

Unified Regulatory Plan of the Virginia Board of Accountancy for State Fiscal Year 2024

Prepared on June 28, 2023

Description of Agency or Boards

The Virginia Board of Accountancy's (VBOA) mission is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of certified public accountants (CPA) and CPA firms. VBOA is authorized to qualify and issue CPA licenses to persons and firms to use the CPA title and practice public accountancy in the Commonwealth; to establish requirements for education, experience and examination for licensure; to establish requirements for the renewal or reinstatement of licenses; to establish requirements for CPA firm peer reviews; to establish continuing professional education requirements for the issuance, renewal or reinstatement of a license; to levy and collect fees sufficient to cover all expenses of the board; to initiate or receive complaints concerning licensed CPAs, CPA firms or unlicensed individuals or firms in the Commonwealth; to take disciplinary action if warranted; to set standards of practice for professional conduct; and to promulgate regulations for those purposes. Code of Virginia, Title 54.1, Chapter 44.

VBOA operates under the supervision of the Secretary of Finance and the 7 member board.

Title of Proposed Regulatory Action or Guidance Document

Revisions to Regulations Pertaining to Educational Accreditation

Brief Overview

VBOA anticipates revising 18VAC5-22-60 to streamline its process for determining whether a college or university is an accredited institution. Currently, VBOA's procedure is described as using a "task force" which provides a recommendation to the Board on whether or not an institution should be accepted. While the current process broadly follows this procedure, the language is remarkably unwieldy and can be simplified.

VBOA currently makes decisions on education policy with an ad hoc task force but would like to make it clear that the agency can evaluate educational institutions without the rigid language describing a "task force."

VBOA would also like to revise the language concerning "six major regional accrediting organizations," as recent changes to education accreditation in the US (and the breakup of several of the accrediting organizations) have begun to render this language obsolete.

These updates are anticipated to be noncontroversial.

**Regulatory Stage
(check one box)**☐ NOIRA☐ Proposed Rule☐ Final Rule☐ Emergency Rule☒ Fast-Track Rule**Additional
Description**☐ Expedited Rule☐ Exempt Rule☐ Guidance Document**Legal Authority**☐ Action required by federal statute☐ Action required by state statute☒ Discretionary action**Deregulatory
Component**

The changes proposed for this Chapter will streamline the accreditation process. The changes may potentially reduce at least one regulatory requirement for VBOA staff.

Expected Date

August 2023

Title of Proposed Regulatory Action or Guidance Document

Revisions to Regulations Pertaining to Education

Brief Overview

VBOA anticipates revising 18VAC5-22-70 to update the education requirements necessary to take the CPA examination in Virginia. The AICPA has released updates to the Uniform CPA Examination. It will be necessary to update Virginia's subject requirements in order to better prepare Virginia students to take the updated CPA exam.

Many Virginia students take the CPA exam in other states, and Virginia licenses CPAs who received their education in other states. It is important to maintain consistent education standards with other states in order to ensure reciprocity between Virginia and other US jurisdictions. Failure to update our education requirements for the CPA exam would adversely affect Virginia CPAs and the economy of the state in general.

VBOA is tentatively considering relaxing requirements for students who complete a master's degree in an accounting or finance-related field. North Carolina already includes similar language in their requirements, which greatly streamlines their examination process.

These updates are anticipated to be noncontroversial. VBOA is in contact with educators about the upcoming updates.

Regulatory Stage (check one box)	<input type="checkbox"/> NOIRA <input type="checkbox"/> Proposed Rule <input type="checkbox"/> Final Rule	<input type="checkbox"/> Emergency Rule <input checked="" type="checkbox"/> Fast-Track Rule
Additional Description	<input checked="" type="checkbox"/> Expedited Rule <input type="checkbox"/> Exempt Rule	<input type="checkbox"/> Guidance Document
Legal Authority	<input type="checkbox"/> Action required by federal statute <input checked="" type="checkbox"/> Action required by state statute	<input checked="" type="checkbox"/> Discretionary action
Deregulatory Component	The changes proposed for this Chapter will bring Virginia up to date on education standards. The changes may potentially reduce at least two regulatory requirements.	
Expected Date	August 2023	

Title of Proposed Regulatory Action or Guidance Document

Guidance Document on Continuing Professional Education

Brief Overview

VBOA is required § 54.1-4409.1, 18VAC5-22-90) to prescribe the “methods, fees, and continuing professional education requirements” for CPAs. VBOA already has a guidance document in place to provide guidelines for consent orders related to continuing professional education deficiency.

