
Enforcement	9	7	<b>Types of Open Cases</b>		
CPE Division	83	62	PR Peer Review	2	5
<b>Interagency</b>	10	8	CPE CPE Deficiency	83	62
AICPA	3	0	D Disciplinary	42	32
FSBA	1	2	E Eligibility	0	0
DOL	1	1	U Unlicensed Activity	33	29
NASBA	1	1	» Firms	12	9
SEC	1	1	» Individuals	21	20
Other State BOA	2	2			
State of Hawaii	1	1			
<b>Public</b>	49	41			
Anonymous	7	8			
Named	42	33			

\*These statistics represent the status of open cases through February 14, 2020. Future Enforcement Board Meeting reports will reflect numbers as of the appropriate month's end.

**Status of Open Cases as of May 8, 2020**

**By Days Open**

<b>Case No.</b>	<b>Case Summary</b>	<b>Next Action</b>	<b>Days Open</b>
2015-D0012	Due Professional Care	Investigation Ongoing	1215
2016-0007PR	CPA Firm Dropped From AICPA Peer Review Program	Pending Board Request for Add'tl Information	1106
2016-0005D	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending IFF	1075
2016-0013D	Due Professional Care	Assigned for Probable Cause Review	1038
2016-0017D	Due Professional Care	Pending Closure	986
2017-117-026U	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Assigned for Probable Cause Review	776
2019-108-019D	False, Misleading or Deceptive Acts in Promoting or Marketing Professional Services	Pending IFF	602
2019-109-005U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending IFF	602
2018-243-010D	Due Professional Care	Investigation Ongoing	527
2019-041-003D	Due Professional Care	Pending Investigative Report	527
2018-425-005U	Unlicensed Use of CPA Title	Pending IFF	506
2018-371-014D	Due Professional Care	Pending Investigative Report	485
2018-436-024D	Due Professional Care	Assigned for Probable Cause Review	464
2019-178-101D	Action by Other State Board of Accountancy	Pending Investigative Report	443
2019-037-001U	Unlicensed Use of CPA Title	Pending Signed Consent Order	389
2019-039-002D	Due Professional Care	Assigned for Probable Cause Review	389
2019-048-020D	Due Professional Care	Pending Signed Consent Order	363
2019-246-021D	Due Professional Care	Pending Investigative Report	352
2019-099-004U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Investigation Ongoing	337
2019-247-022D	Due Professional Care	Investigation Ongoing	337
2019-085-018D	Due Professional Care	Pending Investigative Report	327
2019-117-008U	Unlicensed Use of CPA Title	Investigation Ongoing	325

**Status of Open Cases as of May 8, 2020**

**By Days Open**

<b>Case No.</b>	<b>Case Summary</b>	<b>Next Action</b>	<b>Days Open</b>
2019-118-009U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Investigation Ongoing	325
2019-179-015U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Assigned for Probable Cause Review	303
2019-130-097D	Action by Other State Board of Accountancy	Pending Signed Consent Order	294
2019-044-020D	Due Professional Care	Pending Investigative Report	283
2019-131-010U	Unlicensed Use of CPA Title	Pending IFF	261
2019-133-099D	Due Professional Care	Assigned for Probable Cause Review	249
2019-046-008U	Unlicensed Use of CPA Title	Pending Investigative Report	236
2019-134-100D	Embezzlement during the course of practice	Pending Investigative Report	229
2019-177-014U	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Assigned for Probable Cause Review	228
2019-129-009U	Unlicensed Use of CPA Title	Pending Signed Consent Order	214
2019-211-103D	Due Professional Care	Assigned for Probable Cause Review	195
2019-193-015U	Unlicensed Use of CPA Title	Pending Investigative Report	179
2019-212-016U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Investigative Report	179
2019-176-014U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Board Approval (June Board Mtg.)	178
2019-249-026U	Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Closure	165
2019-213-017D	Due Professional Care	Investigation Ongoing	162
2019-222-017U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	158
2019-221-018D	Embezzlement during the course of practice	Pending Investigative Report	149
2019-205-017U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	146
2019-223-019D	Due Professional Care	Investigation Ongoing	145
2019-225-019U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	139

