

## Code of Virginia Title 54.1, Chapter 44

§ 54.1-4400. Definitions.	1
§ 54.1-4401. Applicability of Chapter.	3
§ 54.1-4402. Board; Membership; Qualifications; Powers and Duties.	4
§ 54.1-4403. General Powers and Duties of the Board.	5
§ 54.1-4404. Board to Employ Executive Director; Legal Counsel.	6
§ 54.1-4405. Board of Accountancy Fund; Receipts; Disbursements.	7
§ 54.1-4405.1. Board of Accountancy Trust Account; Creation; Expenditures; Excess Moneys.	7
§ 54.1-4406. Powers and Duties of the Executive Director.	7
§ 54.1-4407. Enforcement of Laws by the Executive Director or Investigators; Authority of Investigators Appointed by the Executive Director.	8
§ 54.1-4408. Subpoenas.	9
§ 54.1-4409.1. Licensing Requirements for Persons.	9
§ 54.1-4409.2. How a Person May Obtain a Virginia License.	10
§ 54.1-4411. Substantial Equivalency Provisions for Persons who Hold the License of Another State.	12
§ 54.1-4412.1. Licensing Requirements for Firms.	13
§ 54.1-4413.2. The Renewal and Reinstatement of Licenses and Lifting the Suspension of Privileges.	15
§ 54.1-4413.3. Standards of Conduct and Practice.	17
§ 54.1-4413.4. Penalties.	18

---

## Code of Virginia Title 54.1, Chapter 44

§ 54.1-4413.5. Confidential Consent Agreements.	20
§ 54.1-4414. Prohibited Acts.	20
§ 54.1-4415. Exemptions from Unlawful Acts.	21
§ 54.1-4416. Board's Powers with Respect to Hearings Under This Chapter.	21
§ 54.1-4418. Recovery of Cost After Grant of Formal Fact-Finding.	21
§ 54.1-4420. Annual Audit.	22
§ 54.1-4421. Biennial Report.	22
§ 54.1-4423. Use of Consultants in Investigations.	22
§ 54.1-4424. Certain Information not to be Made Public.	23
§ 54.1-4425. Time for Filing Complaints Against CPAs or CPA Firms.	23

## 54.1-4400 et seq.

### § 54.1-4400. Definitions.

As used in this chapter, unless the context clearly indicates otherwise:

“Accredited institution” means a degree-granting college or university accredited either by (i) one of the six major regional accrediting organizations-Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools, and Western Association of Schools and Colleges-or their successors; or (ii) an accrediting organization demonstrating to the Board periodically, as prescribed by the Board, that its accreditation process and standards are substantially equivalent to the accreditation process and standards of the six major regional accrediting organizations.

“Assurance” means any form of expressed or implied opinion or conclusion about the conformity of a financial statement with any recognition, measurement, presentation, or disclosure principles for financial statements.

“Attest services” means audit, review, or other attest services for which standards have been established by the Public Company Accounting Oversight Board, by the Auditing Standards Board or the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, or by any successor standard-setting authorities.

“Board” means the Virginia Board of Accountancy.

“Compilation services” means compiling financial statements in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

“Continuing professional education” means the education that a person obtains after passing the CPA examination and that relates to services provided to an employer in academia, government, or industry using the CPA title or to services provided to the public using the CPA title.

“CPA” means certified public accountant.

“CPA examination” means the national uniform CPA examination approved and administered by the board of accountancy of a state or by the board's designee.

“CPA wall certificate” means the symbolic document suitable for wall display that is issued by the board of accountancy of a state to a person meeting the requirements to use the CPA title in that state.

## **54.1-4400 et seq.**

“Executive Director” means the Executive Director of the Board.

“Experience” means employment in academia, a firm, government, or industry in any capacity involving the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the Board, to provide services to an employer using the CPA title or to the public using the CPA title.

“Financial statement” means a presentation of historical or prospective financial information about one or more persons or entities.

“Firm” means an entity formed by one or more licensees as a sole proprietorship, a partnership, a corporation, a limited liability company, or any other type of entity permitted by law.

“License of another state” means the license that is issued by the board of accountancy of a state other than Virginia that gives a person the privilege of using the CPA title in that state or that gives a firm the privilege of providing attest services and compilation services to persons and entities located in that state.

“Licensed” means holding a Virginia license or the license of another state.

“Licensee” means a person or firm holding a Virginia license or the license of another state.

“Peer review” means a review of a firm’s attest services and compilation services that is conducted in accordance with the applicable monitoring program of the American Institute of Certified Public Accountants or its successor, or with another monitoring program approved by the Board.

“Practice of public accounting” means the giving of an assurance other than (i) by the person or persons about whom the financial information is presented or (ii) by one or more owners, officers, employees, or members of the governing body of the entity or entities about whom the financial information is presented.

“Providing services to an employer using the CPA title” means providing to an entity services that require the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the Board.

“Providing services to the public using the CPA title” means providing services that are subject to the guidance of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § [54.1-4413.3](#).

## 54.1-4400 et seq.

“State” means any state of the United States, the Commonwealth of the Northern Mariana Islands, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.

“Using the CPA title in Virginia” means using “CPA,” “Certified Public Accountant,” or “public accountant” (i) in any form or manner of verbal communication to persons or entities located in Virginia or (ii) in any form or manner of written communication to persons or entities located in Virginia, including but not limited to the use in any abbreviation, acronym, phrase, or title that appears in business cards, the CPA wall certificate, Internet postings, letterhead, reports, signs, tax returns, or any other document or device.

