



Happenings at VBOA

2024



Nancy Glynn, CPA, CFE
Executive Director, VBOA

Agenda

- ▶ Virginia Board of Accountancy Overview
- ▶ CPA Evolution Initiative Overview
- ▶ 2024 VBOA Highlights and New Initiatives
- ▶ Understanding Enforcement

Virginia Board of Accountancy



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Vice Chair, CPA



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CPA, CFE, CGFM



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CPA



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Public member



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CPA

Licensee and exam candidate numbers:

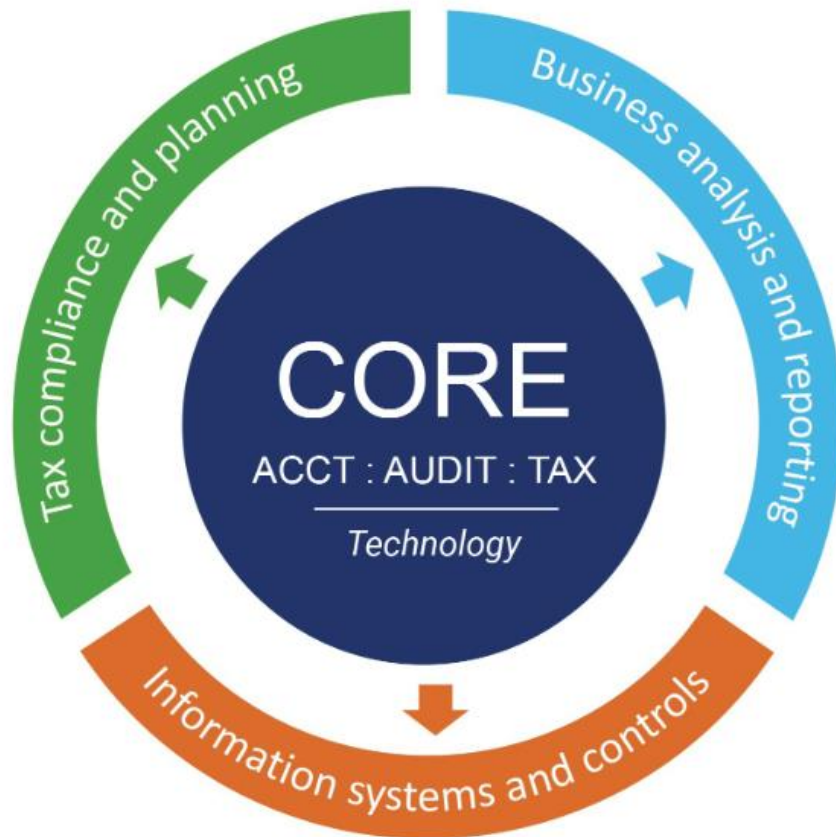
	6/30/24	6/30/23	Percentage Difference
Total licensed CPAs	28,848	28,646	1%
New licenses issued	781	940	(18.48%)
Number of first-time exam candidates	1,149	931	20.96%

- ▶ 447 new Virginia CPAs have been licensed in 2024 to date.

The CPA Exam and Pipeline

AICPA-NASBA CPA Evolution Initiative

AICPA-NASBA CPA Evolution launched in January 2024



- ▶ Strong core with accounting auditing, tax and technology
- ▶ Deeper knowledge in three primary disciplines
- ▶ Enhances public protection
- ▶ Reflects reality of practice
- ▶ Adaptive and flexible
- ▶ One CPA license

Source: AICPA & NASBA

CPA Exam so far in 2024

- ▶ 1,540 core scores were released to VBOA
 - May 29: 678
 - July 31: 862
- ▶ 288 discipline scores were released
 - April 24: 50
 - June 28: 94
 - Sept. 10: 144

CORE Score release schedule (AUD, FAR, REG)

TEST DATES:	SCORES RELEASED:
April 1-June 25	July 31
July 1-Sept. 25	Oct. 31
Oct. 1-Dec. 26	Feb. 2025*

**could be throughout Oct. 1-Dec. 26*

DISCIPLINE Score release schedule (BAR, ISC, TCP)

TEST DATES:	SCORES RELEASED:
July	Sept. 10
October	Dec. 10

Schedules are tentative and subject to change.

