



VIRGINIA BOARD  
OF ACCOUNTANCY

# BIENNIAL REPORT

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FY 2021-2022

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# MESSAGE FROM THE EXECUTIVE DIRECTOR

The Virginia Board of Accountancy is pleased to present the biennial report.

The core mission of the VBOA is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPAs and CPA firms. We achieve this mission through the work of our Board who is supported by our hard-working agency team.

VBOA has a Board of seven dedicated individuals appointed by the Governor. The Board includes four members who hold Virginia CPA licenses and have been actively engaged in providing services to the public for at least three years; one member who holds a Virginia CPA license and is actively engaged in providing services to the public or to or on behalf of an employer in government or industry for at least three years, one educator in the field of accounting who holds a Virginia CPA license; and one public non-CPA member.

Serving as a Board member requires a significant time commitment and true dedication to the profession. Each year the Board meets for an average of seven, full day, in-person Board meetings.

CPAs, CPA exam candidates, and consumers all benefit from the commitment of our Board members.

The Board is empowered by the Code of Virginia to ensure that persons entering the profession are competent and those holding the CPA credential maintain high standards of



Nancy Glynn, CPA  
VBOA Executive Director

personal conduct and competency and are held publicly accountable for their actions.

In addition to the Board, there are 14 dedicated staff members supporting our Board members, exam candidates, license applicants, the public, CPA firms and our almost 30,000 individual CPAs.

VBOA staff and Board work diligently to ensure we fulfill our mission. Each year in May the Board holds an annual planning meeting to map out goals and objectives for the next fiscal year.

Beginning in 2021, the Board has adopted the S.M.A.R.T. goal approach to ensure each goal is specific, measurable, attainable, relevant, and time bound. This approach holds the Board and staff accountable to reach the agreed upon goals.

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# MESSAGE FROM THE EXECUTIVE DIRECTOR

- Continued from page 1

In the past two years goals have included preparing the agency and our candidates for the changes to the CPA exam, reviewing our approach to enforcement, developing meaningful performance measures, and ensuring our fee structure and forecast tools are supporting the agency's current and future financial needs.

Our Enforcement Division is an important component of protecting the public. The Board is charged with the responsibility to enforce the rules and procedures as defined by the Code of Virginia Chapter 44 under Title 54.

This is accomplished through the VBOA Enforcement team who are responsible for reviewing and investigating complaints against Virginia licensees, expired licensees or non-licensees using the CPA title or performing services in Virginia restricted to CPAs. They are also responsible for the random audits of continuing professional education.

VBOA actively collaborates with the other 54 state boards of accountancy and other key

partners on a variety of issues that affect exam candidates, license applicants and licensed CPAs.

As part of these efforts, in 1984 the National Association of State Boards of Accountancy and the American Institute of CPAs worked together to develop the Uniform Accountancy Act. This is used as a model for states when developing licensing laws.

All jurisdictions have adopted and generally follow these model rules, creating substantial equivalency among states for issuing CPA licenses. As a result of these efforts active CPA license holders have licensing reciprocity and mobility across states.

Recent key topics include changes to the Uniform CPA Examination and ensuring states remain substantially equivalent to support licensing reciprocity and mobility across states for CPA license holders.

The CPA exam will be revised as of January 1, 2024. All state boards of accountancy are working together to prepare for the changes and ensuring that substantial equivalency is not affected.

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



# ABOUT THE VBOA

The Virginia Board of Accountancy, established in 1910, regulates certified public accountants in Virginia through a program of examination, licensure for individuals and firms, consumer protection with enforcement, continuing professional education audits, and peer review oversight.

Unlike most state agencies in Virginia, the VBOA is not funded by public tax dollars. The VBOA is a non-general fund agency whose revenues are wholly dependent upon the fees established for CPA exam candidates, applicants, licensees and firms. Currently our fees are among some of the lowest in the nation.

The VBOA may impose penalties on persons or firms using the CPA title in Virginia or firms providing attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia, or on a person or firm who does not hold a Virginia license or does not meet the requirements to use the CPA title. The VBOA works in accordance with the Code of Virginia statutes and VBOA regulations. All penalties collected by the VBOA are deposited to the state literary fund. The funds are not available to the VBOA to use as operating funds.

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## VALUES

The commitment to excellence is demonstrated through the VBOA's values:

- **High ethical standards and integrity:** Pledging principled and reputable conduct
- **Exceptional customer service:** Demonstrating a courteous, empathetic and helpful attitude while assisting each customer to reach their goal
- **Honesty and fairness:** Acting with openness, impartiality and consistency
- **Teamwork:** Excelling mutually, the VBOA will work together with citizens and licensees to achieve the shared vision
- **Competence:** Striving for proficiency through creativity, innovation and diversity
- **Communication:** Achieving enhanced understanding between the VBOA, the regulated community and the public through effective communications, interactions and service
- **Continuous improvement:** Striving to innovate and to change where change is needed
- **Financial stewardship:** Maintaining frugality with respect to the expenditures of public funds



# VBOA STAFF

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# BOARD MEMBERS

The Board consists of seven members appointed by the Governor, including four members who hold Virginia licenses and have been engaged in providing services to the public for at least three years; one member who holds a Virginia license engaged in providing services to the public or to or on behalf of an employer in government or industry for at least three years; one educator in the field of accounting who holds a Virginia license; and one public non-CPA member.

