



Virginia
Regulatory
Town Hall

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Notice of Intended Regulatory Action (NOIRA) Agency Background Document

Agency name	Board of Accountancy
Virginia Administrative Code (VAC) citation	18 VAC 5-21
Regulation title	Board of Accountancy Regulations
Action title	Deadline for CPA Exam Candidates Qualified Under Prior Education Requirement to Sit for CPA Exam
Date this document prepared	January 13, 2007

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Purpose

Please describe the subject matter and intent of the planned regulatory action. Also include a brief explanation of the need for and the goals of the new or amended regulation.

To fulfill the statutory mandate to ensure that a CPA license is issued to a person who meets the CPA exam requirements established in Virginia, and to provide clarification to those CPA candidates who qualified under the education requirements of the Board to sit for the CPA exam prior to July 1, 2006, the Board of Accountancy seeks to set a deadline of December 31, 2008 for these CPA candidates to pass the CPA exam. The goal of the Board is to enable these candidates to be able to complete the CPA exam in a timely manner and within an achievable deadline, without creating an undue burden on them.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

The Board of Accountancy has legal authority to promulgate the proposed amendments to its regulations through (1) §§ 2.2-4007 and 2.2-4017 of the Administrative Process Act, (2) Chapter 44 of Title 54.1 of the Code of Virginia, and (3) Executive Order 36 (2006).

Need

Please detail the specific reasons why the agency has determined that the proposed regulatory action is essential to protect the health, safety, or welfare of citizens. In addition, delineate any potential issues that may need to be addressed as the regulation is developed.

At its meeting on January 8, 2007, the Board of Accountancy by unanimous vote approved filing a notice of intended regulatory action (NOIRA) to set a deadline of December 31, 2008 for those CPA candidates who qualified under the education requirements of the Board to sit for the CPA exam prior to July 1, 2006.

This requirement was a baccalaureate degree or its equivalent conferred by an accredited college or university with an accounting concentration of at least 24 semester hours of accounting including courses covering the subjects of financial accounting, auditing, taxation, and management accounting; and at least 18 semester hours in business courses. The education requirement, which began on July 1, 2006, is to complete the following courses at the undergraduate or graduate level from an accredited college or university: at least 30 semester hours of accounting, including courses covering the subjects of financial accounting, auditing, taxation, and management accounting; and at least 24 semester hours in business courses.

When the education requirement changed, CPA exam candidates, who qualified under that prior requirement, were in the process of taking the CPA exam. The goal of this action is to enable these candidates to be able to complete the CPA exam in a timely manner and within an achievable deadline, without creating an undue burden on them.

Substance

Please detail any changes that will be proposed. For new regulations, include a summary of the proposed regulatory action. Where provisions of an existing regulation are being amended, explain how the existing regulation will be changed.

The only change to the Board of Accountancy regulation is the establishment of a deadline of December 31, 2008 for those CPA candidates who qualified under the education requirements of the Board to sit for the CPA exam prior to July 1, 2006.

Alternatives

Please describe all viable alternatives to the proposed regulatory action that have been or will be considered to meet the essential purpose of the action. Also, please describe the process by which the agency has considered or will consider other alternatives for achieving the need in the most cost-effective manner.

The Board of Accountancy will consider alternative requirements and confirm that the amendment to its existing regulations will ensure that the resulting requirements will be less burdensome and costly to those few CPA candidates who were already qualified to sit for the CPA exam prior to July 1, 2006. This will be done while also continuing to fulfill the Board's statutory mandate to protect the citizens of the

Commonwealth by regulating individual CPAs and CPA firms that provide public accountancy services in Virginia.

Public participation

Please indicate the agency is seeking comments on the intended regulatory action, to include ideas to assist the agency in the development of the proposal and the costs and benefits of the alternatives stated in this notice or other alternatives. Also, indicate whether a public hearing is to be held to receive comments on this notice.

The Board of Accountancy is seeking comments on the intended regulatory action, including but not limited to (1) ideas to assist in the development of a proposal, (2) the costs and benefits of the alternatives stated in this background document or other alternatives and (3) potential impacts of the regulation. The Board is also seeking information on impacts on small businesses as defined in § 2.2-4007.1 of the Code of Virginia. Information may include (1) projected reporting, recordkeeping and other administrative costs, (2) probable effect of the regulation on affected small businesses, and (3) description of less intrusive or costly alternative methods of achieving the purpose of the regulation.

Anyone wishing to submit written comments may do so by **mail, email or fax** to Nancy Taylor Feldman, Executive Director, Board of Accountancy, 3600 West Broad Street, Suite 378, Richmond, VA 23230, TEL: (804) 367-8505, EMAIL: boa@boa.virginia.gov, FAX: (804) 367-2174. Written comments must include the name and address of the commenter. In order to be considered, comments must be received by the last day of the public comment period.

In addition, the Board is seeking information on (1) the continued need for the regulation; (2) the complexity of the regulation; (3) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (4) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation.

A public hearing will be held and notice of the hearing may be found on the Virginia Regulatory Town Hall website (www.townhall.virginia.gov) and can be found in the Calendar of Events section of the Virginia Register of Regulations. Both oral and written comments may be submitted at that time.

Participatory approach

Please indicate, to the extent known, if advisers (e.g., ad hoc advisory committees, technical advisory committees) will be involved in the development of the proposed regulation. Indicate that 1) the agency is not using the participatory approach in the development of the proposal because the agency has authorized proceeding without using the participatory approach; 2) the agency is using the participatory approach in the development of the proposal; or 3) the agency is inviting comment on whether to use the participatory approach to assist the agency in the development of a proposal.

The Board of Accountancy will use the participatory approach to develop a proposal if it receives at least 10 written requests to use the participatory approach prior to the end of the public comment period. Persons requesting the Board use the participatory approach and interested in assisting in the development of a proposal should notify Nancy Taylor Feldman, Executive Director of the Board, by the end of the comment period and provide their name, address, telephone number, email address and their

organization (if any). Notification of the composition of the advisory committee will be sent to all applicants.

Family impact

Assess the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent 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.

Based upon its review and input received from its regulants and the public, the Board of Accountancy will assess the impact any proposed amendments will have on the institution of the family and family stability. The goals of the Board include developing amendments that (1) will not strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; (2) 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; (3) will not strengthen or erode the marital commitment; and (4) will have a minimal impact on disposable family income.