Source: NASBA

2024 CPA Exam Pass Rates					
Section	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Cumulative
AUD	44.63%	46.58%	—	—	45.71%
FAR	41.92%	40.58%	—	—	41.16%
REG	63.42%	63.45%	—	—	63.44%
BAR	42.94%	40.26%	—	—	41.04%
ISC	50.93%	57.93%	—	—	56.15%
TCP	82.36%	75.67%	—	—	78.16%

2023 CPA Exam Pass Rates					
Section	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Cumulative
AUD	47.01%	48.24%	45.65%	46.41%	46.75%
BEC	56.98%	59.16%	54.90%	38.17%	47.44%
FAR	41.82%	42.78%	44.08%	39.36%	42.12%
REG	58.63%	59.71%	59.13%	54.68%	57.82%

Virginia CPA Evolution and Pipeline initiatives

Credit relief initiative

The VBOA [approved credit relief](#) for those who had a credit that expired between January of 2020 and Nov. 30, 2023, and was not replaced with a new passing score. This was an expanded version of NASBA's [Credit Relief Initiative](#), a response to disruptions exam candidates faced during the COVID-19 pandemic.

30-month credit approval

The board [approved a motion](#) permanently changing the credit earning window from 18 to 30 months for all credits earned after Jan. 9, 2024. Any credits that were still active on Dec. 15 were also extended to have a lifespan of at least 30 months.

Re-exam fee suspension

The board temporarily [suspended the \\$20 fee](#) associated with re-exam requests until at least Jan. 1, 2025.



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OF ACCOUNTANCY

**CREDIT RELIEF
APPROVED**

Month and year credits earned	Original expiration date	New expiration with VBOA credit relief
July '18 – Dec. '18	Jan. '20 – June '20	6/30/2025
Jan. '19 – Dec. '19	July '20 – June '21	6/30/2025
Jan. '20 – Dec. '20	July '21 – June '22	6/30/2025
Jan. '21 – Oct. '21	July '22 – April '23	6/30/2025
Nov. '21 – May '22*	May '23 – Nov. '23	6/30/2025

Learn more at:
boa.virginia.gov/credit-relief-approved

Changes to VBOA educational requirements to sit for the CPA Exam

	Existing requirement <i>expiring 6/30/25</i>	New requirements <i>effective 7/1/23</i>
Exam candidates must obtain from one or more accredited institutions: <ul style="list-style-type: none"> • At least 120 semester hours of education. • Bachelor's or higher degree with an accounting concentration or equivalent. 	Yes	Yes
Accounting concentration/equivalent:		
24 semester credit hours (SCH) of accounting courses above the intro/foundational level that must include the following:	Yes	24 SCH required, no more than 3 of which can be intro/foundational accounting as determined by the VBOA
Accounting information systems	NO	Yes
Auditing	Yes	Yes
Financial accounting	Yes	Yes
Managerial accounting	Yes	NOT REQUIRED
Taxation	Yes	Yes
24 SCH of business courses <ul style="list-style-type: none"> • 6 SCH of VBOA accepted upper-level accounting courses can be included • must be in addition to 24 SCH required above 	Yes	Yes

FY 2024 at VBOA

New Policies, Initiatives, Enforcement

Recently approved or new initiatives

2024 SESSION

- ▶ VBOA-proposed bills, H.B. 1337 and S.B. 463 passed and became effective 7/1/2024.
- ▶ VBOA is implementing a new licensing system to improve user experience, self-service and security.
- ▶ Hot topic: 150 hours requirement for licensure.

[another bill?](#) | [print version](#)

HB 1337 Accountancy, Board of; powers and duties, repeals requirement for an annual audit of the Board.

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SUMMARY AS PASSED: ([all summaries](#))

Board of Accountancy; powers and duties. Repeals the requirement for an annual audit of the Board of Accountancy and amends several Code provisions relating to the Board. The bill changes the Secretariat of the Board from the Secretary of Commerce and Trade to the Secretary of Finance. The bill authorizes the Board to initiate complaints against (i) individuals or firms claiming to hold a Virginia license, as defined in the bill, and (ii) unlicensed individuals or firms using the certified public accountant title in Virginia, as defined in the bill. The bill also grants the Executive Director of the Board the power to request and receive reports from the Central Criminal Records Exchange in conjunction with the Executive Director's investigative and enforcement powers. Finally, the bill directs the Board to adopt emergency regulations to implement the provisions of the bill. This bill is identical to **SB 463**.

Firms using CPA title must be licensed

- ▶ Requirements surrounding use of the CPA title for firms went into effect July 1, 2024. See [§54.1-4412.1](#). “Licensing Requirements for Firms” for full requirements for firm licensure.
- ▶ If a firm whose [principal place of business](#) is **in Virginia** provides attest services, compilation services OR financial statement preparation services to persons or entities located in Virginia, the firm must hold a Virginia firm CPA license.
- ▶ A firm whose principal place of business is in Virginia and uses the CPA title in the firm name or in advertising, must hold a Virginia CPA license.
- ▶ A firm whose principal place of business is **not in Virginia** and it provides attest services, compilation services OR financial statement preparation services to persons or entities located in Virginia, must hold either a Virginia CPA license or a license from the jurisdiction where the firm is located. If the firm uses the CPA title, it must also hold either a Virginia CPA license or a license from the jurisdiction where the firm is located.