Each member is appointed to serve a four-year term and may not serve more than two consecutive terms.

## Fiscal Year 2022 Board members





# BOARD MEMBERS

**Laurie A. Warwick, CPA**  
**Chair FY 2021-22**

Term: July 1, 2016-June 30, 2024  
Ashburn, Virginia

Laurie A. Warwick, CPA, is an executive director at Ernst & Young in the firm's McLean, Va., office, where she's worked since 2002. She serves a broad base of industries, inclusive of private equity, healthcare, professional services and emerging companies. Previously, she was an audit manager at Arthur Andersen.



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**Wendy Pace Lewis, CPA**  
**Vice Chair FY 2021-22**

Term: July 1, 2020-June 30, 2024  
Hanover, Virginia

Wendy P. Lewis, CPA, is a Partner in KPMG's Audit Practice. She has more than 20 years of experience providing financial statement and audit of internal control services to both public and private companies. Lewis has participated in client filings with the SEC and involved in mergers and acquisitions.



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**William R. Brown, CPA**

Term: July 1, 2017-June 30, 2025  
New Kent, Virginia

William R. "Bill" Brown, CPA, is the CEO of W.R. Brown & Co., which he established in 1981. He has 14 years of experience as an arbitrator, six years as a mediator and licensed as a CPA in Virginia and New York. Previously, he was the Managing Partner of Stewart, Benjamin & Brown, P.C.







# BOARD MEMBERS



**D. Brian Carson, CPA, CGMA**

Term: July 1, 2015-June 30, 2023  
Virginia Beach, Virginia

D. Brian Carson, CPA, CGMA, is the Chief Financial Officer for Gold Key/PHR Hotels & Resorts. Previously, he was a partner with Goodman and Company, now Dixon Hughes Goodman. As a CPA, he has more than 18 years of experience comprised of both public and private practice.

**David Cotton, CPA, CFE, CGFM**

Term: July 1, 2022-June 30, 2026  
Alexandria, Virginia

David Cotton, CPA, CFE, CGFM, is founder and Chairman Emeritus of Cotton & Company, CPAs. He has testified as an expert in governmental accounting, auditing, and fraud issues before the U.S. Court of Federal Claims, the Armed Services Board of Contract Appeals, and others.



**Dale Mullen**  
Public member

Term: March 15, 2022-June 30, 2024  
Hanover, Virginia

Dale Mullen is a Partner in the law firm Whiteford, Taylor & Preston, LLP, and leads the Regulatory Compliance, Administrative Law, and Government Investigations section. He represents clients on federal and state rulemaking and enforcement in the financial regulation industry.

**Nadia Rogers, CPA**

Term: July 1, 2019-June 30, 2023  
Blacksburg, Virginia

Nadia Rogers, CPA, is currently Professor of Practice at Virginia Tech. Before joining VT, she was in public practice for approximately 14 years. Most recently, she was a Partner of Creedle, Jones & Alga, P.C. and previously a Senior Manager in KPMG LLP's Audit Practice.





# PARTNER ORGANIZATIONS

The VBOA works closely with partner organizations to fulfill its mission. Through these partnerships, the agency remains knowledgeable in the area of education as it relates to the CPA exam, licensure and continuing professional education; keeps informed of regulatory and legislative issues; participates through committee representation; and uses available resources to assist in protecting the public.

## American Institute of Certified Public Accountants

Founded in 1887, the AICPA represents the CPA profession nationally regarding rule-making and standard-setting, and serves as an advocate before legislative bodies, public interest groups and other professional organizations. The AICPA develops standards for audits of private companies and other services by CPAs; provides educational guidance materials to its members; develops and grades the Uniform CPA Examination; and monitors and enforces compliance with the profession's technical and ethical standards. The mission of the AICPA is powering the success of global business, CPAs, CGMAs and specialty credentials by providing the most relevant knowledge, resources and advocacy, and protecting the evolving public interest. To learn more, visit [www.aicpa.org](http://www.aicpa.org).

## National Association of State Boards of Accountancy

Founded in 1908, NASBA has served as an association dedicated to enhancing the effectiveness of the country's 55 state boards of accountancy. As a driving force within the accounting profession, NASBA accomplishes its mission by creating a forum for accounting regulators and practitioners to address issues relevant to the viability of the accounting profession. NASBA takes pride in offering its member boards a rich portfolio of products and services, all designed to effectively aid boards in their goal to protect the public. The mission of NASBA is to enhance the effectiveness and advance the common interests of the boards of accountancy. To learn more, visit [www.nasba.org](http://www.nasba.org).

## Virginia Society of Certified Public Accountants

Founded in 1909, the VSCPA has a membership of more than 13,000 accounting professionals across Virginia who actively work in public accounting, private industry, government agencies or at educational institutions. The VSCPA is the leading professional association dedicated to enhancing the success of all CPAs and their profession by communicating information, promoting professionalism and advocating members' interests. The VSCPA serves as the profession's voice at the state and national level, promoting the CPA credential while protecting the public. In addition to keeping members informed of regulatory and legislative issues, the VSCPA offers continuing professional education, leadership development, volunteer opportunities and career resources. To learn more, visit [www.vscpa.com](http://www.vscpa.com).



