

 **REGULATORY**
ETHICS **2025**

Approved by the Virginia Board of Accountancy

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Learning Objectives



Explain differences in **statutes, regulations, policies, and ethics.**



Apply ethical judgment using the **Code of Professional Conduct.**



Summarize **rules** governing the CPA profession in Virginia.



Identify **CPE requirements** needed to maintain your CPA license.

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Understanding the VBOA and VSCPA



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Understanding the VBOA and VSCPA

Who is the VBOA?

The [Virginia Board of Accountancy](#) (VBOA) is a regulatory body responsible for overseeing the practice of certified public accountants (CPAs) in Virginia.

- **Seven members** appointed by the governor for a four-year term with a two-term limit.
 - Four CPAs from public practice
 - One CPA from public practice, private industry, or government
 - One accounting educator with a CPA license
 - One non-CPA public member
- Primary purpose is **to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms.**



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Understanding the VBOA and VSCPA

Who is the VSCPA?

The [Virginia Society of Certified Public Accountants](#) (VSCPA) is a professional organization dedicated to **empowering the CPA profession to thrive**. It provides its members with resources, education, and advocacy to ensure they maintain the highest standards of the profession. The VSCPA also plays a crucial role in representing the interests of CPAs to regulatory bodies and the public.

- Supports its members and promotes the value of CPAs in the community.
- Encourages CPAs to give back through various initiatives and volunteer opportunities.
- Fosters a strong professional community for CPAs in Virginia.
- Helps ensure CPAs are well-equipped to meet evolving demands of the profession.



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Understanding the VBOA and VSCPA

Key Differences

The VBOA and the VSCPA serve distinct roles within the accounting profession in Virginia. The **VBOA is a state agency and regulatory body** responsible for licensing and overseeing CPAs, ensuring compliance with state laws and regulations. In contrast, the **VSCPA is a private, professional organization** that provides resources, education, and advocacy for its members.

VBOA	VSCPA
A State Agency	A voluntary membership organization
Mission – to protect the public	Mission – to help CPAs thrive
Grants CPA licenses to individuals and firms	Has no licensing authority
Has regulatory authority	Has no regulatory authority
Has an enforcement process	Has no enforcement authority
Audits CPE for compliance	Provides CPE to help CPAs maintain license

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Legal and Ethical Framework



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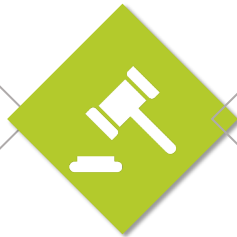
Legal and Ethical Framework

Legally Speaking



Statutes

The law, also known as the Code of Virginia



Regulations

The rules, which interpret the statute, are considered to be authoritative as long as they don't conflict with the statute.



Policies

Provide further interpretation and guidance for the statutes and the regulations

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Legal and Ethical Framework

Ethical Framework

” Code of Virginia [§ 54.1-4413.3](#), (4), “Standards of conduct and practice,” requires all Virginia licensed CPAs to conform to several standards of conduct and practice, including: “the [Code of Professional Conduct](#), and the related interpretive guidance, issued by the **American Institute of Certified Public Accountants**, or any successor standard-setting authorities.”



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Legal and Ethical Framework

Ethical Framework

- CPAs must rely on their **individual approach** or methodology for solving ethical issues in some situations.
- The public expects CPAs to make decisions that are not only **legally compliant** but also **morally acceptable**.
- The interplay between legal compliance, professional codes of conduct, and public expectations creates a **framework within which CPAs must operate**.



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Code of Professional Conduct



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Code of Professional Conduct

What Is It?

- AICPA Code of Professional Conduct is incorporated in Code of Virginia (statute) by reference in evergreen fashion – i.e. statute automatically updates as Code of Conduct changes.
 - § 54.1-4413.3. **Standards of conduct and practice.**
 - 4. Follow the Code of Professional Conduct, and the related interpretive guidance, issued by the American Institute of Certified Public Accountants, or any successor standard-setting authorities.
- Establishes the rules for acting with **integrity** and **objectivity**, **professional competence** and **due care**, and **confidentiality** and **professional behavior**.
- **Public trust principle** - members should accept the obligation and act in a way to serve the public interest, honor the public trust, and demonstrate a commitment to professionalism.

