



Report on Comments and Objections Received to Fast-track Filing

1. The Code of Virginia requires that, where public objections to the use of the fast-track process reach ten or more, or where any member of the General Assembly files an objection to use of the fast-track process, the agency must notify the Registrar of Regulations about the objections, thus suspending the effective date of the fast-track regulation. The agency must also initiate a new proposed stage submission which allows an additional public comment period, converting its regulatory action into a standard regulatory process.
2. In most situations, however, fast-track regulations will not generate substantial public objections. In such situations, the Governor's Executive Order 14 (2010) requires regulatory agencies to "report to DPB and the Governor's Policy Office all comments and or objections received with respect to a fast-track rulemaking." This requirement applies to all fast-track actions on which any comment or objection is received by any means of communication, except for those being converted to standard processing. The intent of this requirement is to inform top decision-makers regarding issues that might generate complaints.

When comments or objections fewer than ten are received on a fast-track regulation, the agency may proceed to file the fast-track with the Registrar, provided that it summarizes on Form TH-12 all comments and objections received on the fast-track and uploads this form on the Town Hall's Edit Stage page.

Town Hall will send this information via e-mail to:

- (1) The Registrar of Regulations
- (2) Governor's Policy Office, c/o megan.root@governor.virginia.gov
- (3) DPB, c/o jeannine.rose@dpb.virginia.gov

Within five business days of the close of the public comment period, please enter the following information about the fast-track action and upload the form:

Identifying Information and Number of Objections and Comments Received	
VAC citation	18VAC5-22
Town Hall (TH) action/stage number	Promulgate Chapter 22 and Repeal Chapter 21 / # 5412
Date fast-track regulation scheduled to become effective	September 16, 2010

Summary of Objections to Proceeding with the Fast-track Process

Provide identifying information for each formal objection received and summarize any narrative content associated with each objection. Explain how the agency has responded to those objections. Delete unneeded rows or add more rows, as needed.

Objector Information (name, affiliation, title)	Summary of Objection	Summary of Agency Response to Objector, if Any
R. Lee Stephens, Jr., attorney	<p>Mr. Stephens stated that:</p> <ul style="list-style-type: none"> a. The revised regulations do not define an "hour of continuing professional education." b. This increases the amount of continuing professional education the holder of a Virginia license is required to obtain. c. There should therefore be a longer comment period than the comment period under the fast-track process. <p>Mr. Stephens stated that the proposed new regulations on confidential consent agreements require the Board to enter into confidential consent agreements in certain situations. There should therefore be a longer comment period than the comment period under the fast-track process.</p>	<p>The statement that the revisions to the regulations increase the amount of continuing professional education the holder of a Virginia license is required to obtain is incorrect. The Virginia Board of Accountancy (Board) is exploring various ways to help ensure that licensees, potential licensees, and the public understand the revisions to the regulations that become effective September 16, 2010. The Board's educational efforts for the revised regulations on continuing profession education will stress that the revisions do not change the amount of continuing professional education the holder of a Virginia license is required to obtain. They will also stress that the revised regulations do not define an "hour of continuing professional education" because it is generally accepted nationally among state boards of accountancy that an "hour of continuing professional education" consists of 50 minutes.</p> <p>The statement that the proposed new regulations on confidential consent agreements require the Board to enter into confidential consent agreements in certain situations is incorrect. The Board's educational efforts for the new regulations on confidential consent agreements will stress that:</p> <ul style="list-style-type: none"> a. The comprehensive revisions to the

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		<p>accountancy statutes in 2007 gave the Board the option of entering into a confidential consent agreement provided certain conditions are met.</p> <p>b. The new regulations on confidential consent agreements prescribe the conditions that must be met before the Board can even consider entering into a confidential consent agreement.</p> <p>c. Even if those conditions are met, the Board may decide, based on the facts and circumstances, not to enter into a confidential consent agreement. The Board is never required to enter into a confidential consent agreement.</p>

Summary of Comments Other than Objections

Provide identifying information for each comment that was not a formal objection to continuing the fast-track process. Summarize each comment. Explain how the agency has responded to those comments. Delete unneeded rows or add more rows, as needed.