# SIGNIFICANT ACCOMPLISHMENTS

Listed below are some of the VBOA's significant accomplishments and changes that occurred in fiscal years 2021 and 2022.

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## **Ethics course options began in 2021**

Beginning on Feb. 1, 2021, a new ethics course format in Virginia allowed CPAs to take a variety of different courses and topics to meet the CPE ethics requirement, as long as the course is taken from a VBOA-approved provider.

CPAs now have a choice of the ethics course they take to meet the two-hour ethics course CPE requirement. CPAs can take an ethics course that is specific to their line of work or in alignment with their interests. CPAs are responsible for taking an ethics course that is pre-approved by the VBOA in order to be CPE compliant.

Every ethics course will be pre-approved by the VBOA and include the VBOA Segment. The VBOA Segment is a 10 to 15 minute video added to all approved ethics courses. The video contains information every CPA in Virginia should hear. The new ethics format allows providers to create a course of their choosing. The backbone of the course must be focused on ethics but can be presented in a variety of ways and topics.

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## **CPA renewal process updates**

The VBOA annual license renewal process was updated starting in 2021 compared to past years. All Virginia CPAs who hold an Active or Inactive license and all firms must renew their license annually by June 30.

When individual CPAs and CPA firms renew online on the VBOA website, each licensee was required to certify a number of items before continuing. The certification questions were the same as in previous years but now licensees and firms have to certify them individually instead of altogether in one group.

The change in the renewal process generated a number of questions from the licensees. The VBOA used this as an opportunity to clarify the annual requirements needed to maintain a CPA license in good standing in Virginia.

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## **CPA Evolution**

CPA Evolution is a topic being discussed and considered as preparations are underway for the launch of the revised CPA exam in January 2024.



# SIGNIFICANT ACCOMPLISHMENTS

CPA Evolution is a combined NASBA-AICPA initiative aimed at evolving CPA licensure to reflect the skills and knowledge CPAs increasingly need in a technology-driven marketplace. The overall knowledge gained on the new exam will reflect the reality of practice and enhance public protection.



The exam will remain 16 hours in length and exam candidates will be required to pass four sections; three core and one discipline. Exam candidates will choose a discipline section: business analysis and reporting (BAR), information systems and controls (ISC), or tax compliance and planning (TCP).

Multiple discipline sections can be taken until the exam candidate passes one of the discipline sections.

The VBOA has been working to support these changes through several different communities. It is the VBOA's goal to continue to work closely with CPA candidates and our Virginia colleges and universities to ensure students are ready for all the changes.

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## **VBOA celebrates 20 years**

In 2021, it has been 20 years since the VBOA became an agency. On July 1, 2001, legislation became effective that established the VBOA as an Commonwealth agency.

Previously, the VBOA was organized under the Department of Professional and Occupational Regulation (DPOR). As an agency, the VBOA can better serve CPA candidates, firms and licensees, and protect the citizens of the Commonwealth through a regulatory program of licensure and compliance.



# BOARD MEMBER CONTRIBUTIONS

Listed below are current and past Board member contributions to the accounting community that occurred in fiscal years 2021 and 2022.

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## **Board member named distinguished fellow at Virginia Tech**

VBOA Educator member Nadia Rogers, CPA, was recently named Robert M. Brown Faculty Fellow by the Virginia Tech Board of Visitors.

Rogers is a professor of practice in the Department of Accounting and Information Systems in the Pamplin College of Business at Virginia Tech and has been a VBOA Board member since 2019. In addition to her teaching responsibilities, Rogers is the Director of the Master of Accounting and Information Systems (MACIS) Program.

The Robert M. Brown Faculty Fellowship in Accounting and Information Systems was established in 2017 to recognize teaching and research excellence. Rogers will hold the title of Robert M. Brown Faculty Fellow for three years.



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## **Former VBOA Chair selected for national Vice Chair**

Previous VBOA member Stephanie M. Saunders, CPA, has been selected as the NASBA Nominating Committee Vice Chair candidate for 2022-23. As the Nominating Committee candidate, if elected, Saunders will automatically earn the NASBA chair role for 2023-24.

As NASBA Vice Chair, Saunders' main initiative is to ensure the successful roll-out of the new CPA exam in January 2024. Another priority for Saunders is audit quality and reliance on financial statements by the public and advocating for programs for diversity and inclusion within the profession.

Saunders has played an active role at the national level since her time on the VBOA. She served the maximum two terms, or eight years, as a member, vice chair and chair. She was also a member of the Ethics Committee.



Currently, Saunders is a member of the NASBA Board of Directors, serving as director-at-large, and the secretary and chair of NASBA's Uniform Accountancy Act Committee. Her past involvement



# BOARD MEMBER CONTRIBUTIONS

with NASBA includes being the NASBA Middle Atlantic regional director; former chair of NASBA's Relations with Member Boards and Education Committees; former member of NASBA's Communications and Nominating Committees; and a representative on the AICPA Professional Ethics Executive Committee.