“Virginia license” means a license that is issued by the Board giving a person the privilege of using the CPA title in Virginia or a firm the privilege of providing attest services and compilation services to persons and entities located in Virginia.

### § 54.1-4401. Applicability of Chapter.

A. This chapter shall not be construed to prevent any person who is not licensed from:

1. Using the description “accountant” or “bookkeeper”
2. Stating that he practices accounting or bookkeeping
3. Performing services involving the use of accounting skills
4. Rendering tax services, or management advisory or consulting services
5. Keeping the books of account and related accounting records
6. Preparing financial statements without providing assurance

B. This chapter shall not be construed to prevent any person who is not licensed from stating that he has prepared, compiled, assembled or drafted a financial statement, provided he does not use any additional language that comprises an assurance or make any claims, representations, or statements prohibited by [§ 54.1-4414](#).

C. The prohibitions of [§ 54.1-4414](#) and the other provisions of this chapter shall not be construed to preclude any person who is not licensed from using the following language: “I (We) have compiled the accompanying (financial statements) of (name of entity) as of (time period) and for the (period) then ended. A compilation is limited to presenting in the form of financial statements information that is the representation of management (owners). I (We) have not audited or reviewed

## 54.1-4400 et seq.

the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. Management has elected to omit substantially all (or certain) required disclosures (and the statement of cash flows). If the omitted disclosures were included in financial statements, they might influence the user's conclusions about the (entity's) financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about these matters.”

D. The provisions of this chapter shall not be construed, interpreted, or applied to prohibit any public official or public employee from performing his duly authorized or mandated duties.

### § 54.1-4402. Board; Membership; Qualifications; Powers and Duties.

- A. The Board of Accountancy established under the former [§ 54.1-2000](#) and previously operating in the Department of Professional and Occupational Regulation is hereby continued and reestablished as an independent board in the executive branch of state government.
- B. The Board shall consist of seven members appointed by the Governor as follows: one member shall be a public member who may be an accountant who is not licensed but otherwise meets the requirements of clauses (i) and (ii) of [§ 54.1-107](#); one member shall be an educator in the field of accounting who holds a Virginia license; four members shall be holders of Virginia licenses who have been actively engaged in providing services to the public using the CPA title for at least three years prior to appointment to the Board; and one member shall hold a Virginia license and for at least three years prior to appointment to the Board shall have been actively engaged in providing services to the public using the CPA title or in providing services to an employer in government or industry using the CPA title.
- C. Members of the Board shall serve for terms of four years. The Governor may remove any member as provided in subsection B of [§ 2.2-108](#). Any member of the Board whose Virginia license is revoked or suspended shall automatically cease to be a member of the Board.
- D. The Board shall restrict the practice of public accounting and the use of the CPA title in Virginia to licensed persons and firms as specified in §§ [54.1-4409.1](#) and [54.1-4412.1](#).
- E. The Board shall restrict the provision of attest services and compilation services to persons or entities located in Virginia and to as specified in [§ 54.1-4412.1](#). However, this shall not affect the privilege of a person who is not licensed to say that financial statements have been compiled or to use the compilation language, as prescribed by subsections B and C of [§ 54.1-4401](#).
- F. The Board shall take such actions as may be authorized by this chapter to ensure the continued competence of persons using the CPA title in Virginia and firms providing attest services or compilation services to persons or entities located in Virginia, and to aid the public in determining their qualifications.

## 54.1-4400 et seq.

- G. The Board shall take such actions as may be authorized by this chapter to ensure that persons using the CPA title in Virginia and firms providing attest services or compilation services to persons or entities located in Virginia adhere to the standards of conduct and practice in [§ 54.1-4413.3](#) and regulations promulgated by the Board.
- H. The Board shall have the responsibility of enforcing this chapter and may by regulation establish rules and procedures for the implementation of the provisions of this chapter.

### [§ 54.1-4403](#). General Powers and Duties of the Board.

The Board shall have the power and duty to:

1. Establish the qualifications of applicants for licensure, provided that all qualifications shall be necessary to ensure competence and integrity.
2. Examine, or cause to be examined, the qualifications of each applicant for licensure, including the preparation, administration and grading of the CPA examination.
3. Promulgate regulations in accordance with the Administrative Process Act ([§ 2.2-4000](#) et seq.) necessary to assure continued competency, to prevent deceptive or misleading practices by licensees, and to effectively administer the regulatory system.
4. Levy and collect fees for the issuance, renewal, or reinstatement of Virginia licenses that are sufficient to cover all expenses of the administration and operation of the Board.
5. Levy on holders of Virginia licenses special assessments necessary to cover expenses of the Board.
6. Initiate or receive complaints concerning the conduct of holders of Virginia licenses or concerning their violation of the provisions of this chapter or regulations promulgated by the Board, and to take appropriate disciplinary action if warranted.
7. Initiate or receive complaints concerning the conduct of persons who use the CPA title in Virginia under the substantial equivalency provisions of [§ 54.1-4411](#) or firms that provide attest services or compilation services to persons or entities located in Virginia under the provisions of subsection C of [§ 54.1-4412.1](#), and to take appropriate disciplinary action if warranted.