Commenter Information (name, affiliation, title)	Summary of Comment	Summary of Agency Response to Commenter, if Any
<p>Virginia Society of Certified Public Accountants</p>	<p>The Virginia Society of Certified Public Accountants, which has 9,000 members, stated that:</p> <p>a. It is of the utmost importance that the proposed regulations be approved and put into place as soon as possible.</p>	

<p>Commenter Information (name, affiliation, title)</p>	<p>Summary of Comment</p>	<p>Summary of Agency Response to Commenter, if Any</p>
<p>Susan G. Ackley, CPA/PFS</p>	<p>b. The Virginia Society of Certified Public Accountants agrees with the Board’s conclusion that it is not necessary for the regulations to define an “hour of continuing professional education.”</p> <p>Ms. Ackley stated that, by not defining an “hour of continuing professional education,” the revised regulations increase the amount of continuing professional education the holder of a Virginia license is required to obtain.</p> <p>Ms. Ackley stated that the revisions to the regulations impose an additional limit on the number of “presentation” hours that can be considered in determining compliance with the continuing professional education requirements, which could cause a reduction in the number of licensees willing to prepare for and make presentations.</p>	<p>The statement that the revisions to the regulations increase the amount of continuing professional education the holder of a Virginia license is required to obtain is incorrect. See the response above to the summary of the first comment of R. Lee Stephens, Jr.</p> <p>The statement that the revisions to the regulations impose an additional limit on the number of “presentation” hours that can be considered in determining compliance with the continuing professional education requirements is incorrect. The Board’s educational efforts for the revised regulations on continuing professional education will stress that the revisions do not change the amount of continuing professional education obtained from preparing for and making presentations that can be considered in determining compliance with the continuing professional education requirements. For example, under both the current and the revised regulations:</p> <p>a. A licensee who makes a one-hour presentation and spends two hours preparing for the presentation can claim three hours of continuing professional education from preparing for and making the presentation.</p>

<p>Commenter Information (name, affiliation, title)</p>	<p>Summary of Comment</p>	<p>Summary of Agency Response to Commenter, if Any</p>
		<p>b. The three hours claimed in total would be applied against the 30-hour maximum for the three-calendar-year period during which the presentation was made.</p>
<p>Cheryl Brown Biondolillo, CPA</p>	<p>Ms. Biondolillo stated that the revised regulations may create some uncertainty by not defining an “hour of continuing professional education.”</p> <p>Ms. Biondolillo stated the following with respect to the revised regulations requiring persons who release or authorize the release of reports on attest services or compilation services to annually obtain a minimum of eight hours of continuing professional education related to attest services or compilation services:</p> <p>a. The revised regulations will require a licensee who operates as a sole proprietorship to obtain eight hours of continuing professional education related to attest services and eight hours related to compilation services in order to be able to offer both of these services.</p>	<p>See the response above to the summary of the first comment of R. Lee Stephens, Jr.</p> <p>The statement that the revised regulations will require a licensee who operates as a sole proprietorship to obtain eight hours of continuing professional education related to attest services and eight hours related to compilation services in order to be able to offer both of these services is incorrect.</p> <p>A licensee who operates as a sole proprietorship would have until the end of the year in which he provides attest services or compilation services to comply with the eight-hour requirement. In addition, the eight-hour requirement is in total, not eight hours for attest services and eight hours for compilation services.</p> <p>As an illustration, assume that in January 2011 a licensee operating as a sole proprietorship first provides services to the public.</p>