She was also heavily involved with the Virginia Society of CPAs, serving as former Board member and chair.

Saunders' career as a CPA has spanned more than 40 years. Today, she is a shareholder of Saunders & Saunders, PC, which provides tax planning and compliance for individuals and small businesses.

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## Former VBOA Chair wins diversity award

Tyrone Dickerson, CPA, served the maximum of eight years as a Board member and twice as Chair.

Since leaving the VBOA, he set his sights on the national level with NASBA. Dickerson has served as NASBA's regional director of the Middle Atlantic Region, Chair of the NASBA Diversity Committee and currently as a NASBA Director-at-Large.

He was honored with the Ruth Coles Harris Advancing Diversity and Inclusion Award for 2021 from the Virginia Society of CPAs. The award recognizes a VSCPA member who champions diversity and inclusion in accounting.



The award recipient implements initiatives to help ensure a diverse and inclusive workplace environment; champions policies and programs aimed at improving diversity in the profession; demonstrates a commitment to raising awareness of diversity principles; and serves as a role model or mentor.

Dickerson is a worthy recipient for many reasons. He was instrumental in developing the NASBA Diversity Committee, which evolved after he chaired a diversity work group in 2012. NASBA determined the committee was essential to increase the diversity among NASBA's leadership and boards they serve.

# ENGAGEMENT AND CUSTOMER SERVICE

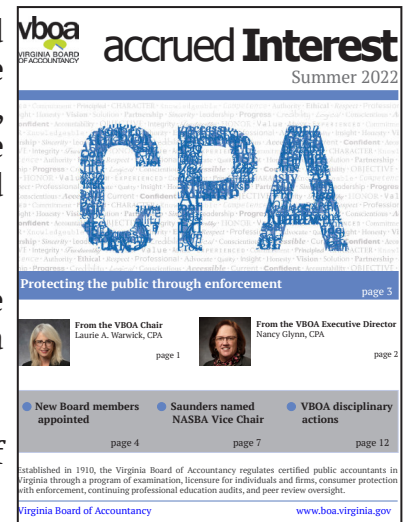
The VBOA continues to improve engagement and customer service while keeping the accounting community in Virginia engaged and aware of the happenings in the profession. The semiannual newsletter and the annual customer service survey help maintain that.

## VBOA newsletter: Accrued Interest

The VBOA creates and produces the semiannual newsletter, *Accrued Interest*, filled with articles, updates and news relevant to the Virginia CPA and exam candidate community. Each January and July, the newsletter is emailed out to our licensee and exam candidate community, as well as accounting educators in Virginia colleges and universities.

Each issue also includes easily accessible links to Virginia statutes, the agency website and a comprehensive listing of all newly licensed Virginia CPAs.

*Accrued Interest* continues to be one of the VBOA's main sources of communication to our community.



## Online customer service satisfaction survey

The VBOA surveyed the population of our licensees to measure the agency's customer service. In fall 2022, the VBOA sent an online satisfaction survey to all Active and Inactive CPAs, CPA firms and recent exam candidates.

The VBOA asked about overall customer service, involvement in enforcement cases, renewal reminder communications and information found in the semiannual newsletter.

The online survey was sent to more than 35,000 individuals and received 955 responses. The responses received gave the VBOA a 89.33% overall satisfied rating.

The online survey confirms VBOA's commitment to provide excellent customer service to the accounting community in Virginia.



# AUDIT REPORT SUMMARIES

The VBOA is required to prepare annual financial statements in accordance with generally accepted accounting principles and shall be audited annually by the Auditor of Public Accounts, or legally authorized representatives, or by a firm selected by the VBOA through a competitive procurement, in accordance with Code of Virginia § 54.1-4420.

The following summaries are presented for the audit reports issued during this reporting period.



## **FY19 – FY20 Financial statements**

The APA Audit Reports on the VBOA’s financial statements, dated June 19, 2020, and June 14, 2021, respectively, state, “In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Accountancy as of June 30, 2019, and June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the operating fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.”

## **FY19 – FY20 Internal control over financial reporting and on compliance and other matters**

The APA Audit Reports on the internal control over financial reporting and on compliance and other matters, dated June 19, 2020, and June 14, 2021, did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses and disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.





# FINANCIAL SUMMARY

The VBOA fulfills its mission through a regulatory program of CPA examination, licensure, CPE and consumer protection, and financial management and accountability.

Ensuring the fiscal integrity of the VBOA's operations is an essential protection function.

The VBOA has a responsibility to ensure that the fee structure generates sufficient revenues to cover the VBOA's ongoing operating expenses, to sustain growth, and to ensure that the VBOA's Trust Account balance is sufficient to protect its statutory purpose.

The Operating Fund is the primary operating fund for the VBOA. It is the policy of the VBOA to begin the fiscal year with funds in the operating account equal to the annual, board approved, operating budget. Funds exceeding this amount shall be maintained in the Trust Account. Any additional transfers during that fiscal year from the Trust Account to the operating account requires additional board approval.