### **54.1-4400 et seq.**

8. Initiate or receive complaints concerning violations of the provisions of this chapter or regulations promulgated by the Board by persons who use the CPA title in Virginia under the substantial equivalency provisions of [§ 54.1-4411](#) or firms that provide attest services or compilation services to persons or entities located in Virginia under the provisions of subsection C of [§ 54.1-4412.1](#), and to take appropriate disciplinary action if warranted.
9. Revoke, suspend, or refuse to reinstate a Virginia license for just causes as prescribed by the Board.
10. Revoke or suspend, for just causes as prescribed by the Board, a person's privilege of using the CPA title in Virginia under the substantial equivalency provisions of [§ 54.1-4411](#) or a firm's privilege of providing attest services or compilation services to persons or entities located in Virginia under the provisions of subsection C of [§ 54.1-4412.1](#).
11. Establish requirements for peer reviews.
12. Establish continuing professional educational requirements as a condition for issuance, renewal, or reinstatement of a Virginia license.
13. Expand or interpret the standards of conduct and practice in [§ 54.1-4413.3](#).
14. Enter into contracts necessary or convenient for carrying out the provisions of this chapter or the functions of the Board.
15. Do all things necessary and convenient for carrying into effect this chapter and regulations promulgated by the Board.

### **[§ 54.1-4404](#). Board to Employ Executive Director; Legal Counsel.**

A. The Board shall employ an Executive Director who shall serve at the pleasure of the Board. The Executive Director shall direct the affairs of the Board; keep records of all proceedings, transactions, communications, and official acts of the Board; be custodian of all records of the Board; and perform such duties as the Board may require. The Executive Director shall call a meeting of the Board at the direction of the chair of the Board or upon the written request of three or more Board members. The Executive Director, with approval of the Board, may employ such additional staff as needed. The annual salary of the Executive Director shall be established by the Board.

B. The Office of the Attorney General shall provide counsel to the Board. In addition, subject to the approval of the Attorney General, the Board may, from time to time, employ such other counsel as it deems necessary.

## 54.1-4400 et seq.

### § 54.1-4405. Board of Accountancy Fund; Receipts; Disbursements.

A. The Board of Accountancy Fund (the Fund) is established as a special fund in the state treasury. All fees collected as provided in this chapter and regulations promulgated by the Board, shall be paid into the state treasury immediately upon collection and credited to the Fund. Any interest income shall accrue to the Fund. All disbursements from the Fund shall be made by the State Treasurer upon warrants of the Comptroller issued upon vouchers signed by an authorized officer of the Board or the Executive Director as authorized by the Board.

B. Notwithstanding any law to the contrary, the Board shall have the discretion to use the moneys in the Fund to support its operations as the Board deems appropriate.

### § 54.1-4405.1. Board of Accountancy Trust Account; Creation; Expenditures; Excess Moneys.

A. There is hereby created in the state treasury a special nonreverting fund (except as set forth in subsection B), to be known as the Board of Accountancy Trust Account (the Trust Account). The purpose of the Trust Account is to provide a supplemental source of funds to the Board on a timely basis for (i) 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 Board or (ii) any other purpose that the Board determines is germane to its statutory purposes and cannot otherwise be funded through the Fund. The Trust Account shall consist of transfers from time to time by the Board from the Fund and earnings on the Trust Account.

B. All disbursements from the Trust Account shall be made by the State Treasurer upon warrants of the Comptroller issued upon vouchers signed by an authorized officer of the Board or the Executive Director as authorized by the Board. Funds remaining in the Trust Account at the end of a biennium shall continue to remain in the Trust Account and accrue earnings. Upon a determination by the Board that the Trust Account balance exceeds the amount needed for the purposes set forth in subsection A, the Board may transfer the excess to the Fund.

### § 54.1-4406. Powers and Duties of the Executive Director.

Within the parameters of policies and guidelines established by the Board, the Executive Director shall have the power and duty to:

1. Employ personnel and assistance necessary for the operation of the Board and the purposes of this chapter

## 54.1-4400 et seq.

2. Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the Board and the execution of its powers under this chapter, including, but not limited to, contracts with the United States government, with agencies and governmental subdivisions of the Commonwealth, and with other states
3. Accept grants from the United States government, its agencies and instrumentalities and any other source, and to these ends, the Board shall have the power to comply with conditions and execute agreements that are necessary, convenient, or desirable
4. Serve as the secretary of the Board
5. Maintain all records of the Board
6. Collect and account for all fees and deposit them into the Board of Accountancy Fund, from which the expenses of the Board shall be paid
7. Enforce all statutes and regulations the Executive Director is required to administer
8. Exercise other powers necessary to function as the sole administrative officer of the Board
9. Perform any additional administrative functions prescribed by the Board

### **§ 54.1-4407. Enforcement of Laws by the Executive Director or Investigators; Authority of Investigators Appointed by the Executive Director.**

A. The Executive Director or investigators appointed by him shall:

1. Be sworn to enforce the statutes and regulations pertaining to the Board
2. Have the authority to investigate violations of the statutes and regulations that the Executive Director is required to enforce
3. Have the authority to issue summonses for violations of the provisions of this chapter or regulations promulgated by the Board

B. In the event a person or entity that is issued a summons by the Executive Director or investigators appointed by him fails or refuses to discontinue the unlawful acts or refuses to give a written promise to appear at the time and place specified in the summons, the Executive Director or the investigators may appear before a magistrate or other issuing authority having jurisdiction to obtain a criminal warrant under [§ 19.2-72](#).