**Status of Open Cases as of May 8, 2020**

**By Days Open**

<b>Case No.</b>	<b>Case Summary</b>	<b>Next Action</b>	<b>Days Open</b>
2019-224-018U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Investigative Report	133
2019-226-001PR	Offering, Advertising or Performing Services Restricted to CPA Firm Licensure without peer review enrollment	Investigation Ongoing	131
2019-251-024D	Due Professional Care	Pending Closure	129
2019-248-025U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	127
2019-227-020D	Due Professional Care	Investigation Ongoing	122
2019-229-021U	Unlicensed Use of CPA Title	Pending Investigative Report	118
2019-252-027U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	115
2019-228-020U	Offering, Advertising, or Performing Services Restricted to CPA Firm Licensure without a CPA Firm License	Pending Investigative Report	109
2019-230-022U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	108
2019-232-024U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	104
2019-231-023U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	103
2019-250-023D	Due Professional Care	Investigation Ongoing	100
2020-002-001U	Unlicensed Use of CPA Title	Assigned for Probable Cause Review	86
2020-001-001D	Due Professional Care	Investigation Ongoing	79
2020-003-002D	Due Professional Care	Investigation Ongoing	74
2020-004-003D	Due Professional Care	Investigation Ongoing	73
2020-005-002U	Unlicensed Use of CPA Title	Investigation Ongoing	72
2020-010-003U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a CPA firm license	Investigation Ongoing	64
2020-011-004U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a CPA firm license	Investigation Ongoing	54
2020-012-005U	Unlicensed Use of CPA Title	Investigation Ongoing	55
2020-013-004D	Due Professional Care	Investigation Ongoing	54
2020-014-005D	Embezzlement during the course of practice	Investigation Ongoing	53
2020-015-006D	Due Professional Care	Investigation Ongoing	50

**Status of Open Cases as of May 8, 2020**

**By Days Open**

<b>Case No.</b>	<b>Case Summary</b>	<b>Next Action</b>	<b>Days Open</b>
2020-016-007D	Due Professional Care	Investigation Ongoing	50
2020-017-008D	Due Professional Care	Investigation Ongoing	50
2020-018-009D	Due Professional Care	Investigation Ongoing	47
2020-019-010D	Due Professional Care	Investigation Ongoing	25
2020-020-006U	Offering, Advertising or Performing Services Restricted to CPA firm licensure without a CPA firm license	Investigation Ongoing	23
2020-021-010D	Due Professional Care	Investigation Ongoing	22
2020-022-011D	Due Professional Care	Investigation Ongoing	21
2020-023-012D	Due Professional Care	Investigation Ongoing	16
2020-024-013D	Due Professional Care	Investigation Ongoing	13
2020-025-007U	Unlicensed Use of CPA Title	Investigation Ongoing	7
2020-026-008U	Unlicensed Use of CPA Title	Investigation Ongoing	7

## **NASBA Report for VBOA Meeting May 23, 2020**

### **Education Committee Meeting 3/25/2020**

- Zoom meeting – presentation by Dan Dustin & Colleen Conrad on CPA Evolution progress (similar to what was presented to state board members by Laurie Tish NASBA chair on Regional Zoom calls in March)
- Reviewed UAA proposed changes to UAA Model Rules 5-1 and 5-2 education requirements. Committee members were overall in favor of the changes and while a few had additional suggestions, Dan Dustin explained that we were trying to conform to what the majority of states already have in their rules so there would only be minor changes to get through their legislatures.

### **UAA Committee Meetings**

*March 30, 2020*

- Voted to accept the proposed changes to UAA Model Rules 5-1 and 5-2 education requirements.