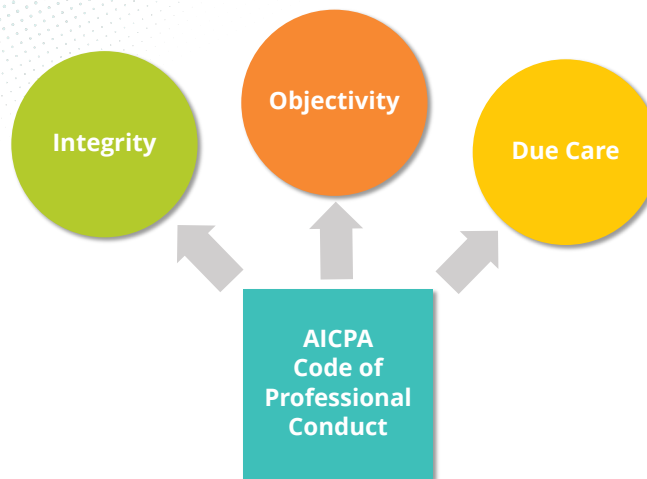


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Code of Professional Conduct

Principles



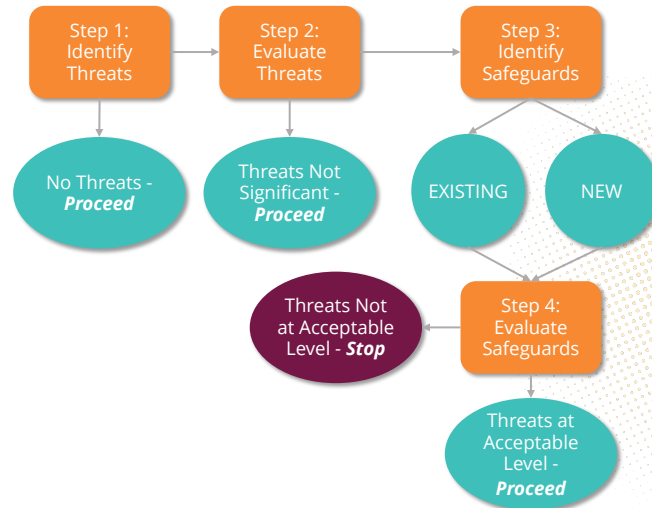
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Code of Professional Conduct

Conceptual Framework

- **Compliance** with the AICPA Code requires a **commitment** to ethical decision-making.
- Laws, codes, rules, regulations, and policies may **not always** provide adequate **solutions**.
- The AICPA provides a conceptual framework to apply **when assessing compliance** with the Code of Professional Conduct.



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Code of Professional Conduct

Conceptual Framework for Specific Groups

- Members in public practice and members in business

STEP 1: IDENTIFY THREATS

- 1 Adverse interest threat
- 2 Advocacy threat
- 3 Familiarity threat
- 4 Management participation threat
- 5 Self-interest threat
- 6 Self-review threat
- 7 Undue interest threat



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Code of Professional Conduct

Conceptual Framework for Specific Groups

➡ STEP 2: EVALUATE THREATS

➡ STEP 3: IDENTIFY SAFEGUARDS

Members in Public Practice

- 1 Safeguards created by the profession, legislation or regulation
- 2 Safeguards implemented by the client
- 3 Safeguards implemented by the firm, including policies and procedures to implement professional and regulatory requirements

Members in Business

- 1 Safeguards created by the profession, legislation or regulation
- 2 Safeguards implemented by the employing organization

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Code of Professional Conduct

Independence Conceptual Framework

” It is impossible to enumerate all **relationships or circumstances** in which the **appearance of independence** might be questioned. Thus, in the absence of an independence interpretation that addresses a particular relationship or circumstance, a member should evaluate whether that relationship or circumstance would lead a reasonable and informed third party who is aware of the relevant information to conclude that there is a **threat to either the member's or firm's independence** or both, that is **not at an acceptable level**. When making that evaluation, a member should apply the **conceptual framework approach** as outlined in this interpretation to **analyze independence matters**.