As voted upon by the Board, VBOA has drafted revisions to this guidance document. The revisions are intended to simplify the process (imposing a fixed monetary penalty per missing credit hour, rather than grouping respondents into “brackets”) and incidentally will reduce the overall penalties for deficient licensees. In the revised version, it will be more difficult for a license to be suspended solely for CPE deficiency.

Some VBOA policies are placed through the Guidance Document process out of an abundance of caution. In the event that said policies fall under the “rulings and advisory opinions” or “internal manuals and memoranda” exceptions listed in § 2.2-4002.1(A), formal regulatory action may not be necessary.

**Regulatory Stage
(check one box)**☐ NOIRA☐ Proposed Rule☐ Final Rule☐ Emergency Rule☐ Fast-Track Rule**Additional
Description**☐ Expedited Rule☐ Exempt Rule☒ Guidance Document**Legal Authority**☐ Action required by federal statute☒ Action required by state statute☒ Discretionary action**Deregulatory
Component**

VBOA anticipates that the guidance provided would be more equitable for CPAs and would increase efficiency in enforcement by VBOA.

Expected Date

August 2023

Title of Proposed Regulatory Action or Guidance Document Review and update, if necessary, all VBOA guidance documents	
Brief Overview VBOA is committed to continuing its review of policies and guidance documents. To that end, VBOA board members and staff will be going through its current slate of documents, as discussed at a June 2023 board meeting. VBOA will work to update the language of its documents to improve their readability and, if necessary, hold public comment periods for more extensive revisions.	
Regulatory Stage (check one box)	<input type="checkbox"/> NOIRA <input type="checkbox"/> Proposed Rule <input type="checkbox"/> Final Rule <input type="checkbox"/> Emergency Rule <input type="checkbox"/> Fast-Track Rule
Additional Description	<input type="checkbox"/> Expedited Rule <input type="checkbox"/> Exempt Rule <input checked="" type="checkbox"/> Guidance Document
Legal Authority	<input type="checkbox"/> Action required by federal statute <input checked="" type="checkbox"/> Action required by state statute <input checked="" type="checkbox"/> Discretionary action
Deregulatory Component	By revising its guidance documents, VBOA anticipates some deregulatory benefits will arise from removing obsolete or outdated guidance.
Expected Date	June 2024

Title of Proposed Regulatory Action or Guidance Document Revisions to Regulations Pertaining to Fees	
Brief Overview <p>VBOA tentatively anticipates revising 18VAC5-22-20 to create a more dynamic fee schedule. VBOA would like the ability to promptly update its fee structure along reasonable levels in order to fully fund expenditures while maintaining a minimum contingency fund (§§ 54.1-4405 and 54.1-4405).</p> <p>VBOA has recently had to make withdrawals from its Trust Account for the first time in history. VBOA has completed an initial 10-year financial forecast in preparation for fee updates.</p> <p>This proposed regulatory action is a long-term objective and may involve updates to statute.</p>	
Regulatory Stage (check one box)	<input type="checkbox"/> NOIRA <input type="checkbox"/> Proposed Rule <input type="checkbox"/> Final Rule <input type="checkbox"/> Emergency Rule <input checked="" type="checkbox"/> Fast-Track Rule
Additional Description	<input type="checkbox"/> Expedited Rule <input type="checkbox"/> Exempt Rule <input type="checkbox"/> Guidance Document
Legal Authority	<input type="checkbox"/> Action required by federal statute <input checked="" type="checkbox"/> Action required by state statute <input checked="" type="checkbox"/> Discretionary action
Deregulatory Component	The changes proposed for this Chapter will help maintain VBOA's long-term solvency and streamline the process for updating fees.
Expected Date	June 2024