*May 18, 2020*

- NOCLAR update
- Firm experience – delayed until CPA Evolution is passed

### **NASBA Virtual Board Meeting April 24, 2020**

- Treasurer Mike Fritz and CFO Michael Bryant presented and discussed NASBA's financial statements as of February 29, 2020 and discussed the "tale of two years" due to Coronavirus – As of February the financial picture was on track with budget but due to the pandemic the last part of the fiscal year will be challenging. Steps have been taken to mitigate the economic impact.
- Executive Director liaison Grace Berger reported on the Virtual ED Conference and thanked NASBA staff for the support provided to the State Boards during this time in response to various issues caused by COVID-19 especially in regards to extending conditional credit in regards to the 18 month window.
- A presentation was given by NASBA Chief Sourcing and Strategy Officer Chery Farrar and CFO Bryant in regards to NASBA's strategic plan. Metrics and allocation of expenses especially in regards to mission spending were discussed. A majority of the Board agreed to the direction of this project.
- Chair Tish and COO Conrad updated the Board on the progress of the CPA Evolution Initiative. The pandemic has not slowed this down and discussion with students and educators continue and gain momentum. Possible model curriculum and internships will be developed.

- Education Chair Saunders updated the Board on the Education Committees involvement in the review of the proposed UAA rules relating to education. Grant Task Force Chair Jason Peery reviewed the recommended recipients of NASBA accounting education research grants and two grants totaling \$10,040 were accepted.
- UAA Chair Coalter Baker discussed the proposed changes to UAA Model Rules 5-1 and 5-2. Coalter Baker moved to approve for exposure for comment the amended education requirements in UAA Model Rules 5-1 and 5-2 contingent upon the successful passage of the AICPA Council resolution supporting the advancement of the CPA Evolution Initiative at the May 2020 Council meeting. The exposure period would be for 90 days. The motion passed.
- Nominations Committee Chair Janice Gray discussed that the Nominating Committee would be interviewing the vice chair candidates and holding the nomination committee meetings through Zoom as it is considered “face to face.” She recommended that the Bylaws will want to address this issue.
- Mike Fritz has been nominated for the Vice Chair Position in May 2020
- CBT Chair Tyrone Dickerson stated the committee had met in March and April to discuss Prometric closing and opening of testing centers and information provided to exam candidates. Testing in India has been announced and could start in June 2020.
- Relations with Member Boards Committee Chair Jack Emmons updated the Board on the quarters Focus Questions and the challenges of holding virtual Regional Meetings in June. No “new member orientation” will be held but the directors and communication team will work on a “Know before you go” presentation to help new members. They are considering 1 ½ days of which the 1<sup>st</sup> day will be presentations and the next day will be breakout sessions. Nominating Committee elections in a few regions will need to take place and procedures will be provided.

***Note WESTERN REGIONAL VIRTUAL MEETING IS JUNE 3 & 4  
EASTERN REGIONAL VIRTUAL MEETING IS JUNE 10 & 11***

***Mid-Atlantic will be voting for a nominating committee member & alternate – Marc Moyers term is completed. To qualify you must have attended a regional meeting, an annual meeting and served on a NASBA committee – if anyone is interested you need to submit a letter of interest and bio ASAP. <https://nasba.org/blog/2020/03/23/calling-future-nasba-leaders/>  
Feel free to contact me if you have any questions.***

### Timeline of Events

- Q1 CPA exam window closed March 10-31, 2020 (scheduled closed window).
- On March 17, 2020, Prometric announced testing centers would be closed through April 17, 2020.
- An “emergency testing window” was announced, the 2020 Q2 testing window will be eliminated.
- In response to the closure of testing centers NASBA’s CBT Administration Committee and Executive Directors Committee met and recommended that all candidates with NTS and credit expirations between April 1–June 30, 2020, be extended until Sept. 30, 2020. Virginia adopted this recommendation.
- Prometric extended the test center closures through May 1, 2020.
- Prometric then announced extended test center closures through May 31, 2020, with the exception of “essential services.” Accounting is an essential service and limited testing began where possible. Most of the Virginia testing centers were opened by mid-May. Capacity for testing was 50% or less and the centers were following CDC guidelines.



