Mission

The Virginia Board of Accountancy’s mission is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of Certified Public Accountants (CPA) and CPA firms.

Vision

To serve all CPAs and CPA candidates in a professional manner, enabling them to contribute to the Commonwealth’s prosperity by entering and progressing in their chosen profession; to provide the most equitable, efficient, and economical means available to limit entry barriers to the marketplace; and to discipline those licensees who do not follow accepted ethical or professional standards and to protect the public through enforcement actions against unlicensed persons and entities.

Values

The Virginia Board of Accountancy’s commitment to excellence is demonstrated through the agency’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.

Finance

Financial Overview

The Virginia Board of Accountancy (VBOA) is one-hundred (100) percent non-general funded and is totally financially dependent on fees collected from applicants and licensees. The VBOA has two special revenue funds. An Operating fund and a Trust Fund which is primarily used to pay for the study, research, investigation, and adjudication of matters involving possible violations of statutes or regulations relating to the profession of public accounting.

The VBOA implemented a fee increase effective January 1, 2013. Virginia CPA licensure fees had not been increased since 1991 (over 22 years). During this period, the profession has continually grown, technology has significantly changed and over-all day-to-day operating expenses have dramatically risen which include the need for additional staff resources. This fee increase has been sufficient to supports the resources essential in carrying out the agency goals and objectives, particularly in the area of information technology enhancements.
Sixty-one (61) percent of VBOA’s budget supports personnel costs: salaries, wages, and fringe benefits. The remaining budget supports day-to-day operations i.e.: funding for rent, information technology needs, contractual services, training, office supplies, and other miscellaneous costs.

The VBOA also imposes monetary penalties against licensees in the enforcement of disciplinary cases. All penalties collected by the VBOA are deposited into the Virginia Literary Fund and are not available to the VBOA for normal operating expenses.

### Biennial Budget

<table>
<thead>
<tr>
<th></th>
<th>2017 General Fund</th>
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<tr>
<td>Initial Appropriation for the Biennium</td>
<td>0</td>
<td>1,648,449</td>
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(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

### Customers

#### Anticipated Changes to Customer Base

In the past five (5) years from FY2012 to FY2016, the VBOA has evaluated education credentials and approved testing for an average of over 1,902 candidates each year, with an average of over 1,256 new applicants licensed each year, and an average of over 82 enforcement cases handled by the Board for each of those years. This is a slight annual upward trend in these three activity areas.

As of the fiscal year ended June 30, 2016, the VBOA reported a five year average of 26,213 individually licensed CPAs and a five year average of 1,202 firm licensees held in Virginia. It is anticipated that the impact of mobility will eventually affect the number of licensees in Virginia - whereas all fifty (50) states and five (5) additional jurisdictions, including Guam, Puerto Rico, District of Columbia, US Virgin Islands and the Northern Mariana Islands, now allow licensed CPAs to practice in another state, without having to obtain a CPA license in that state, if the reciprocal state has been determined to be substantially equivalent. In addition, it is anticipated that an aging CPA workforce will eventually decrease the number of licensed CPAs in Virginia.

### Current Customer List

<table>
<thead>
<tr>
<th>PredefinedGroup</th>
<th>UserDefinedGroup</th>
<th>Number Served Annually</th>
<th>Potential Number of Annual Customers</th>
<th>Projected Customer Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and Finance</td>
<td>Certified Public Accountants (CPA)</td>
<td>27,322</td>
<td>28,000</td>
<td>Stable</td>
</tr>
<tr>
<td>Business and Finance</td>
<td>Complainants</td>
<td>145</td>
<td>160</td>
<td>Increase</td>
</tr>
<tr>
<td>Business and Finance</td>
<td>First Time CPA Examination Candidates applying to sit for CPA exam</td>
<td>2,136</td>
<td>2,200</td>
<td>Increase</td>
</tr>
<tr>
<td>Business and Finance</td>
<td>CPA Firms</td>
<td>1,157</td>
<td>1,200</td>
<td>Stable</td>
</tr>
<tr>
<td>Business and Finance</td>
<td>Professional Associations</td>
<td>10</td>
<td>12</td>
<td>Stable</td>
</tr>
</tbody>
</table>

### Partners

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Accounts (DOA)</td>
<td>The VBOA has entered into memorandums of understanding (MOU) with DOA to provide agency fiscal and payroll services.</td>
</tr>
</tbody>
</table>
Department of General Services (DGS) | The VBOA has a written agreement with DGS for shared services and lease management at VBOA's office location at the Perimeter Center.