In accordance with [Code of Virginia, § 54.1-4405.1](#), the purpose of the Trust Account is to provide a supplemental source of funds to the VBOA on a timely basis for:

- Its use in the study, research, investigation or adjudication of matters involving possible violations of the provisions of this chapter or regulations promulgated by the VBOA.
- Any other purpose that the VBOA determines germane to its statutory purpose.

The VBOA annually evaluates the balance in the Trust Account to determine if a fee adjustment is necessary.

The VBOA initiated a regulatory change to increase fees that went into effect on January 1, 2013. No other fee increase for licensees and firms have occurred since then.

During FY21, the VBOA transferred \$481,940 to the Operating Fund from the Trust Fund. During FY22, the VBOA transferred \$177,280 to the Trust Fund from the Operating Fund.



# FINANCIAL SUMMARY

## Financial Summary (Cash Basis)

	FY ended June 30, 2021	FY ended June 30, 2022
Revenue from Operations:*	\$2,199,041	\$2,178,830
Expenditures:	(\$2,121,284)	(\$1,908,883)
Cash transfers out:**	(\$13,366)	(\$13,366)
(Deficit)/Surplus:	<u>\$64,391</u>	<u>\$256,581</u>
Appropriation:	<u>\$2,328,158</u>	<u>\$2,328,158</u>

\* Does not include interest earnings allocated by the State Comptroller.

\*\* Transfers required by the respective Appropriations Act.

## Cash Balances

	FY ended June 30, 2021	FY ended June 30, 2022
Operating Fund:	\$2,505,438	\$2,574,610
Trust Account:	<u>\$3,157,427</u>	<u>\$3,341,045</u>
Total cash available:	<u>\$5,662,865</u>	<u>\$5,915,655</u>

# VBOA STATISTICS

As of June 30, 2022



**28,535**  
licensed CPAs



**1,172**  
licensed CPA firms



**1,118**  
first-time exam  
candidates in FY22



**9,669**  
out-of-state licensees



**1,206**  
CPE audits  
requested



# CPA LICENSURE

In order to become a licensed CPA in Virginia, an applicant must first meet the 3 E's:

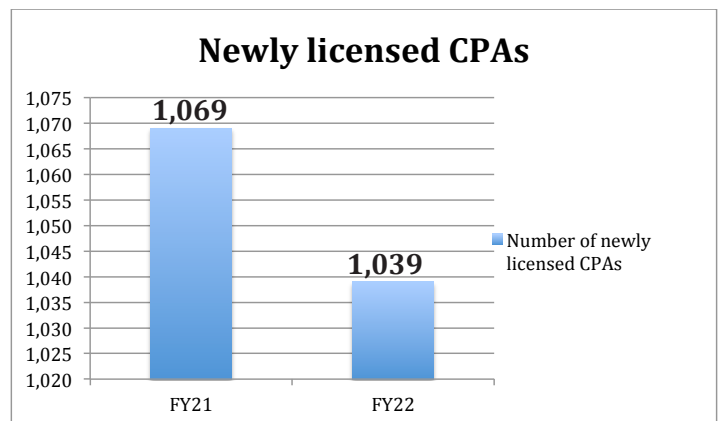
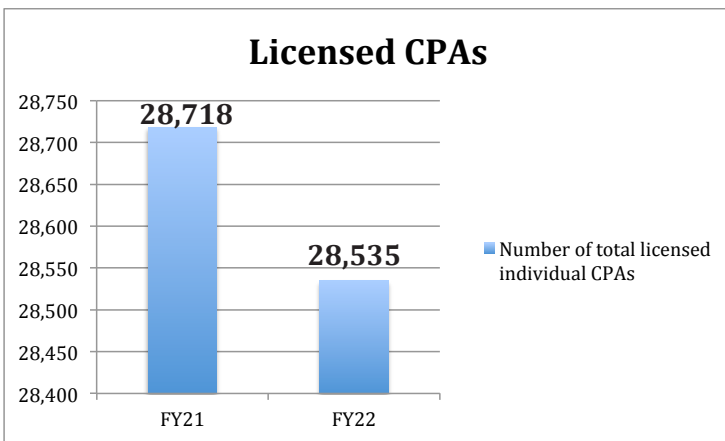
- Education
- Exam
- Experience



CPA licensure in Virginia requires at least 150 semester hours of education, a baccalaureate or higher degree with an accounting concentration or equivalent. For experience, the applicant must complete at least 2,080 work hours, or equivalent to one year of full-time employment, in academia, a firm, government, or industry involving the use of accounting, financial, tax, or other skills that are relevant, as determined by the VBOA. Once a candidate has met the education and experience requirements, and has passed the CPA exam, he or she may apply for licensure in Virginia.

The following charts demonstrate the total number of actively licensed CPAs in Virginia the past two fiscal years, as well as the number of new CPA licenses issued in the past two fiscal years.

This is the first time in 10 years there has been a decrease in both total number of licensed CPAs and newly licensed CPAs from FY21. This is a national concern and the VBOA and partnering organizations are diligently working to identify the issue and increase outreach and awareness to current and prospective accounting majors.