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Code of Professional Conduct

AICPA Resources

Ethics Hotline

- 1-888-777-7077 (select option 2, then 3) or email ethics@aicpa.org

Online Professional Ethics Library

- <https://pub.aicpa.org/codeofconduct/Ethics.aspx>
- AICPA Code of Professional Conduct
- Plain English Guide to Independence
- Ethics Q&As

Professional Ethics Resources website

- <https://us.aicpa.org/interestareas/professionalethics/resources>
- Toolkits
- Practice aids
- Implementation guides

Ethically Speaking podcast

- <https://ethicallyspeaking.libsyn.com>
- Back to Basics series



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Individual and Firm Licensure



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Individual and Firm Licensure

Individual CPA License

Education

To sit for the exam, **complete 120 credit hours** and earn a **baccalaureate or higher degree** with an accounting concentration or equivalent.



Exam

Complete 150 credit hours and **pass the CPA exam** with a **score of 75 or higher on each section**, within a 30-month period.



Experience

Complete at least **2,080 hours of full-time employment** (equivalent to **one year**) using accounting, financial, tax, or other skills.

****NOTE:** This is subject to change based on [Virginia House Bill 2042](#).

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Individual and Firm Licensure

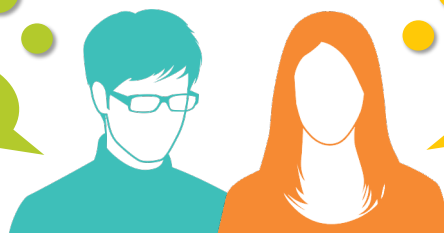
Individual CPA License Status

I'm a CPA and **provide services** using accounting, financial, tax or other relevant skills. I'm **required to complete CPE** and renew my license annually.

I'm
Active!

I'm a CPA but **do not provide** any type of accounting, financial, tax or similar duties. **CPE is not required** but I must renew my license annually.

I'm
Inactive!



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Individual and Firm Licensure

Individual CPA License Renewal



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Individual and Firm Licensure

Firm CPA License

- A firm **must hold** a Virginia firm CPA license or a firm license from another state **to use the CPA title in Virginia**. This is an update to the [Code of Virginia, Title 54.1, Chapter 44](#), which became effective **July 1, 2024**.
- A firm CPA license is required to provide **attest, compilation or financial statement preparation services** to persons or entities located in Virginia.
- Firm licensing requirements:
 - [Code of Virginia](#)
 - [VBOA website](#)



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Individual and Firm Licensure

Firm Reciprocity

- A firm whose principal place of business is not in Virginia **may not use the CPA title in Virginia** unless it holds a Virginia license or the license of another state as permitted.
- A firm **not required** to obtain a **Virginia license** may offer **attest services, compilation services, or financial statement preparation services** to individuals or entities in **Virginia**, provided it is legally permitted to offer these services in its home state.
- **CPAs** involved in the engagement must possess a **Virginia license** or hold a substantially equivalent license from another state.
- Firms must adhere to statutory requirements regarding **firm ownership, naming conventions, and practice monitoring**.



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Individual and Firm Licensure

Peer Review

- **CPA firms** in Virginia must enroll in a **peer review program** if they provide **attest** and/or **compilation services**.
- Enrollment is **not mandatory** if the highest service offered is **financial statement preparation**, but if a firm enrolled in peer review provides these services, they are included in the **peer review scope**.
- All firms required to undergo peer review must enroll in the [AICPA's Peer Review Program](#) through an approved administering entity and adhere to all components of the **monitoring program** as per [Board Regulation](#) and the [Code of Virginia](#).
- The **VBOA** may **waive** the peer review requirement or **grant additional time** for compliance under specific circumstances.
- Licensed CPA firms may be selected for a **compliance review** of their peer review during **investigations** or if deemed necessary by the **VBOA**.