## **54.1-4400 et seq.**

C. The Executive Director and all investigators appointed by the Executive Director are vested with the authority to administer oaths or affirmations (i) for the purpose of receiving complaints and conducting investigations of violations of the provisions of this chapter or any regulations promulgated by the Board or (ii) in connection with any investigation conducted on behalf of the Board. The Executive Director and the investigators are vested with the authority to (a) obtain, serve, and execute any warrant, paper, or process issued by any court or magistrate or by the Board under the authority of the Executive Director and (b) request and receive criminal history information under the provisions of [§ 19.2-389](#).

### **[§ 54.1-4408](#). Subpoenas.**

In addition to the authority granted in [§ 2.2-4022](#) to issue subpoenas and the right to issue subpoenas granted the Board, the Executive Director or a designated subordinate shall have the right to make an ex parte application to the circuit court for the city or county where evidence sought is kept or where a person or firm does business, for the issuance of a subpoena for the production of documents. The subpoena shall be requested to further the investigation of a sworn complaint within the jurisdiction of the Board by requesting production of any relevant records, documents, or physical or other evidence of any person or firm regulated by the Board. The court shall be authorized to issue and compel compliance with the subpoena upon a showing of reasonable cause. Upon determining that reasonable cause exists to believe that evidence may be destroyed or altered, the court may issue a subpoena for the production of documents requiring the immediate production of evidence.

[§ 54.1-4409](#). Repealed by Acts 2007, c. 804, cl. 2.

### **[§ 54.1-4409.1](#). Licensing Requirements for Persons.**

- A. A person must be licensed in order to use the CPA title in Virginia.
1. The person shall hold a Virginia license if he provides services to the public using the CPA title and the principal place of business in which he provides those services is in Virginia.
  2. Other persons shall not be required to hold a Virginia license in order to use the CPA title in Virginia provided that they hold the license of another state and comply with the substantial equivalency provisions of [§ 54.1-4411](#).
- B. The Board shall prescribe the methods, fees, and continuing professional education requirements for a person to apply for the issuance, renewal or reinstatement of a Virginia license.

## 54.1-4400 et seq.

C. The Board has the authority to refuse to grant a person the privilege of using the CPA title in Virginia if, based upon all the information available, the Board finds that the person is unfit or unsuited to use the CPA title in Virginia. The Board shall not refuse to grant a person the privilege of using the CPA title in Virginia solely because of a criminal conviction.

### § 54.1-4409.2. How a Person May Obtain a Virginia License.

A. A person who has not held the license of any state may obtain a Virginia license under this subsection.

1. To be considered for a Virginia license, the person seeking licensure shall:
  - a. Provide documentation that he has obtained from one or more accredited institutions or from the National College at least 150 semester hours of education, a baccalaureate or higher degree, and an accounting concentration or equivalent, as defined by the Board
  - b. Provide documentation that he has passed the CPA examination
  - c. Describe his continuing professional education since he passed the CPA examination. The Board shall determine whether his continuing professional education complies with the continuing professional education requirement prescribed by the Board for that period
  - d. Describe his experience. The Board shall determine whether his experience complies with the experience requirement prescribed by the Board
2. After evaluating information provided by the person, the Board may request additional information and may impose additional requirements for obtaining a Virginia license.

B. A person who does not hold the license of another state but has previously held the license of another state may obtain a Virginia license under this subsection.

1. To be considered for a Virginia license, the person seeking licensure shall
  - a. Disclose to the Board each state in which he has held a license
  - b. Disclose, for each of those states, why the license is no longer held and provide documentation from the board of accountancy concerning whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board
  - c. Describe the semester hours of education he has obtained from colleges and universities. The Board shall determine whether the education obtained is substantially equivalent to the education that would have been required by the Board when the person passed the CPA examination
  - d. Describe his continuing professional education since he last held the license of another state. The Board shall determine whether his continuing professional

## 54.1-4400 et seq.

education complies with requirement prescribed by the Board for reinstatement of a Virginia license

e. Describe his experience. The Board shall determine whether his experience complies with the experience requirement prescribed by the Board.

2. After evaluating the information provided by the person, the Board may request additional information and may impose additional requirements for obtaining a Virginia license.

C. A person who holds the license of another state may obtain a Virginia license under this subsection.

1. To be considered for a Virginia license, the person seeking licensure shall:

a. Disclose to the Board each state in which he holds or has held a license

b. Provide, for each state in which the person holds a license, documentation from the Board of Accountancy concerning whether he is in good standing with the board, whether there are any pending actions alleging violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board, and whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board

c. Disclose, for each state in which the person has held a license, why the license is no longer held and provide documentation from the board of accountancy concerning whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board

d. Describe the semester hours of education he has obtained from colleges and universities. The Board shall determine whether the education obtained is substantially equivalent to the education that would have been required by the Board when the person passed the CPA examination

e. Describe his continuing professional education during the most recent reporting period that would be required for the holder of a Virginia license. The Board shall determine whether his continuing professional education complies with the continuing professional education requirement prescribed by the Board for that period

f. Describe his experience. The Board shall determine whether his experience complies with the experience requirement prescribed by the Board.

2. After evaluating the information provided by the person, the Board may request additional information and may impose additional requirements for obtaining a Virginia license.