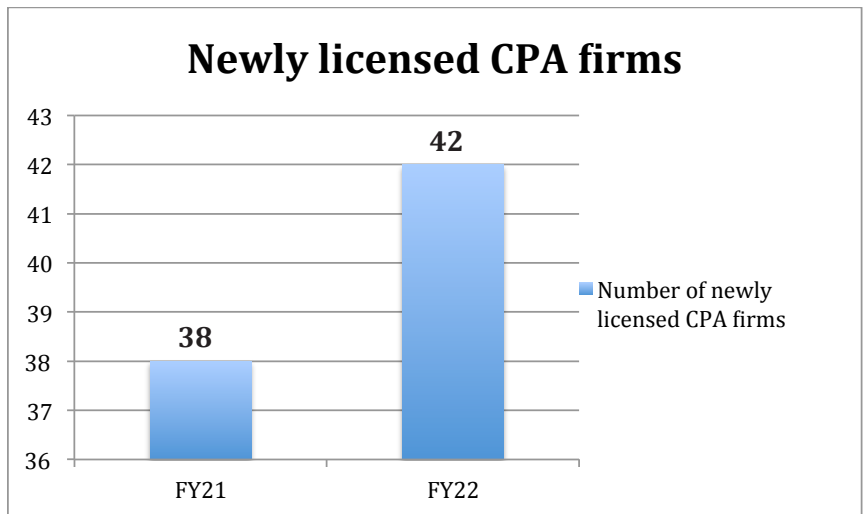
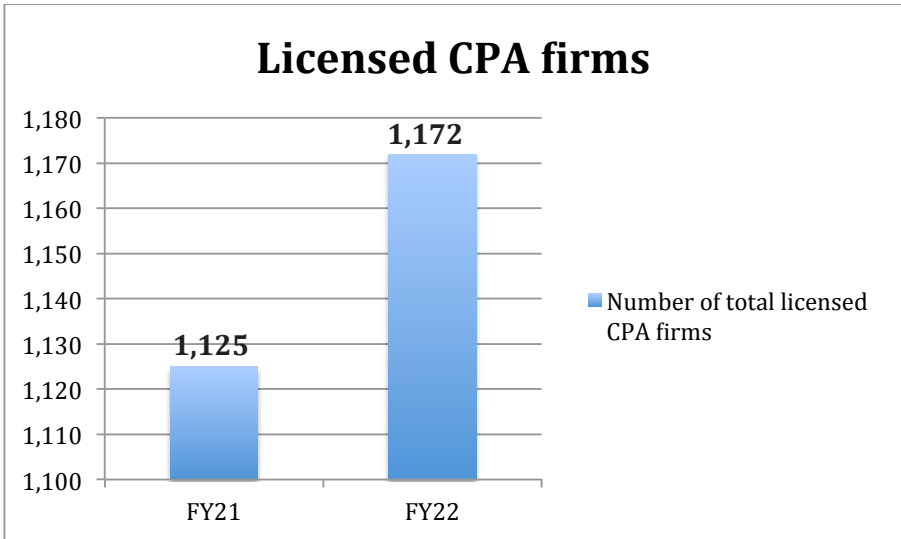


# CPA FIRM LICENSURE

In accordance with Code of Virginia § 54.1-4412.1, only a licensed CPA firm can provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia.



The following charts demonstrate the total number of active licensed CPA firms in Virginia the past two fiscal years, as well as the number of new CPA firm licenses issued the past two fiscal years.





# CPA EXAMINATION

Individuals must fulfill the following requirements in order to be eligible to sit for the Virginia CPA exam:

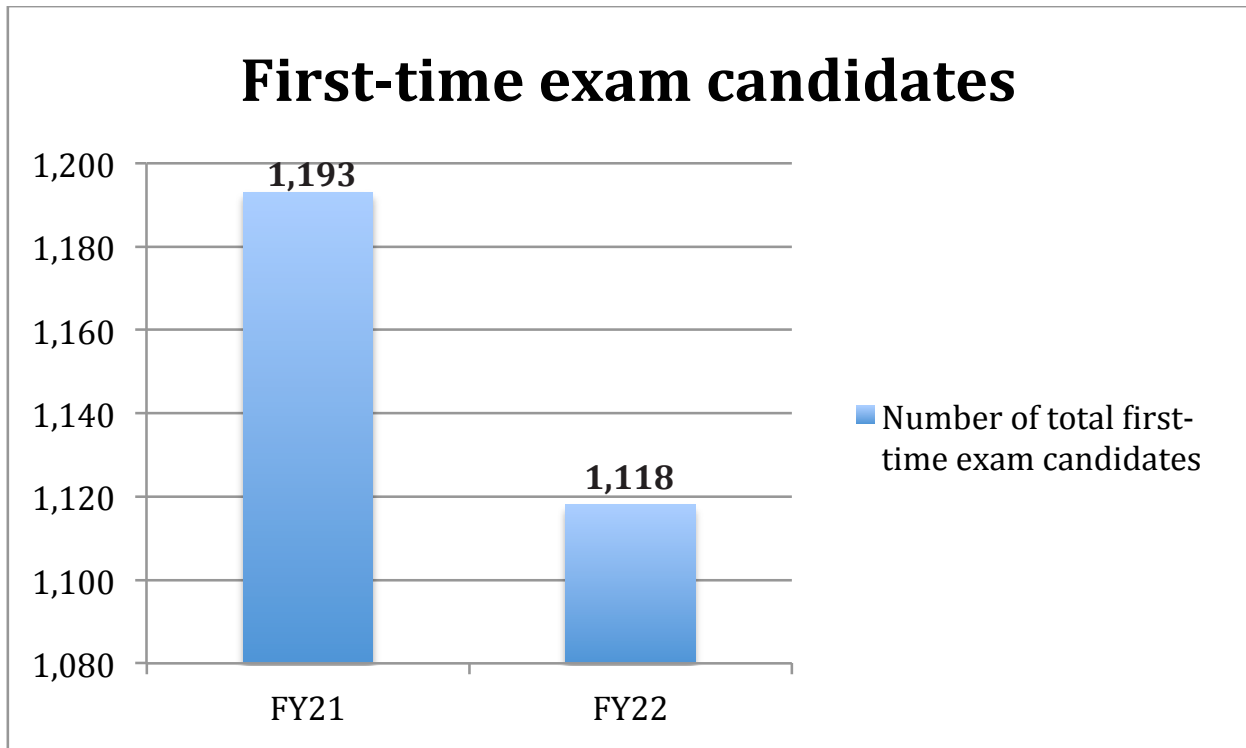
- Obtain at least 120 semester hours of education
- Baccalaureate or higher degree with an accounting concentration or equivalent