Systems Automation (SA) | The VBOA has an MOU with SA for use of its licensing application to include maintenance and support services, and website maintenance and support services.

Department of Human Resource Management (DHRM) | The VBOA has an MOU with DHRM to provide human resource services.

Virginia Information Technologies Agency (VITA)/Northrop Grumman Partnership | The VBOA has several MOU's with VITA to provide Hosted Cloud Oversight Services; Security Officer (ISO) services and IT Security Audit services, to support the VBOA information technology infrastructure.

**Agency Goals**

- Provide outstanding customer service support to all Virginia Board of Accountancy (VBOA) customers through our products and services to promote the Commonwealth of Virginia as the best state for CPAs and CPA firms to do business.

  **Summary and Alignment**
  The VBOA assists customers through automated systems and direct contact, implementing process and system improvements for increased operational efficiencies.

  **Associated State Goal**
  Economy: Be a national leader in the preservation and enhancement of our economy.

  **Associated Societal Indicator**
  Business Climate

  **Objective Links for this Goal**

  **Objectives**

  » **Enhance the knowledge and skills of Virginia Board of Accountancy staff to ensure outstanding customer service support.**

    **Description**
    This objective falls within the Virginia Board of Accountancy's (VBOA) administrative and support services function. VBOA management is committed to providing their employees with continuing education and training necessary to stay current with information technology and within their assigned areas of responsibilities.

    **Objective Strategies**
    • Employee training plans will be developed as a component of the annual employee work profile (EWP). The VBOA Communications Manager will track all employee training hours on a quarterly basis.

    **Measures**
    ♦ Percentage of Virginia Board of Accountancy (VBOA) employees who have taken at least 24 annual training hours.

  » **Provide user friendly, state-of-the-art automated systems and web services to submit and manage applications and data for all Certified Public Accountant exam/licensee candidates and Certified Public Accountant licensees.**

    **Description**
    The Virginia Board of Accountancy (VBOA) assists customers through automated systems and direct contact, implementing process and system improvements for increased operational efficiencies.

    **Objective Strategies**
    • The VBOA provides on-going customer service assistance to its customers. VBOA staff are assigned specific responsibilities to assist customers; however, all VBOA staff are available to provide assistance to its customer base as available/necessary.

    • The VBOA will fully analyze the results of the annual Customer Satisfaction Survey to determine where improvements can be implemented. The VBOA will implement corrective action plans where necessary and appropriate to improve customer satisfaction.
Measures

- Percentage of overall customer satisfaction with Virginia Board of Accountancy (VBOA) products and services, as demonstrated by the ratings received in an annual survey of VBOA customers.

- Ensure the effective and timely processing of Virginia Board of Accountancy (VBOA) applications, complaints, regulatory compliance documentation and financial activity.

Summary and Alignment

The VBOA customers are dependent upon the VBOA to meet their needs. Effective and timely processing of data is critical to the success of VBOA's customers, and is equally important to the VBOA from an audit and customer service perspective.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objective Links for this Goal

Objectives

» Monitor the effectiveness and timeliness of application and data processing.

Description

The Virginia Board of Accountancy (VBOA) customers are dependent upon the VBOA to meet their needs. Effective and timely processing of data is critical to the success of VBOA's customers, and is equally important to the VBOA from an audit and customer service perspective.

Objective Strategies

- The VBOA's Executive Director will review performance measure data prior to submission to Virginia Performs to ensure compliance with goals, objectives and measure targets. Corrective action will be taken in cases of non-compliance.

Measures

- Labor cost per new Certified Public Accountant (CPA) license issued.

- Percentage of Continuing Professional Education (CPE) compliance reviews completed within 21 calendar days of documentation receipt.

- Percentage of enforcement cases closed within 160 calendar days of complaint.

Supporting Documents

Service Area Plan

Accountant Regulation [56001]

Description of this Program / Service Area

This service area is comprised of all the work performed by the Virginia Board of Accountancy, including determining the standards for education, examination, licensing and enforcement for the professional practice by Certified Public Accountants (CPA) and CPA firms.

Mission Alignment and Authority

This service area directly aligns the Virginia Board of Accountancy's (VBOA) mission to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPA's and CPA firms as prescribed Per Title 54.1 Professions and Occupations, Chapter 44. Public Accountants, of the Code of Virginia.

The VBOA serves all CPAs and CPA candidates in a professional manner, enabling them to contribute to the Commonwealth’s prosperity by entering and progressing in their chosen profession; to provide the most equitable, efficient, and economical means available to limit entry barriers to the marketplace; and to discipline those licensees who do not follow accepted ethical or professional standards.
Description of Major Products and Services

The VBOA promulgates regulations that establish entry requirements, including education, examination, and licensure, which are essential in determining whether an individual is minimally competent to practice as a CPA in Virginia.