**Proposal:** Exam candidates who have an NTS or credits expiring from April 1 to December 30 to be extended until December 31, 2020-

**States indicating acceptance of proposed NTS extension**

- Alaska
- Alabama
- Arizona
- Colorado
- Connecticut
- D.C.
- Georgia
- Guam
- Hawaii
- Iowa
- Illinois
- Kansas
- Kentucky
- Minnesota
- Mississippi
- Montana
- North Carolina
- North Dakota
- New Mexico
- Nevada
- New York
- Oklahoma
- Pennsylvania
- Puerto Rico
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Utah
- Washington
- West Virginia

**States indicating acceptance of proposed credit extension**

24 states accepted:

- Alaska
- Alabama
- Arizona
- Connecticut
- D.C.
- Georgia
- Guam
- Illinois
- Kansas
- Kentucky
- Minnesota
- Mississippi
- North Dakota
- New Mexico
- Nevada
- Oklahoma
- Puerto Rico
- Rhode Island
- Tennessee
- Texas
- Utah
- Washington
- West Virginia

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

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

# VIRGINIA-SPECIFIC ETHICS COURSE

## VBOA-CREATED INTRODUCTION VIDEO

- Embedded in each ethics course
- Short summary (length could vary)
- Include any regulatory or policy changes, as necessary
- NASBA to assist with production

**Requirement:**  
2 hours annually for all  
Active CPAs

## ETHICS SPONSORS

VBOA will pre-approve all sponsors and courses beforehand.

Sponsors (such as Kaplan or firms such as PBMares, etc.) will have the option to:

- Fulfill the rest of the annual 2-hour requirement with their own ethics course
- Purchase an ethics course from a provider, like the VSCPA, to fill in the rest of the 2-hour requirement



Proposed format for Virginia-Specific Ethics Course 2021

## Virginia-Specific Ethics Course recommendations



This format follows VBOA Policy #4 that states:

“It is the intent of the VBOA that all CPE:

- (1) Meet the requirements of VBOA regulations 18VAC5-22-90 and 18VAC5-22-140
- (2) Provide course content pertinent to the profession
- (3) Assist the person who holds a Virginia license in becoming a better accounting professional”



## **Benefits to new format**

- The VBOA will manage the message completely with regulatory changes and updates, in our own voice to every CPA.
- Appeals to CPAs in different types of practices/industries
- More accessibility
- Lower cost overall for CPAs taking the course
- Being responsive to CPE survey results and feedback
- Increase efficiency to establish standard operating procedures for VBOA staff
- More in line with other boards of accountancy ethics format
- No need for RFP process or contract management



## **VBOA Ethics Committee responsibilities**

- Continue to outline the message for the year
- Members will assist in the audit of sponsor-led courses, as necessary
- Review evaluations of VBOA-created video
- Determine any tweaks for next year



## **VBOA administrative responsibilities**

### **Staff now:**

- Organize Ethics Committee meeting
- Develop Ethics Outline
- Review and edit video and course content
- Pre-approve sponsors
- Pre-approve instructors
- Manage all feedback and evaluations for the course
- Monitoring sponsor and instructor compliance
- RFP and contract management (The RFP process is time and resource intensive.)

### **Staff for new format:**

- Organize Ethics Committee meeting
- Develop Ethics Outline and provide direction to NASBA (or other vendor)
- Review and approve video
- Pre-approve courses based on established criteria
- Audit sample of courses (Ethics Committee)
- Conduct annual survey based on a random sample and collect feedback on a website form.

The proposed new format will require less staff resources and based on discussions with other State boards the process is easily streamlined.



## Other state boards of accountancy

We researched each state and held conversations with contacts from different state boards of accountancy.

34 jurisdictions either:

- Do not have an ethics requirement
- Have an ethics requirement, but do not specify what satisfies the requirement
- Generally state that professional/behavioral/regulatory/AICPA ethics are all accepted
- Deem any vendor listed by NASBA as acceptable

22 jurisdictions have some higher level of specificity:

- State-specific
- Board-approved
- State-specific **and** Board-approved



## Other state boards of accountancy

Some examples include:

- **Washington:** requires Washington-specific ethics courses
- **Ohio:** offers two types of ethics courses that each require sponsor approval
  - PSR (professional standards and regulations) for license renewal
  - Ohio-specific PSR for new licensees, reinstatements, and as part of disciplinary sanctions
- **Arkansas:** develops an ethics video training free of charge that is required to be completed by all licensees

States we spoke to have straightforward processes for both vendors and licensees. Approval process is based on a standard operating procedure that is easy to administer.

