



Virginia
Regulatory
Town Hall

Exempt Action Final Regulation Agency Background Document

Agency Name:	Board of Accountancy
VAC Chapter Number:	18 VAC 5-21-10 et seq.
Regulation Title:	Board of Accountancy Regulations
Action Title:	Amend existing Board of Accountancy Regulations
Date:	January 30, 2003

Where a regulation is exempt in part or in whole from the requirements of the Administrative Process Act (§ 2.2-4000 *et seq.* of the *Code of Virginia*) (APA), the agency may provide information pertaining to the action to be included on the Regulatory Town Hall. The agency must still comply the requirements of the Virginia Register Act (§ 2.2-4100 *et seq.* of the *Code of Virginia*) and file the final regulation with the Registrar in a style and format conforming with the *Virginia Register Form, Style and Procedure Manual*. The agency must also comply with Executive Order Fifty-Eight (99) which requires an assessment of the regulation's impact on the institution of the family and family stability.

Note agency actions exempt pursuant to § 2.2-4002(B) do not require filing with the Registrar a Notice of Intended Regulatory Action, or at the proposed stage. When the regulation is promulgated and submitted to the Registrar, the agency need only provide a statement citing the specific Virginia Code section referencing the exemption and an authority certification letter from the Attorney General's Office. No specific format is required.

This form should be used for actions **exempt from the Administrative Process Act pursuant to § 2.2-4006(A)** at the final stage. Note that agency actions exempt pursuant to § 2.2-4006(A) of the APA do not require filing with the Registrar a Notice of Intended Regulatory Action, and at the proposed stage.

Summary

Please provide a brief summary of the proposed new regulation, amendments to an existing regulation, or the regulation being repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation, instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

During the Board of Accountancy's first year of its transition to an independent Board, the number of applicants for reinstatement increased. Among this group were regulants who had allowed their licenses to lapse for seven years or more. This situation led the Board to re-examine their policies, procedures and regulations to consider how this increase would affect the Board's statutory mandate (i) to ensure the continued professional competence and integrity, and

to prevent deceptive or misleading practices, by those individuals who have allowed their CPA certificate or CPA firm registration to expire; and (ii) to protect the public of the Commonwealth by helping them to determine the qualifications of these individuals or firms.

At their September 24 and 25, 2002 meeting, the Board of Accountancy unanimously voted that both the “CPA certificate reinstatement fee” of \$60, and the “Registration certificate reinstatement fee” of \$60, be changed to \$250. The Board deemed this fee change necessary to cover the costs for the work performed by the Board and staff to process applications for reinstatement. Further, upon advice from legal counsel, the Board determined that the fee change and more extensive reinstatement procedures would serve to encourage punctual renewals.

This fee change, in addition to the new procedures, is essential to address the Board’s statutory mandate, and to transition the Board to an independent Board as established in Chapter 832 of the 2001 Acts of the General Assembly, when it separated operationally from the Department of Professional and Occupational Regulation (DPOR). Further, “in order to implement the transition of the Board of Accountancy as an independent board,” according to Section 54.1-4422 A, “the regulations adopted by the Board and approved by the Governor regarding fees for licenses and certificates, shall not be subject to the Administrative Process Act (§ 2.2-4000 et seq.) during the first twenty-four month period beginning July 1, 2001.”

This amendment to an existing regulation specifically relates to the Board’s powers and duties, which are listed in the following sections of the Code of Virginia:

1. Section 54.1-4402 B – to “certify and issue CPA certificates to persons to practice public accountancy,” and to “take such actions ... to ensure their continued competence and to aid the public in determining the qualifications of such persons.” The second paragraph in this subsection states that the Board “shall issue registration certificates to firms to engage in the practice of public accountancy in the Commonwealth,” and “take such actions ... to ensure that such firms and their certified public accountant adhere to standards of conduct and practice;”
2. Section 54.1-4403 – to “establish the qualifications of applicants for licensure, provided that all qualifications shall be necessary to ensure competence and integrity,” to “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 practitioners and to effectively administer the regulatory system,” and to “levy and collect fees for licensure and registration and renewal that are sufficient to cover all expenses for the administration and operation of the Board;” and
3. Section 54.1-4410 A – to “promulgate regulations establishing procedures and requirements for the renewal of a CPA certificate by the Board, including the payment of a renewal fee.”

The Board’s purpose in this action is to change only the “CPA certificate reinstatement fee” and the “Registration certificate reinstatement fee” to \$250, both of which are listed in the Board’s

2002 Regulation 18 VAC 5-21-20. The Board is promulgating this action as an exempt action because it is essential to the Board's transition to an independent Board, as stated in Section 54.1-4422 A, and because it is "necessary to conform to changes in Virginia statutory law or the appropriation act where no agency discretion is involved," as stated in Section 2.2-4006 A 4 (a).

Statement of Final Agency Action

Please provide a statement of the final action taken by the agency including the date the action was taken the name of the agency taking the action, and the title of the regulation.

On September 24, 2002, the Board of Accountancy unanimously voted (i) to change both the "CPA certificate reinstatement fee" and the "Registration certificate reinstatement fee" to \$250; (ii) to revise Board of Accountancy 2002 Regulation 18 VAC 5-21-10 et seq.; and (iii) to proceed to file the exempt action final regulation with the Virginia Registrar of Regulations.

Family Impact Statement

Please provide an analysis of the regulatory action that assesses the impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The revisions made to the Board of Accountancy Regulations will not have an impact on the institution of the family and family stability. This proposal will not strengthen nor erode the authority and rights of parents in the education, nurturing, and supervision of their children. It will not encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse and one's children and/or elderly parents. The proposal will not strengthen or erode the marital commitment. The effect of the fee change on disposable family income will be minimal.