[§ 54.1-4410](#). Repealed by Acts 2007, c. 804, cl. 2.

## 54.1-4400 et seq.

### § 54.1-4411. Substantial Equivalency Provisions for Persons who Hold the License of Another State.

A. A person who holds the license of another state shall be considered to have met requirements that are substantially equivalent to those prescribed by the Board if:

1. The Board has determined that the education, CPA examination, and experience requirements of the state are substantially equivalent to those prescribed by the Board
2. The person has demonstrated meeting education, CPA examination, and experience requirements that are substantially equivalent to those prescribed by the Board

B. A person who holds the license of another state and meets the substantial equivalency provisions of subsection A shall not be required to hold a Virginia license to use the CPA title in Virginia provided that either (i) he provides services to the public using the CPA title and the principal place of business in which he provides those services is in other states or (ii) he does not provide services to the public using the CPA title. However, to use the CPA title in Virginia, the person shall:

1. Consent to be subject to:
  - a. The provisions of this chapter and regulations promulgated by the Board that apply to the holder of a Virginia license
  - b. The jurisdiction of the Board in all disciplinary proceedings arising out of matters related to his use of the CPA title in Virginia
  - c. The Board's authority to revoke or suspend his privilege to use the CPA title in Virginia and to impose penalties for the person's violations of the provisions of this chapter and regulations promulgated by the Board
2. Consent to the appointment of the executive director of the board of accountancy of the state that issued the license as his agent, upon whom process may be served (i) in any action or proceeding by the Board against him, or (ii) in any civil action in Virginia courts arising out of his using the CPA title in Virginia. In the event he holds a license from more than one state, the Board shall establish which executive director shall serve as his agent.
3. Consent to the personal and subject matter jurisdiction of the courts of Virginia in any civil action arising out of his use of the CPA title in Virginia and agree that the proper venue for such actions is in Virginia.
4. Agree to cease using the CPA title in Virginia if he is no longer licensed.

C. A holder of a Virginia license who is using the CPA title in another state under substantial equivalency provisions of statutes of the state or regulations promulgated by the board of accountancy of the state shall be subject to disciplinary action by the Board for an act or omission committed in that state. The Board may investigate any complaint made to or by the board of accountancy of any state related to the person's use of the CPA title in that state.

## 54.1-4400 et seq.

D. The Board may cooperate and share information with appropriate authorities in other states in investigations or enforcement matters concerning violations of the provisions of this chapter or regulations promulgated by the Board and comparable statutes or regulations of other states or boards of accountancy.

[§ 54.1-4412](#). Repealed by Acts 2007, c. 804, cl. 2.

### [§ 54.1-4412.1](#). Licensing Requirements for Firms.

A. Only a firm can provide attest services or compilation services to persons or entities located in Virginia. However, this shall not affect the privilege of a person who is not licensed to say that financial statements have been compiled or to use the compilation language, as prescribed by subsections B and C of [§ 54.1-4401](#).

B. A firm that provides attest services or compilation services to persons or entities located in Virginia shall obtain a Virginia license if the principal place of business in which it provides those services is in Virginia.

C. A firm that is not required to obtain a Virginia license may provide attest services or compilation services to persons or entities located in Virginia if:

1. The firm's personnel working on the engagement either (i) hold a Virginia license or (ii) hold the license of another state and comply with the substantial equivalency provisions of [§ 54.1-4411](#)

2. The firm's personnel working on the engagement are under the supervision of a person who either (i) holds a Virginia license or (ii) holds the license of another state and complies with the substantial equivalency provisions of [§ 54.1-4411](#).

D. For a firm to obtain a Virginia license:

1. As determined on a firm-wide basis:

- a. At least 51 percent of the owners of the firm shall be licensees, trustees of an eligible employee stock ownership plan as defined in [§ 13.1-543](#), or a firm that meets this requirement, and

- b. At least 51 percent of the voting equity interest in the firm shall be owned by persons who are licensees, by trustees of an eligible employee stock ownership plan as defined in [§ 13.1-543](#), or by a firm that meets this requirement

## 54.1-4400 et seq.

If the death, retirement, or departure of an owner causes either of these requirements not to be met, the requirement shall be met within one year after the death, retirement, or departure of the owner.

2. The Board shall prescribe requirements concerning the hours that owners who are not licensees work in the firm and may prescribe other requirements for those persons.
  3. All attest services and compilation services provided for persons and entities located in Virginia shall be under the supervision of a person who either (i) holds a Virginia license or (ii) holds the license of another state and complies with the substantial equivalency provisions of [§ 54.1-4411](#).
  4. Any person who releases or authorizes the release of reports on attest services or compilation services provided for persons or entities located in Virginia shall:
    - a. Either (i) hold a Virginia license or (ii) hold the license of another state and comply with the substantial equivalency provisions of [§ 54.1-4411](#), and
    - b. Meet any additional requirements the Board prescribes.
  5. The firm shall conduct its attest services and compilation services in conformity with the standards of conduct and practice in [§ 54.1-4413.3](#) and regulations promulgated by the Board.
  6. The firm shall be enrolled in the applicable monitoring program of the American Institute of Certified Public Accountants or its successor, or in another monitoring program for attest services and compilation services that is approved by the Board. In addition, the firm shall comply with any requirements prescribed by the Board in response to the results of peer reviews.
  7. The firm shall participate in the American Institute of Certified Public Accountants', or sponsoring organizations', Facilitated State Board Access process, or its successor process, for peer reviews.
  8. The name of the firm shall not be false, misleading, or deceptive.
- E. The Board shall prescribe the methods and fees for a firm to apply for the issuance, renewal, or reinstatement of a Virginia license.
- F. An entity may not use the CPA title in Virginia unless it meets the requirements of subdivision D 1.