An accounting concentration or equivalent is comprised of:

- 24 semester hours of accounting courses above the introductory/foundational level: including courses in auditing, financial accounting, managerial/cost accounting and taxation
- 24 semester hours of business courses: no more than six semester hours of what could be considered upper-level accounting courses

The chart below shows the number of first time applicants who took the CPA exam in the past two fiscal years.





# ENFORCEMENT

In accordance with the general powers and duties of the Board identified in the [Code of Virginia § 54.1-4403](#), the Board has the power to initiate, receive and investigate complaints concerning certified public accountants, certified public accounting firms and those persons or entities that use the certified public accountant or “CPA” title in Virginia. In matters where it has been determined a violation of the VBOA’s regulations or Code of Virginia has occurred, the Board is authorized to take appropriate disciplinary action. Potential penalties that the Board may impose are identified in the Code of Virginia [§ 54.1-4413.4](#), and include monetary penalties of up to \$100,000 per violation, license revocation or suspension, restrictions on a person or firm’s ability to practice or requiring a person or firm to undertake additional professional education requirements.



The Board does not have jurisdiction over non-CPA accountants, such as bookkeepers or tax preparers, unless they are using the CPA title and are in violation of the Code of Virginia or engaged in a practice area limited to licensed CPA firms such as attest, compilation or financial statement preparation services. Further, the Board does not investigate fee disputes involving CPAs or to recover damages for complainants. Rather, the Board’s jurisdiction is limited to determining if a violation of their regulations or the applicable sections of the Code of Virginia have occurred, and imposing discipline if warranted.

Board’s Enforcement Division responsibilities:

- Investigates complaints against licensees and unlicensed individuals or entities that are within the jurisdiction of the Board.
- Coordinates investigations of matters with other agencies that involve significant loss or harm to Virginia citizens.
- Increases adherence to licensing requirements and professional standards by CPAs and licensed firms.
- Resolves Board enforcement matters and adjudicating complaint cases in a timely manner.
- Maintains the confidentiality of information obtained during investigations.
- Monitors licensees disciplined by the Board.
- Publicizes disciplinary actions necessary to protect the public.

## Complaints

The Enforcement Division receives and investigates several hundred complaints each year. The vast majority of these complaints are related to continuing professional education, or CPE, requirements as identified in VBOA regulation [18VAC5-22-90](#). Approximately, 100-200 cases, per year, investigated by the Enforcement Division are related to non-CPE complaints.



# ENFORCEMENT

Common non-CPE complaints include:

- Unlicensed activity by expired licensees, non-CPA accountants, bookkeepers or firms
- Failure to complete services
- Failure to return client records or respond to clients
- Embezzlement, fraud and/or theft
- Disclosure of confidential information
- Misrepresentations
- Independence
- Audit failure
- Failure to maintain competency
- IRS sanctions
- Criminal conviction and civil judgments
- Failure to provide due professional care
- Ethics violations
- Unlicensed use of the CPA title

Complaints received by the Enforcement Division originate from the public, fellow licensees, current or former clients and federal, state and local agencies. The Board itself may also initiate a complaint, such as a deficient CPE complaint following the CPE compliance review process or an unlicensed use of the CPA title following the license reinstatement process.

## Enforcement process

The Enforcement Division is responsible for the intake of all complaints filed with the Board. All complaints are reviewed for jurisdiction and if jurisdiction is present an investigation is initiated. Generally, an investigation is initiated through the issuance of a letter sent to the Respondent, which is known as a Notice of Apparent Violation.

Depending on the subject matter of the complaint the matter may be handled by VBOA staff, such as in the case of CPE deficiencies and certain complaints involving the unlicensed use of the CPA title.