Frequently Identified Issues:

	Ending 5/31/2024
CPE Audits Selected	772
CPE Audits Passed	291
CPE Audits Deficient	117
CPE Audits Pending	364
CPE Deficiency Rate	29%

CPE Audit Report

- ▶ Understanding CPE types and requirements
- ▶ Understanding “Inactive” license status eligibility
- ▶ Use of the “CPA” title for individuals and firms
- ▶ The federal government’s Beneficial Ownership Information Reporting Rule went into effect on Jan. 1, 2024. It requires most entities to report information on their beneficial owners to FinCEN under the Corporate Transparency Act (CTA).

CPE deficiency increasing

CPE Audit Report as of May 31, 2024						
	Ending 5/31/2024	Year Ending 6/30/2023	Year Ending 6/30/2022	Year ending 6/30/2021	Year Ending 6/30/2020	Year Ending 6/30/2019
CPE Audits Selected	772	428	573	751	696	1366
CPE Audits Passed	291	319	432	597	544	1139
CPE Audits Deficient	117	109	141	154	152	227
CPE Audits Pending	364	0	0	0	0	0
CPE Deficiency Rate	29%	25%	25%	21%	22%	17%

- ▶ If you have any questions at any time, call VBOA. We are here to help and we want CPAs to be successful in their CPE audit.
- ▶ If you know you don't have all your CPE, do not wait to get audited. There are reduced fines for self-report and extra penalties if you falsely certify on your renewal application.

CPE compliance

ALL Active CPAs must complete the required 120 CPE hours over a rolling three-year period, with a minimum of 20 hours annually. The CPE requirement also includes completing a two-hour VBOA-approved ethics course annually and eight hours of A&A courses, if applicable.

- ▶ We use a rolling three calendar-year period, this includes the three calendar years prior to the current calendar year. CPE documentation must be retained for the four calendar years preceding the current calendar year.
- ▶ The deadline for obtaining CPE for the previous year is January 31. But cannot be double counted.
- ▶ It is the CPA's responsibility to track their CPE compliance and maintain their certificates. If you don't have proper documentation at the time of an audit you will not receive credit for those hours. VBOA does have a CPE tracking tool that you can use: **NASBA CPE Audit Service.**

Inactive Status



The Inactive status was approved by the VBOA for:

- ▶ Retired career CPAs.
- ▶ CPAs who are not working for an extended period (such as stay-at-home parents).
- ▶ Or CPAs who have completely changed careers (such as to an elementary school educator, registered nurse, or veterinary technician).

The Inactive status allows people in such circumstances to keep the CPA title in name only, without being held to the VBOA's CPE requirements.

You will not be eligible if you do any of the following ...

- ▶ Work or volunteer in any business roles, including tax preparation or professional consulting. Work or volunteer in any financial roles, including sales and marketing.
- ▶ Volunteer on boards that include a financial aspect, either by the nature of the board (banking, investments, etc.) or by committee assignments. *(Retired CPAs can provide a limited number of these hours annually.)*

If you are providing services to the public, or working in any business environment—including public accounting in any role, real estate, business, information security controls or project management—you will not be eligible for the Inactive status. Most actively employed Virginia CPAs will not be eligible for the Inactive status.

Use of title individuals

- ▶ Revised definition as of July 1, 2024
 - "Using the CPA title in Virginia" means the use of "CPA," "Certified Public Accountant," or "public accountant" in any manner of communication by any person, firm, or entity to persons or entities located in Virginia portraying such person, firm, or entity as being licensed or legally permitted to provide professional services in Virginia. Holding a Virginia license or the license of another state constitutes using the CPA title in Virginia.
 - The Board has the authority to promulgate additional guidance on using the CPA title in Virginia as necessary.

Can CPAs provide BOI reporting services?

The AICPA has a toolkit and FAQs for BOI reporting.

The guidance notes that generally FinCEN expects professional service providers, including CPAs, to provide services to entities related to their BOI reporting compliance required under the Corporate Transparency Act (CTA). In other words, it is within a CPA's scope of work to:

- ▶ Walk clients through FinCEN's "Small Entity Compliance Guide" and FAQ so the client understands the process they need to undergo to identify beneficial owners and, if applicable, company applicants.
- ▶ Prepare and submit the BOI report to FinCEN based on the information provided by the client.
- ▶ There has been speculation that some BOI services might be considered unauthorized practice of law (UPL). UPL is determined on a state-by-state basis (generally by the state's bar or attorney general) and, so far, no state has made this determination. For most entities, the clients can provide all the necessary information to comply with the BOI report without legal analysis. As in any engagement, if legal analysis is needed, the client should seek the assistance of a lawyer.