**Virginia** and **Tennessee** are the only states who have exclusive providers.



## Current ethics vendors

Vendors currently providing the Virginia-Specific Ethics Course often provide similar courses for other states and directly receive feedback on our current ethics requirement.

The VBOA spoke to a number of vendors, including smaller, local firms as well as major national providers, including PBMares, Thomas Reuters, and Professional Education Services (PES).

Each vendor, without prompting, echoed the same themes regarding the **current** Virginia-Specific Ethics Course:

- It is repetitive and not as relevant as it could be.
- The live-instructor requirement does not suit all learning needs.
- Due to the purchasing fees from the VSCPA, the course is more expensive to consumers compared to other similar courses.
- The idea of moving towards a more annual regulatory/policy update is appealing.
- Current course does not actually address issues that are often related to disciplinary action.

## VBOA Policy #2

**TITLE:**

Continuing Professional Education Guidelines for Sponsors

**EFFECTIVE DATE:**

**AUTHORITY:**

VBOA regulation 18VAC5-22-90

**POLICY STATEMENT:**

**VBOA-approved ethics course**

The Virginia Board of Accountancy (VBOA) requires that all people holding a Virginia license who have not been granted an exemption or waiver to complete on an annual basis a VBOA-approved ethics course of at least 2 hours that complies with VBOA regulation 18VAC5-22-90 and VBOA Policy #4. The required annual ethics course must be completed no later than January 31 of each year to meet the previous calendar-year requirement. No sponsor may provide the annual ethics course later than January 31 for the previous calendar year.

A VBOA-approved ethics course must include a specific VBOA review of professional standards and responsibilities. The VBOA will post approved courses and sponsors on its website.

Sponsors submitting courses to be approved for the VBOA ethics requirement must:

- Obtain the course contents/materials from the VBOA
- Have their course, which must include the specific VBOA-provided course content, pre-approved annually by VBOA staff
- Be listed on the VBOA's website as an approved course and sponsor

Sponsors will be required to demonstrate their compliance with the VBOA's policy on content/material prior to approval. Sponsors or courses not pre-approved annually by VBOA staff will not be recognized by the VBOA as an acceptable VBOA-approved ethics course. A person who holds a Virginia license will not be deemed to have met the annual ethics requirement if they complete a Virginia ethics course from a non-approved sponsor.

**Sponsors providing CPE other than the VBOA-approved ethics course**

With the exception of a Virginia-approved ethics course, the VBOA does not maintain agreements with sponsors, pre-qualify sponsors or individual courses, or require a person who holds a Virginia license to obtain CPE from specific sponsors. Sponsors are encouraged to comply with the Statement on Standards for CPE Programs issued jointly by the American Institute of Certified Public Accountants (AICPA) and National Association of State Boards of Accountancy (NASBA).

The VBOA generally accepts relevant and qualifying CPE from the following sponsors:

- National Registry of CPE Sponsors in affiliation with NASBA

- Quality Assurance Service in affiliation with NASBA
- Accredited college or university offering semester or quarter-hour credits
- Employer of a CPA
- Federal, state or local government
- State CPA society
- AICPA

The VBOA may accept hours of CPE from other sponsors. However, CPE obtained from sponsors not listed above may be subject to further examination and additional documentation requirements. Acceptance of hours of CPE is at the discretion of the VBOA.

At a minimum, sponsors must provide licensees 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 hours of CPE earned.

**APPROVAL AND REVIEW:**

This VBOA policy was reviewed on May 21, 2020.

**SUPPRESSION:**

This VBOA policy replaces Board Policy #2 that was effective on December 31, 2018.