## 54.1-4400 et seq.

[§§ 54.1-4413.. 54.1-4413.1](#). Repealed by Acts 2007, c. 804, cl. 2.

### **[§ 54.1-4413.2](#). The Renewal and Reinstatement of Licenses and Lifting the Suspension of Privileges.**

A. A Virginia license shall provide its holder with a 12-month privilege to use the CPA title in Virginia or provide attest services and compilation services to persons and entities located in Virginia.

B. The person or firm holding the license shall have an additional 12-month period after the expiration of a license to renew the license.

1. The Board may prescribe renewal fees and requirements that increase based on the amount of time the person or firm allows to elapse before applying for renewal.

2. During the additional 12-month period, the person or firm shall be considered to hold a Virginia license.

C. If the license is not renewed by the end of the additional 12-month period, it shall be considered to have expired and the person or firm shall be considered to no longer hold a Virginia license.

D. A person whose Virginia license expired may obtain a new Virginia license under subsection C of [§ 54.1-4409.2](#) if he holds the license of another state.

E. The license of a person whose Virginia license expired and who does not hold the license of another state may be reinstated under this subsection. In addition, a person whose privilege of using the CPA title in Virginia was suspended may have the suspension lifted under this subsection.

1. To be considered for reinstatement of a Virginia license or lifting the suspension of the privilege of using the CPA title in Virginia:

a. The person shall disclose to the Board why he no longer holds a Virginia license or why his privilege of using the CPA title in Virginia was suspended.

b. The person shall disclose to the Board each state in which he holds or has held a license.

c. For each of the states in which the person holds a license, he shall provide documentation from the board of accountancy about whether he is in good standing with the board, whether there are any pending actions alleging violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board, and whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board.

d. For each of the states in which the person has held a license, the person shall

## 54.1-4400 et seq.

disclose why he no longer holds a license and provide documentation from the board of accountancy concerning whether he has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board.

e. The person shall describe his continuing professional education since his Virginia license expired or was suspended. The Board shall determine whether his continuing professional education complies with the continuing professional education requirement prescribed by the Board for that period.

2. After evaluating the information provided by the person, the Board may request additional information and may impose additional requirements for reinstatement of the Virginia license or lifting the suspension.

3. The Board shall communicate to the person its decision and, if the request for reinstatement or lifting the suspension is denied, the reasons for the denial. The request may be resubmitted when the person believes the matters affecting the request have been satisfactorily resolved. The person may request a proceeding in accordance with the provisions of the Administrative Process Act ([§ 2.2-4000](#) et seq.).

F. The license of a firm whose Virginia license expired may be reinstated under this subsection. In addition, a firm whose privilege of providing attest services or compilation services to persons or entities located in Virginia was suspended may have the suspension lifted under this subsection.

1. To be considered for reinstatement of a Virginia license or lifting the suspension of the privilege of providing attest services or compilation services to persons or entities located in Virginia:

a. The firm shall disclose to the Board why it no longer holds a Virginia license or why its privilege of providing attest services or compilation services to persons or entities located in Virginia was suspended.

b. The firm shall disclose to the Board each state in which it holds or has held a license.

c. For each of the states in which the firm holds a license, it shall provide documentation from the board of accountancy concerning whether it is in good standing with the board, whether there are any pending actions alleging violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board, and whether it has been found guilty of any violations of these standards of conduct and practice.

d. For each of the states in which the firm has held a license, the firm shall disclose why it no longer holds a license and provide documentation from the board of accountancy concerning whether it has been found guilty of any violations of the standards of conduct and practice established by statutes of the state or regulations promulgated by the board.

## 54.1-4400 et seq.

2. After evaluating the information provided by the firm, the Board may request additional information and may impose additional requirements for reinstatement of the Virginia license or lifting the suspension.

3. The Board shall communicate to the firm its decision and, if the request for reinstatement or lifting the suspension is denied, the reasons for the denial. The request may be resubmitted when the firm believes the matters affecting the request have been satisfactorily resolved. The firm may request a proceeding in accordance with the provisions of the Administrative Process Act ([§ 2.2-4000](#) et seq.).

G. The Board shall consider granting the privilege of using the CPA title in Virginia, or the privilege of providing attest services or compilation services to persons or entities located in Virginia, to persons or firms that have had the privilege revoked only when the person or firm demonstrates to the Board that there are special facts and circumstances that warrant reconsideration by the Board of whether it should allow the person or firm to have the privilege.

### [§ 54.1-4413.3](#). Standards of Conduct and Practice.

Persons using the CPA title in Virginia and firms providing attest services or compilation services to persons or entities located in Virginia shall conform to the following standards of conduct and practice.