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Continuing Professional Education



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Continuing Professional Education

CPE Requirements

An individual who applies for an **initial license**, holds an **Active Virginia CPA license**, or applies to have their **license reinstated** is required to obtain continuing professional education (CPE).

- CPE assists the licensee in becoming a better professional.
- 50 minutes of CPE = 1 hour of CPE credit



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Continuing Professional Education

CPE Requirements

Status	Calendar Year (CY)	Total Hours Required	Minimum Hours Required	VBOA-Approved Ethics (included in total hours)	CPE related to attest, compilation, or financial statement preparation services (included in total hours)
Applying for Initial License					
License Applicant	CY of passing exam	0 hours	0 hours	N/A	N/A
	1 st CY after exam	40 hours	40 hours	2 hours/CY	N/A
	2 nd CY after exam	80 hours	80 hours	2 hours/CY	N/A
	3 rd CY (or more) after exam	120 hours	120 hours	2 hours/CY	N/A
Licensed					
Active Licensee	CY of initial license	0 hours	0 hours	N/A	N/A
	Any 3-CY reporting cycle	120 hours/ 3 years	20 hours/CY	2 hours/CY	8 hours (only if releasing or authorizing release of reports)
Reinstatement of License					
Inactive/Expired/ Voluntarily Surrender	Current CY	120 hours	120 hours	2 hours/CY	N/A

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Continuing Professional Education

What Qualifies?

The VBOA accepts CPE obtained through various forums. Currently, licensees are **not required** to obtain CPE from **specific or approved sponsors**, with the exception of the VBOA-approved ethics course.

- Attending a seminar or educational conference
- Earning course credit at an accredited college or university
- Completing a course through nanolearning or incremental CPE
- Completing a self-study course
- Making a presentation
- Publishing articles, books, or CPE programs
- Studying and passing certain exams and professional certifications or licenses








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Continuing Professional Education

Documentation Requirements

-  Certificates of completion from the CPE sponsor including the sponsor's name, participant's name, course or content name, date taken, and hours of CPE earned.
-  Official transcript of the accredited college or university for earning course credit.
-  When making a presentation, official syllabus or agenda and signed statement indicating the length of the presentation.
-  Copy of the published article, book, written material, or other proof of publication.
-  Letter from the administering organization that identifies the passage of the exam or the certification, the participant's name, and the date of passage or certification.

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Continuing Professional Education

CPE Reciprocity

CPAs holding an active **license in another state** and whose primary **business location is outside of Virginia** are eligible for CPE reciprocity.

- If a CPA meets the CPE requirements of their home state, the VBOA will recognize this as compliant CPE in Virginia.
- They must complete either a two-hour ethics course that meets VBOA standards or an ethics course approved by the board of accountancy in their licensed state.
- Visit the [NASBA website](#) to view jurisdictions that are substantially equivalent to Virginia.



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Continuing Professional Education

Tracking CPE

The NASBA-sponsored [CPE Audit Service](#) allows CPAs to **track and store all CPE records** in one location.

- Includes video tutorials and instructions on how to upload CPE certificates and enter required information.
- On a monthly basis, CPAs are randomly selected by the VBOA for CPE audits. If selected for a CPE audit, you are required to use the CPE Audit Service to submit CPE records and documentation to the VBOA.



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Volunteer Services



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Volunteer Services

Questions to Ask

What service will I provide?

In what capacity will I provide this service?