The VBOA establishes requirements for the licensure of CPA firms.

The VBOA promulgates regulations in accordance with the Administrative Process Act.

The VBOA levies and collects fees for the issuance, renewal or reinstatement of Virginia licenses (and special assessments) that are sufficient to cover all expenses of the administration and operation of the VBOA.

The VBOA initiates or receives complaints concerning CPAs or those that claim to be a CPA, and takes disciplinary action if warranted (to include revoking, suspending or refusing to reinstate a Virginia license, or to assess fines).

The VBOA establishes requirements for peer review and CPE requirements as a condition for issuance, renewal or reinstatement of a Virginia license.

The VBOA develops policy for agency operation.

Education/Examination assesses education and other qualifications for eligibility to take the CPA exam. Licensing determines eligibility to be licensed as a CPA or as a CPA firm.

Enforcement receives, investigates, and adjudicates complaints regarding the professional practice by CPAs and CPA firms, and those claiming to be CPAs.

CPE Compliance administers the CPE compliance reviews.

Administration prepares budgets, financial statements, and reports; procures goods and services; provides personnel/payroll services; provides fiscal services; manages information security technology development and maintenance; manages board administration, strategic planning, continuity planning, public relations, management analysis, and legislative and regulatory programs.

Anticipated Changes

The VBOA will continue to focus on maximizing internal and application service efficiencies to enhance service delivery to our customers including website functionality and user friendly application screens.

The VBOA Executive Director has developed a long-term business plan that focuses on a vision for the future. This plan addresses such issues as the financial health/strength of the VBOA, staffing structure and classifications, and future business needs.

Factors Impacting

The current national economic conditions may impact the CPA community. The VBOA is one-hundred (100) percent non-general funded (financially dependent on fees charged to applicants and licensees). The trend in the number of CPA exam applicants and licensees directly impacts revenue collection.

Products and Services

Description of Major Products and Services

The Board promulgates regulations that establish entry requirements, including education, examination, and licensure, which are essential in determining whether an individual is minimally competent to practice as a CPA in Virginia.

The Board establishes requirements for the registration of CPA firms.

The Board promulgates regulations in accordance with the Administrative Process Act.

The Board levies and collects fees for the issuance, renewal or reinstatement of Virginia licenses (and special assessments) that are sufficient to cover all expenses of the administration and operation of the Board.

The Board initiates or receives complaints concerning CPAs or those that claim to be a CPA, and takes disciplinary action if warranted (to include revoking, suspending or refusing to reinstate a Virginia license, or to assess fines).
The Board establishes requirements for peer review and continuing professional education (CPE) requirements as a condition for issuance, renewal or reinstatement of a Virginia license.

The Board develops policy for Board operation.

Education/Examination - assesses education and other qualifications for eligibility to take the CPA exam.

Licensing - determines eligibility to be licensed as a CPA or registered as a CPA firm.

Enforcement - receives, investigates and adjudicates complaints regarding the professional practice by CPAs and CPA firms (and those claiming to be CPAs).

CPE and Peer Review Compliance - administers the CPE and Peer Review compliance reviews.

Administration - prepares budgets, financial statements, and reports; procures goods and services; provides personnel/payroll services; provides fiscal services; manages information security technology development and maintenance; manages board administration, strategic planning, continuity planning, public relations, management analysis, and legislative and regulatory programs.

**Anticipated Changes**

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**Factors Impacting**

The current national economic conditions may impact the CPA community. The VBOA is 100% non-general funded (financially dependent on fees charged to applicants and licensees). The trend in the number of CPA exam applicants and licensees directly impacts revenue collection.

The impact of mobility will affect the number of licensees in Virginia. Currently 50 of the 55 jurisdictions now allow licensed CPAs to practice in their respective jurisdiction if the reciprocal jurisdiction has been determined to be substantially equivalent.

The Administrative Process Act has an impact on both the adjudication of complaint cases and promulgation of regulations.

The frequent changes in the Information Systems technology arena, including increased costs, could impact agency operations and services.

**Financial Overview**

The Virginia Board of Accountancy (VBOA) is one-hundred (100) percent non-general funded (financially dependent on fees charged to applicants and licensees). Rising or new costs, coupled with no fee increase for over 22 years, have led VBOA to increase fees effective January 1, 2013. This fee increase ensures that financial resources are available to accomplish the agency's ongoing goals and objectives.

**Biennial Budget**

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