**VBOA CHAIR AT**

**LAST REVIEW:**

D. Brian Carson, CPA, CGMA

**VBOA MEMBERS AT**

**LAST REVIEW:**

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

**EXECUTIVE DIRECTOR:**

Nancy J. Glynn, CPA

## VBOA Policy #4

**TITLE:**

Continuing Professional Education Guidelines for CPAs

**EFFECTIVE DATE:**

September 30, 2019

**AUTHORITY:**

Code of Virginia §§ 54.1-4409.2 and 54.1-4413.2 and VBOA regulations 18VAC5-22-90 and 18VAC5-22-140

**POLICY STATEMENT:**

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

**General guidelines**

Persons who hold a Virginia license must obtain 120 hours of CPE during a rolling three-calendar-year reporting period. For each calendar year within the reporting period, the person must obtain a minimum of 20 hours of CPE that must include a VBOA-approved ethics course of at least 2 hours. If the person releases or authorizes the release of reports on attest services, compilation services, or financial statement preparation services during the calendar year, the person must obtain a minimum of 8 hours of CPE related to those services in that same calendar year, which are included as part of the annual minimum and reporting period minimum.

CPE requirements for persons who have been newly issued a Virginia license can be found in VBOA regulation 18VAC5-22-90(B). CPE requirements for a person wishing to reinstate a Virginia license or wishing to transition the status of their Virginia license from Inactive back to Active can be found in VBOA regulation 18VAC5-22-90(C).

The VBOA recognizes that 50 minutes of CPE participation equals one hour of CPE. Conversion of semester hours or quarter hours from an accredited college or university into hours of CPE can be found in VBOA regulation 18VAC5-22-90(F)(3). CPE requirements may be adjusted depending upon when a person who holds a Virginia license begins or ceases to provide services to the public or to or on behalf of an employer in accordance with VBOA regulation 18VAC5-22-90. Specific questions may be addressed by contacting the VBOA. All persons who hold a Virginia license have until January 31 to complete the previous calendar year's CPE requirements.

**VBOA-approved ethics course**

The VBOA requires that all people who hold a Virginia license complete on an annual basis a VBOA-approved ethics course of at least 2 hours, unless the person has been granted the Inactive status for their Virginia license or the VBOA has granted a waiver of this requirement.

The 2-hour VBOA-approved 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.

People who hold a Virginia license must complete the VBOA-approved ethics course no later than January 31 of each year to meet the previous calendar-year requirement. No sponsor may provide the annual ethics course later than January 31 for the previous calendar year.

The VBOA-approved ethics course must include the specific VBOA review of professional standards and responsibilities. Licensees must complete a VBOA-approved ethics course annually.

It is the responsibility of a person who holds a Virginia license to ensure that sponsors providing the VBOA-approved ethics course are listed on the VBOA's website as an approved sponsor of this course. A person who holds a Virginia license will not be deemed to have met the annual ethics requirement if they complete an ethics course from a non-approved sponsor.

People who hold a Virginia license 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 hours of CPE earned.

If the person also holds the license of another state and Virginia is not his principal place of business, the ethics course taken to comply with this subsection either shall conform with the requirements prescribed by the VBOA or shall be an ethics course acceptable to the board of accountancy of another state in which the person holds a license.

#### **Qualifying CPE other than the VBOA-approved ethics course**

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

A variety of continuing professional education is acceptable, as specified in VBOA regulations.

The VBOA will determine on a case-by-case basis the acceptability of other forums for CPE not otherwise specified in regulation. Restrictions on specific forums for CPE are found in VBOA regulations. Acceptance of hours of CPE is at the discretion of the VBOA.

The VBOA has also approved that Continuing Education (CE), Continuing Education Units (CEU), Continuing Legal Education (CLE), Continuing Medical Education (CME), and Quality Assurance Service (QAS) are acceptable as hours of CPE.

With the exception of the VBOA-approved ethics course, the VBOA does not currently require people who hold a Virginia license to obtain CPE from specific or approved sponsors.

#### **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 people who hold a Virginia license for CPE compliance. The VBOA will notify licensees selected for a CPE compliance review. If selected, a person will be required to submit acceptable CPE documentation to verify compliance through a means determined by the VBOA. As a function of this CPE review process, a person may be required to provide additional documentation as requested by the VBOA to support compliance.

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

#### **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 hours of CPE 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 producing written material relevant to CPAs who provide services to the public or to or on behalf of 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.

#### **Retention requirements for CPE documentation**

People who hold a Virginia license must retain CPE documentation for the four calendar years preceding the current calendar year.