<p>Commenter Information (name, affiliation, title)</p>	<p>Summary of Comment</p>	<p>Summary of Agency Response to Commenter, if Any</p>
	<p>b. If the requirement applies beginning with the calendar year ending December 31, 2010, the Board should notify all licensees in time for them to comply.</p>	<p>a. During 2011, he provides income tax and consulting services and works on obtaining engagements to provide attest services and compilation services. However, he does not provide attest services or compilation services during the year. During 2011, he would not be required to obtain continuing professional education related to attest services or compilation services.</p> <p>b. During the first part of 2012, he begins providing attest services and compilation services. He would have until December 31, 2012, to obtain eight hours of continuing professional education related to attest services or compilation services.</p> <p>At its September 16, 2010, meeting, which is when the revised regulations become effective, the Board will formally adopt a policy that the calendar year ending December 31, 2011, is the first calendar year for which persons who release or authorize the release of reports on attest services or compilation services are required to obtain a minimum of eight hours of continuing professional education related to attest services or compilation services.</p>
<p>Rebecca E. McCoy, CPA</p>	<p>Ms. McCoy stated that:</p> <p>a. The revised regulations do not define an “hour of continuing professional education.”</p>	<p>The statement that the revisions to the regulations increase the amount of continuing professional education the holder of a Virginia license is required to obtain is incorrect. See the response</p>

<p>Commenter Information (name, affiliation, title)</p>	<p>Summary of Comment</p>	<p>Summary of Agency Response to Commenter, if Any</p>
	<p>b. This increases the amount of continuing professional education the holder of a Virginia license is required to obtain.</p> <p>c. If that is the intent, the Board should adopt a policy to phase in this requirement.</p> <p>Ms. McCoy stated that the interpretation that the accountancy statutes require the 50-minute view of an "hour of continuing professional education" is not correct.</p> <p>Ms. McCoy stated that:</p> <p>a. The revisions to the regulations impose an additional limit on the number of "presentation" hours that can be considered in determining compliance with the continuing professional education requirements.</p> <p>b. If that is the intent, the Board should adopt a policy to phase in this requirement.</p> <p>Ms. McCoy stated that the proposed new regulations on confidential consent agreements require the Board to enter into confidential consent agreements in certain situations.</p>	<p>above to the summary of the first comment of R. Lee Stephens, Jr.</p> <p>Ms. McCoy does not state whose interpretation this is. It is not an interpretation by the Board: the 50-minute view of an "hour of continuing professional education" clearly is not required by the accountancy statutes. Ms. McCoy may be referring to an interpretation she believes someone else is making.</p> <p>The statement that the revisions to the regulations impose an additional limit on the number of "presentation" hours that can be considered in determining compliance with the continuing professional education requirements is incorrect. See the response above to the summary of the second comment of Susan G. Ackley.</p> <p>The statement that the proposed new regulations on confidential consent agreements require the Board to enter into confidential consent agreements in certain situations is incorrect. See the response above to the summary of the second comment of R. Lee Stephens, Jr.</p>

<p>Commenter Information (name, affiliation, title)</p>	<p>Summary of Comment</p>	<p>Summary of Agency Response to Commenter, if Any</p>
<p>Amy G. Ray, CPA</p>	<p>Ms. Ray stated that, by not defining an “hour of continuing professional education,” the revised regulations increase the amount of continuing professional education the holder of a Virginia license is required to obtain.</p> <p>Ms. Ray stated that:</p> <ul style="list-style-type: none"> a. The revisions to the regulations add a new limitation of 30 hours of continuing professional education obtained from preparing for and making presentations that can be considered in determining compliance with the continuing professional education requirements during a three-calendar-year period. b. This will have a significant financial impact on a number of licensees and will probably reduce the number of licensees willing to prepare for and make presentations. 	<p>The statement that the revisions to the regulations increase the amount of continuing professional education the holder of a Virginia license is required to obtain is incorrect. See the response above to the summary of the first comment of R. Lee Stephens, Jr.</p> <p>The statement that the revisions to the regulations add a new limitation of 30 hours of continuing professional education from preparing for and making presentations that can be considered in determining compliance with the continuing professional education requirements during a three-calendar-year period is incorrect. The revised regulations retain the 30-hour limitation that is prescribed by the current regulations. See the response above to the summary of the second comment of Susan G. Ackley.</p>

Submitted by

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