1. Exercise sensitive professional and moral judgment in all activities.
2. Act in a way that serves the public interest, honors the public trust, and demonstrates commitment to professionalism.
3. Perform all professional responsibilities with the highest sense of integrity, maintain objectivity and freedom from conflicts of interest in discharging professional responsibilities, and avoid knowingly misrepresenting facts or inappropriately subordinating judgment to others.
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.
5. Follow the technical standards, and the related interpretive guidance, issued by committees and boards of the American Institute of Certified Public Accountants that are designated by the Council of the American Institute of Certified Public Accountants to

## 54.1-4400 et seq.

promulgate technical standards, or that are issued by any successor standard-setting authorities.

6. Follow the standards, and the related interpretive guidance, as applicable under the circumstances, issued by the Comptroller General of the United States, the Federal Accounting Standards Advisory Board, the Financial Accounting Standards Board, the Governmental Accounting Standards Board, the Public Company Accounting Oversight Board, the U. S. Securities and Exchange Commission, comparable international standard-setting authorities, or any successor standard-setting authorities.

7. Do not engage in any activity that is false, misleading or deceptive.

### § 54.1-4413.4. Penalties.

A. Penalties the Board may impose consist of:

1. Revoking the privilege of using the CPA title in Virginia or providing attest services or compilation services to persons or entities located in Virginia
2. Suspending or refusing to reinstate the privilege of using the CPA title in Virginia or providing attest services or compilation services to persons or entities located in Virginia
3. Reprimanding, censuring, or limiting the scope of practice of any person using the CPA title in Virginia or any firm providing attest services or compilation services to persons or entities located in Virginia
4. Placing any person using the CPA title in Virginia or any firm providing attest services or compilation services to persons or entities located in Virginia on probation, with or without terms, conditions and limitations
5. Requiring a firm holding a Virginia license to have an accelerated peer review conducted as the Board may specify or to take other remedial actions
6. Requiring a person holding a Virginia license to satisfactorily complete additional or specific continuing professional education as the Board may specify
7. Imposing a monetary penalty up to \$100,000 for each violation of the provisions of this chapter or regulations promulgated by the Board; any monetary penalty may be sued for and recovered in the name of the Commonwealth.

B. The Board may impose penalties on persons using the CPA title in Virginia or firms providing attest services or compilation services to persons or entities located in Virginia for:

## 54.1-4400 et seq.

1. Violation of the provisions of this chapter or regulations promulgated by the Board.
2. Fraud or deceit in obtaining, renewing, or applying for reinstatement or lifting the suspension of a Virginia license.
3. Revocation, suspension, or refusal to reinstate the license of another state for disciplinary reasons.
4. Revocation or suspension of the privilege of practicing before any state or federal agency or federal court of law.
5. Dishonesty, fraud, or gross negligence in providing services to an employer using the CPA title, in providing services to the public using the CPA title, or in providing attest services or compilation services.
6. Dishonesty, fraud, or gross negligence in preparing the person's or firm's own state or federal income tax return or financial statement.
7. Conviction of a felony, or of any crime involving moral turpitude, under the laws of the United States, of Virginia, or of any other state if the acts involved would have constituted a crime under the laws of Virginia.
8. Lack of the competence required to provide services to the public using the CPA title for persons and entities located in Virginia or to provide attest services and compilation services to persons and entities located in Virginia, as determined by the Board.

### C. The Board may also impose penalties on:

1. A person who does not hold a Virginia license, or who does not meet the requirements to use the CPA title in Virginia under the substantial equivalency provisions of [§ 54.1-4411](#), and commits any of the acts prohibited by [§ 54.1-4414](#)
2. An entity that does not meet the criteria prescribed by subdivision D 1 of [§ 54.1-4412.1](#) and commits any of the acts prohibited by [§ 54.1-4414](#)

### [§ 54.1-4413.5](#). Confidential Consent Agreements.

A. The Board may enter into a confidential consent agreement with a person or firm in lieu of disciplinary action.

## 54.1-4400 et seq.

### B. A confidential consent agreement:

1. Shall be entered into only in cases involving minor violations of the provisions of this chapter or regulations promulgated by the Board
2. Shall not be disclosed by the person or firm
3. Shall include findings of fact and may include an admission or a finding of a violation
4. Shall not be considered a notice or order of the Board but may be considered by the Board in future disciplinary proceedings

C. The Board shall adopt regulations in accordance with the Administrative Process Act ([§ 2.2-4000](#) et seq.) to implement the provisions of this section. Such regulations shall identify the type of minor violations for which confidential consent orders may be offered and limit the number of confidential consent orders that may be offered to the same licensee in any given period. The Board shall not enter into a confidential consent agreement if there is probable cause to believe a licensee has demonstrated gross negligence or intentional misconduct in the practice of public accounting.

### [§ 54.1-4414. Prohibited Acts.](#)

Neither (i) a person who does not hold a Virginia license or who does not meet the requirements to use the CPA title in Virginia under the substantial equivalency provisions of [§ 54.1-4411](#) nor (ii) an entity that does not meet the criteria prescribed by subdivision D 1 of [§ 54.1-4412.1](#) shall:

1. Practice public accounting
2. Claim to hold a license to use the CPA title
3. Make any other claim of licensure, registration, or approval related to the preparation of financial statements that is false or misleading
4. Use the CPA title
5. Refer to any of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of [§ 54.1-4413.3](#), or refer to or use any of the terminology prescribed by those authorities for reporting on financial statements, in any form or manner of communication about services provided to persons or entities located in Virginia.