**CPE violations**

As the result of a CPE compliance review, the VBOA may find that a person who holds a Virginia license has violated the CPE requirements during the reporting period. In such cases, enforcement action may be taken and the person will generally be offered a consent order and be subject to disciplinary action.

A person who holds a Virginia license may also determine on their own, outside of a CPE compliance review, that they are deficient in CPE for a specific reporting period. The person should notify the VBOA immediately when it is determined that a CPE deficiency has occurred.

In accordance with VBOA regulations, 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.

This VBOA policy was reviewed on [May 21, 2020](#).

This VBOA policy replaces Board Policy #4 that was approved on [September 30, 2019](#).

D. Brian Carson, CPA, CGMA, Chair

Laurie A. Warwick, CPA, Vice Chair

Matthew P. Boshier

W. Barclay Bradshaw, CPA

William R. Brown, CPA

Nadia A. Rogers, CPA

Stephanie S. Saunders, CPA

Nancy J. Glynn, CPA

**APPROVAL AND REVIEW:****SUPPRESSION:****VBOA CHAIR AT  
LAST REVIEW:****VBOA MEMBERS AT  
LAST REVIEW:****EXECUTIVE DIRECTOR:**

## VBOA Policy #8

### Ethics Committee

**TITLE:****EFFECTIVE DATE:****AUTHORITY:**

Code of Virginia §§ 54.1-4409.1, 54.1-4409.2 and 54.1-4413.2 and VBOA regulation 18VAC5-22-90

**POLICY STATEMENT:**

The Virginia Board of Accountancy (VBOA) shall establish and maintain the Ethics Committee for the purpose of:

- Working with the VBOA member liaison and VBOA staff to develop a proposed outline for the following year's VBOA-approved ethics course, for presentation to the VBOA
- Reviewing the previous year's VBOA-approved ethics course content/material and making comments and/or recommendations for the VBOA's consideration
- Reviewing summary comments from VBOA-approved ethics course participants regarding content/material and/or instruction, and making comments and/or recommendations for the VBOA's consideration

The Ethics Committee shall consist of three or more persons, approved by the VBOA, who hold active Virginia licenses. No member of the Ethics Committee shall be current members of the VBOA or the Virginia Society of Certified Public Accountants' Board of Directors. Ethics Committee members shall be in good standing with all governing bodies including state boards of accountancy. The Ethics Committee member will be reimbursed for travel expenses in accordance with state travel guidelines.

Ethics Committee members shall generally serve a term of three years, with an option requiring approval by the VBOA for a second 3-year term. Terms may be modified to ensure continuity and rotation of Ethics Committee members. The VBOA reserves the right to terminate and/or modify member terms as necessary.

The Ethics Committee shall meet at least annually to develop and make a recommendation to the VBOA for a proposed outline for the next year's VBOA-approved ethics course.

**APPROVAL AND REVIEW:**

This VBOA policy was reviewed on May 21, 2020.

**SUPPRESSION:**

This VBOA policy replaces Board Policy #8 that was effective on December 31, 2018.

**VBOA CHAIR AT  
LAST REVIEW:**

D. Brian Carson, CPA, CGMA

**VBOA MEMBERS AT  
LAST REVIEW:**

Laurie A. Warwick, CPA, Vice Chair

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

**EXECUTIVE DIRECTOR:**

Nancy J. Glynn, CPA

---

**Virginia Board of Accountancy  
Elections of Officers for Fiscal Year 2021  
Date of Election May 21, 2020**

In accordance to the Virginia Board of Accountancy Bylaws adopted on February 25, 2020, the following nominations have been made for Officers to serve in these positions from July 1, 2020 through June 30, 2021.

Chair

- D. Brian Carson, CPA, CGMA (Current Chair)
- Laurie A. Warwick, CPA (Current Vice-chair)

Vice Chair

- William R. Brown, CPA
- D. Brian Carson, CPA, CGMA (Current Chair)
- Laurie A. Warwick, CPA (Current Vice-chair)

*Elections*

- A. Officers shall be elected at a meeting of the Board with a quorum present.
- B. Voting shall be by roll call vote. A simple majority shall prevail with the current Chair casting a vote only to break a tie.
- C. The election shall occur in the following order: Chair, Vice-Chair.