For all other cases, the investigative file, once completed, will be forwarded to a Board member for their expertise and to determine if a violation does in fact exist, if offering a Consent Order is appropriate, or if the matter should be scheduled for in an Informal-Fact Finding Conference, pursuant to the Virginia Administrative Process Act §2.2-4019.

In all cases, the Respondent to the complaint is provided an opportunity to respond to the allegations made against them and provide information that they feel is important to the Board in





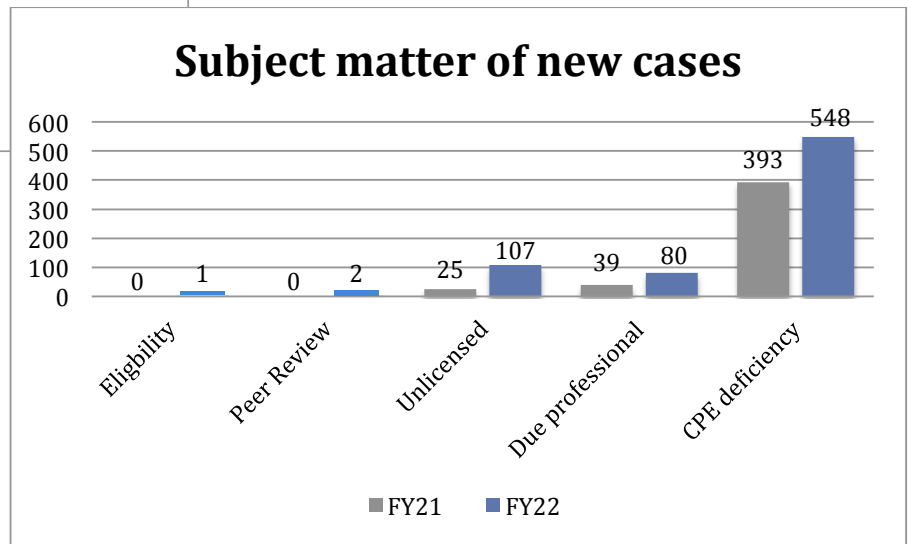
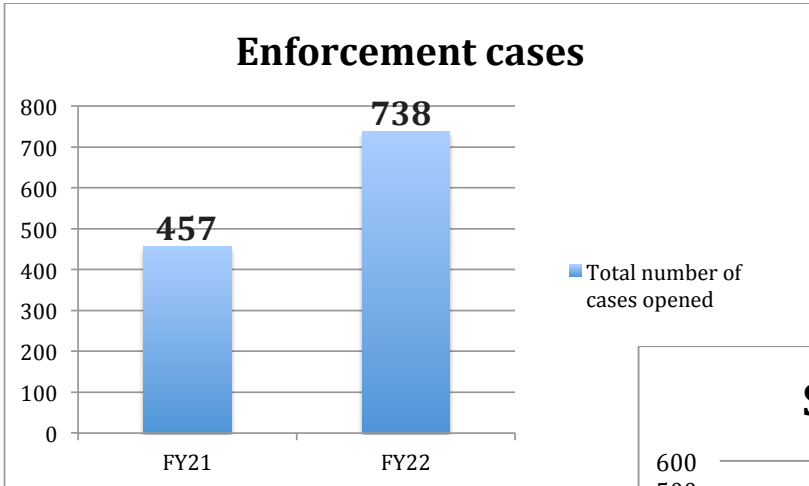
# ENFORCEMENT

rendering a final decision. The information provided by the Respondent can be in the form of written communication to the Board, electing to participate in the Informal-Fact Finding process, or both.

Possible case resolution outcomes include a finding of no violation, the issuance of an Advisory Letter by the Board to the Respondent, an agreed upon Consent Order between the Board and the Respondent to settle the matter, or the issuance of a Recommendation and Final Board Order following an Informal-Fact Finding Proceeding.

All open cases are confidential and are not available to the public. However, after an enforcement file is closed, the file, with some exceptions, does become available to the public pursuant to the Virginia Freedom of Information Act. Additionally, the Board will publish certain final disciplinary actions pursuant to its Policy #9, in an effort to help protect the public interest.

The following charts represents the total number of new cases and subject matter of the cases received by the Enforcement Division for fiscal years 2021 and 2022.





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## Penalties

The VBOA may impose penalties in accordance with Code of Virginia § 54.1-4413.4. Penalties range from a reprimand, accelerated peer reviews, satisfactory completion of additional or specific continuing professional education, suspension or revocation of a Virginia license, loss of privilege to perform services in Virginia, and/or a monetary penalty up to \$100,000 for each violation.

All penalties collected are deposited into the state literary fund and not available to the VBOA as operating funds.

The VBOA levied **\$139,197** and **\$156,301** of monetary fines in FY21 and FY22 respectively.

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## Closed cases

The total number of closed matters during fiscal year 2021 and 2022 were as follows:

### Total number of closed cases



**376**  
2021



**566**  
2022

It should be noted that during the last half of fiscal year 2022 the computerized system, My License Office, was initiated for tracking and monitoring enforcement complaints. Prior to the computerized system, this information was tracked on a series of individual spreadsheets. Therefore the tracking of complaints and cases, beginning in 2022, is more accurate than the prior years and is partially responsible for the increased number of cases tracked.



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