Enforcement Division

▶ **VBOA's enforcement team investigates complaints against:**

- Virginia licensees
- Licensees from another jurisdiction performing work in Virginia as a CPA under mobility
- Expired licensees or
- Non-licensees using the CPA title or performing services in Virginia restricted to CPAs

▶ **The enforcement team:**

- Coordinates investigations of matters with other agencies that involve significant loss of harm to Virginia citizens
- Increases adherence to licensing requirements and professional standards by licensed CPAs and licensed firms
- Resolves VBOA enforcement matters and adjudicate complaint cases in a timely manner
- Maintains the confidentiality of information obtained during investigations
- Monitors licensees disciplined by the VBOA
- Publicizes disciplinary actions necessary to protect the public

The complaint process

- ▶ Complaints are accepted through our online portal <https://boa.virginia.gov/consumers/file-a-complaint/> or in writing sent to our office via email or physical mail.
- ▶ The VBOA only investigates complaints received against:
 - CPAs and CPA firms alleged to have violated the Code of Virginia, Title 54.1 and Virginia Administrative Code, Chapter 22.
 - Non-CPAs and non-CPA firms for using the CPA title and for performing services restricted to licensed CPAs or CPA firms.



The screenshot shows the VBOA website's 'File a complaint' page. At the top is the VBOA logo and a navigation bar with links for CPA EXAM, INDIVIDUAL CPAS, FIRMS, ENFORCEMENT, CONSUMERS, and HOW DO I. A 'Login' button is also present. Below the navigation bar is a breadcrumb trail: Home > Consumers > File a complaint > Complaint form. The main heading is 'Complaint form'. To the left, under the 'Consumers' tab, are links for 'CHOOSING A CPA', 'FILE A COMPLAINT', 'WHAT IS A CPA?', and 'VIRGINIA FREEDOM OF INFORMATION ACT (FOIA) POLICY'. The main content area instructs users to complete the online form or print and mail it to the VBOA Enforcement Division at 9960 Mayland Drive, Suite 402, Henrico, VA 23233. Below this is the 'Online Complaint Form' section, which shows 'Step 1 of 6 - Complainant' with a 0% progress bar. The first question is 'Type of Allegation (select all that apply) *' with checkboxes for Audit and attestation services, Tax services, Due professional care, Practicing without a license, and Other.

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CPA EXAM ▾ INDIVIDUAL CPAS ▾ FIRMS ▾ ENFORCEMENT ▾ CONSUMERS ▾ HOW DO I ?

Home > Consumers > File a complaint > Complaint form

Consumers

CHOOSING A CPA
FILE A COMPLAINT
WHAT IS A CPA?
VIRGINIA FREEDOM OF INFORMATION ACT (FOIA) POLICY

Complaint form

Complete the **online form** below or [print out and complete the PDF version](#) of the form and mail to:

VBOA Enforcement Division
9960 Mayland Drive, Suite 402
Henrico, VA 23233
Fax: (804) 527-4207

Online Complaint Form

Step 1 of 6 - Complainant

0%

Type of Allegation (select all that apply) *

☐ Audit and attestation services
☐ Tax services
☐ Due professional care
☐ Practicing without a license
☐ Other

2024 Complaints and Cases

- ▶ New Complaints and cases
 - CPE 206
 - Non-CPE 136
- ▶ 205 total actions
 - 26 board orders; 179 consent orders
- ▶ Type of offense:
 - 46 unlicensed activity
 - 138 CPE
 - 14 due professional care
 - 2 peer review
 - 5 Acts Discreditable
- ▶ Fines totaled \$146,537.90 (does not include first time CPE cases).

Some recent enforcement decisions

- ▶ License revoked and a \$15,000 monetary penalty for performing an employee benefit plan audit which contained 18 identified deficiencies by the Department of Labor. Additionally, Licensee failed to respond to Board communications and failed to complete CPE requirements.
- ▶ \$15,000 monetary penalty for an entity advertising for compilation and financial statement preparation services without a firm license. This was respondents third offense for unlicensed activity.
- ▶ \$27,050 monetary penalty for performing audit services without being enrolled in peer review and for failing to complete CPE requirements.
- ▶ License revoked and monetary fine of \$25,000 for making false representations to federal government agencies by submitting payments to federally certified small businesses to obtain subcontracts.
- ▶ \$10,000 monetary penalty (previously revoked licensee) for (a) using the CPA title in Virginia while not holding an active Virginia CPA license, and (b) having a principal place of business located in Virginia and offering services restricted to licensed CPA firms while not having a Virginia firm CPA license.

Any questions?



Mission

The Virginia Board of Accountancy's mission is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms.

Contact us:

Virginia Board of Accountancy
9960 Mayland Drive, Suite 402
Henrico, VA 23233

Assistance available 8:30 a.m. to 5:00 p.m. weekdays

(804) 367-8505
boa@boa.virginia.gov

 boa.virginia.gov