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Volunteer Services

VBOA Guidelines

[Providing Services as a Virginia CPA](#)

Type of Service Engaged to Perform	Independent	Not Independent (Owners, officers, employees, & members of governing body)	Not Independent Conflicts of Interest (other than owners, officers, employees, & members of governing body)
Audit, Review, Attestation	You must comply with technical standards, have a firm license, and a peer review. The 8-hour A&A CPE requirement applies.	You cannot provide audit, review, or attestation services if not independent.	You cannot provide audit, review, or attestation services if not independent.
Compilation	You must comply with technical standards, have a firm license, and a peer review. The 8-hour A&A CPE requirement applies.	This is not a compilation service as defined by SSARS.	You must comply with technical standards, have a firm license, and a peer review. The 8-hour A&A CPE requirement applies.
Financial Statement Preparation Services	You must comply with technical standards and have a firm license. The 8-hour A&A CPE requirement applies. No peer review is needed if preparation is the highest form of service provided. Peer review is needed if preparation is not the highest form of service provided.	This is not a financial statement preparation service as defined by SSARS.	You must comply with technical standards and have a firm license. The 8-hour A&A CPE requirement applies. No peer review is needed if preparation is the highest form of service provided. Peer review is needed if preparation is not the highest form of service provided.
Consulting Services (accounting consultation, budget preparation assistance, fraud loss quantification, management consulting, other consulting engagements)	You do not have to comply with technical standards other than Consulting Services standards.		
Other Services (general ledger maintenance, working trial balance preparation, bank reconciliation preparation, bookkeeping and payroll processing, tax returns preparation)	You do not have to comply with technical standards other than Tax Services standards.		
Other Procedures Procedures that would be performed in accordance with an attest service, but licensee has not been engaged to perform an attest service. (bank reconciliation review, internal control review, inventory controls, other attest procedure, agreed-upon procedure of audit committee)	You do not have to comply with technical standards.		

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Volunteer Services

Example



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Enforcement



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Enforcement

Complaints

” ... protect the citizens of the Commonwealth ...

The VBOA upholds its mission by thoroughly **investigating potential violations and complaints** against CPAs and CPA firms licensed in Virginia.

- Enforcement matters can originate from the VBOA itself, the public, including anonymous complaints, or a past or current client. They can also come from local, state and federal agencies.
- Complaints need to be made in writing and can be submitted online through a [form](#) on the VBOA website.
- All information that indicates or alleges a possible violation of law or regulation is referred to the **VBOA Enforcement Division**.



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Enforcement

Investigations

The VBOA Enforcement Division reviews all complaints. If **probable cause exists** to initiate an investigation, the **investigation process begins**. Depending upon the type of complaint or violation of statute or regulation, the case may be administered by VBOA staff or referred to the Board members for resolution.

- Unlicensed activity
 - Using the CPA title without a license
- Lack of due professional care
 - Poor communication with clients
 - Peer review issues
 - Failed DOL audits
- Conducting A&A work without a firm license
- Criminal activity
- Failure to follow CPE regulations
- Failure to respond to the VBOA



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Enforcement

Penalties

The VBOA can impose penalties according to Virginia Code.

- Reprimand
- Accelerated peer reviews
- Satisfactory completion of additional or specific CPE
- Suspension or revocation of license
- Loss of privilege to perform services in Virginia
- Monetary penalty



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Conclusion



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Conclusion

The **regulatory landscape** is constantly evolving, and staying informed is essential for maintaining your **CPA license** and upholding the **public trust**.

Be sure to:

- **Stay updated** on changes in regulations.
- Attend **CPE** courses.
- Actively **seek guidance** from the **VBOA** and **VSCPA**.



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Conclusion

Common Resources

- AICPA - <https://www.aicpa-cima.com>
 - [Code of Professional Conduct](#)
- Code of Virginia - <https://law.lis.virginia.gov/vacode/>
- NASBA Statement on Standards for CPE Programs - <https://www.nasbaregistry.org/the-standards>
- Virginia Board of Accountancy - <https://boa.virginia.gov/>
 - Email: cpe@boa.virginia.gov
 - (804) 367-8505
- Virginia Society of CPAs - <https://www.vscpa.com/>
 - Email: vscpa@vscpa.com
 - (800) 733-8272
 - [Essential Ethics Resource Center](#)



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Conclusion

Certificate and Evaluation



A certificate of completion will be emailed to you. Check your spam folder if you do not receive it within 24 hours.



Please take a few moments to give us your feedback. Open the evaluation by scanning the QR code with your smartphone.



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