### [§ 54.1-4415. Exemptions from Unlawful Acts.](#)

## 54.1-4400 et seq.

The unlawful acts listed in [§ 54.1-4414](#) shall not apply to a person or entity holding a certification, designation, degree, or license granted in a foreign country entitling the holder to engage in the practice of public accounting or its equivalent in the country, provided that:

1. The practice of the person or entity in Virginia is limited to providing services to persons or entities who are residents of, governments of, or business entities of the country in which the entitlement is held
2. The person or entity does not engage in the practice of public accounting for any other person, firm, or governmental unit located in Virginia
3. The person or entity designates the country of origin and does not use any title or designation other than the one under which he or the entity may lawfully practice in the country of origin, which may be followed by a translation of the title or designation into English

### [§ 54.1-4416](#). Board's Powers with Respect to Hearings Under This Chapter.

The Board may, in hearings arising under this chapter, determine the place in Virginia where the hearings shall be held; subpoena witnesses; take depositions of witnesses in the manner provided for in civil actions in courts of record; pay the witnesses fees and mileage and other expense reimbursements for their attendance as is provided for witnesses in civil actions in courts of record; and administer oaths.

[§ 54.1-4417](#). Repealed by Acts 2007, c. 804, cl. 2.

### [§ 54.1-4418](#). Recovery of Cost After Grant of Formal Fact-Finding.

After a formal fact-finding under [§ 2.2-4020](#) in which a penalty is imposed to fine, or to suspend, revoke or refuse to reinstate or lift the suspension of a Virginia license, the Board may assess the holder or former holder of the license the cost of conducting the fact-finding when the Board has final authority to grant the license, unless the Board determines that the offense was inadvertent or done in a good-faith belief that the act did not violate provisions of this chapter or regulations promulgated by the Board. The cost shall be limited to (i) the reasonable hourly rate for the hearing officer, (ii) the actual cost of recording the proceedings, (iii) a reasonable administrative charge for personnel and other administrative costs incurred by the Board in connection with the hearing, and (iv) a reasonable charge for any consultants retained by the Board.

[§ 54.1-4419](#). Repealed by Acts 2007, c. 804, cl. 2.

## 54.1-4400 et seq.

### [§ 54.1-4420. Annual Audit.](#)

The Board's financial statements shall be prepared in accordance with generally accepted accounting principles and shall be audited annually by the Auditor of Public Accounts, or his legally authorized representatives, or by a firm selected by the Board through a competitive procurement.

### [§ 54.1-4421. Biennial Report.](#)

The Board shall submit a biennial report to the Governor and General Assembly on or before November 1 of each even-numbered year. The biennial report shall contain, at a minimum, the following information: (i) a description of the Board's activities, (ii) a report on the audit of the Board's financial statements for the biennium, (iii) statistical information regarding the administrative hearings and decisions of the Board, and (iv) a general summary of all complaints received against persons and firms and the procedures used to resolve the complaints.

### [§ 54.1-4422. Expired.](#)

### [§ 54.1-4423. Use of Consultants in Investigations.](#)

A. The Board may develop a roster of consultants and may contract with consultants to assist the Board in investigating and evaluating violations of the provisions of this chapter and regulations promulgated by the Board and to provide expert testimony as necessary in any subsequent administrative hearing or court proceeding. The consultants' compensation shall be determined and paid by the Board.

B. Any consultant under contract with the Board shall have immunity from civil liability resulting from any communication, finding, opinion, or conclusion made in the course of his duties unless the person acted in bad faith or with malicious intent.

### [§ 54.1-4424. Certain Information not to be Made Public.](#)

Tax returns, financial statements, and other financial information that is not generally available to the public through regulatory disclosure or otherwise, subdivision 3 of [§ 54.1-108](#) notwithstanding, provided to the Board by a complainant or as a result of an investigation of a licensee by the Board in response to a complaint shall be exempt from the provisions of the Virginia Freedom of Information Act ([§ 2.2-3700](#) et seq.).

### [§ 54.1-4425. Time for Filing Complaints Against CPAs or CPA Firms.](#)

A. Except as otherwise provided in subsections B and C, any complaint against a CPA or CPA firm for any violation of statutes or regulations pertaining to the Board or any of the programs that may be in

## **54.1-4400 et seq.**

another title of the Code for which the Board has enforcement responsibility, in order to be investigated by the Board, shall be made in writing, or otherwise made in accordance with Board procedures, and received by the Board within three years of the act, omission, or occurrence giving rise to the violation. Public information obtained from any source by the Executive Director or agency enforcement staff may serve as the basis for a written complaint against a CPA or CPA firm.

B. However, where a CPA or CPA firm has materially and willfully misrepresented, concealed, or omitted any information and the information so misrepresented, concealed, or omitted is material to the establishment of the violation, the complaint may be made at any time within two years after discovery of the misrepresentation, concealment, or omission.

C. In cases where criminal charges have been filed involving matters that, if found to be true, would also constitute a violation of the regulations or laws of the resultant's profession enforced by the Board, an investigation may be initiated by the Board at any time within two years following the date such criminal charges are filed.

D. Nothing in this section shall be construed to require the filing of a complaint if the alleged violation of the statute or regulation is discovered during an investigation authorized by law, and the acts, omissions, or conditions constituting the alleged violations are witnessed by a sworn investigator appointed by the Executive Director.

E. Nothing herein shall deny the right of any party to bring a civil cause of action in a court of law.