

Office of Regulatory Management
Economic Review Form

Agency name	Virginia Board of Accountancy
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 5-22
VAC Chapter title(s)	Board of Accountancy Regulations
Action title	Amendment of Guidance Document
Date this document prepared	July 11, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Amendment of Guidance Document

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) between \$100-500 per respondent in relevant disciplinary cases Licensees whose licenses are suspended would likely experience loss of income
(3) Net Monetized Benefit	Several thousand dollars per year; assuming 200 CPE cases per year, that might result in net monetized benefit of at least \$60,000 (not counting benefits that are more difficult to quantify)	
(4) Other Costs & Benefits (Non-Monetized)	More equitable enforcement of penalties; increased efficiency; minor decrease in fines (VBOA does not keep fines for itself per statute)	
(5) Information Sources	VBOA enforcement records, the draft guidance document	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Present system creates inefficiencies in calculating penalties for CPE cases	(b) n/a

	Licensees with suspended licenses for CPE deficiency alone may experience loss of income	
(3) Net Monetized Benefit	Inverse of costs to respondents listed above.	
(4) Other Costs & Benefits (Non-Monetized)	The previous version of the guidance document lumps CPE deficiencies into categories rather than calculating per missing credit hour, which is more equitable	
(5) Information Sources	VBOA enforcement records, the draft guidance document	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) n/a
(3) Net Monetized Benefit	n/a	
(4) Other Costs & Benefits (Non-Monetized)	No alternatives identified; Virginia regulations pertaining to CPE requirements exist. VBOA has discretion on how to implement requirements.	
(5) Information Sources	§ 54.1-4403 18VAC5-22-90	

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) n/a
(3) Other Costs & Benefits (Non-Monetized)	VBOA does not interface with local partners in this area. Providers of continuing education may be affected, but they probably do not qualify as local partners.	
(4) Assistance		
(5) Information Sources		

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) n/a

(3) Other Costs & Benefits (Non-Monetized)	n/a
(4) Information Sources	Families are not typically impacted by these measures; VBOA will continue to monitor public comments

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Describe the direct costs of this proposed change here.</p> <p>Indirect Costs: Describe the indirect costs of the proposed change.</p> <p>Direct Benefits: Describe the direct benefits of this proposed change here.</p> <p>Indirect Benefits: Describe the indirect benefits of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) some fraction of the overall benefits (see above)
(3) Other Costs & Benefits (Non-Monetized)	Many CPAs are employed by small firms or solo practices; those small business may experience benefits.	
(4) Alternatives	No alternatives identified. The proposed change will represent lessened impacts on small businesses.	
(5) Information Sources	VBOA	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved	Initial Count	Additions	Subtractions	Net Change

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length
CPE Violation Penalties	~1,500 words, 7 pages	~270 words, 1 page	~1,230 words, 6 pages

Note: VBOA’s proposed new CPE Guidelines will entirely eliminate license revocation as a recommended penalty (under the previous guidance, this was vanishingly rare in the first place, as it was only for repeated deficiencies) and will greatly reduce license suspension. Regulatory requirements will decrease across the board; see attached for an addendum which compares the penalties based on proposed and current guidelines.



Penalties based on proposed Guidelines

Penalties based on Current Guidelines

Hours Deficient	First Offense		Second Offense		Third Offense	First Offense		Second Offense		Third Offense	
	Self Report	All Others	Self Report	All Cases		All Cases	Self Report	All Others	All Cases	All Cases	
<5^	No Action	Advisory Letter	Reprimand	Reprimand & \$100	Reprimand & \$150			N/A	N/A		N/A
<10^	Advisory Letter	Reprimand	Reprimand & \$100	Reprimand & \$150	Reprimand & \$250	Advisory Letter	Reprimand	\$500			\$750

^other than A&A or Ethics

If the deficiency is >10 hours the fines will be calculated by the number of hours deficient

Hours Deficient	\$8 per hour	\$10 per hour	\$12 per hour	\$15 per hour	\$25 Per Hour					
10	\$80	\$100	\$120	\$150	\$250					
11	\$88	\$110	\$132	\$165	\$275					
12	\$96	\$120	\$144	\$180	\$300		\$250	\$500	\$750	\$1,000
13	\$104	\$130	\$156	\$195	\$325		Must make-up deficient hours	Must make-up deficient hours	Must make-up deficient hours	1-Year suspension
14	\$112	\$140	\$168	\$210	\$350		Subject to compliance review	Subject to compliance review	Subject to compliance review	Subject to compliance review after reinstatement
15	\$120	\$150	\$180	\$225	\$375					
16	\$128	\$160	\$192	\$240	\$400					
17	\$136	\$170	\$204	\$255	\$425					
18	\$144	\$180	\$216	\$270	\$450					
19	\$152	\$190	\$228	\$285	\$475					
20	\$160	\$200	\$240	\$300	\$500					
21	\$168	\$210	\$252	\$315	\$525					
22	\$176	\$220	\$264	\$330	\$550					
23	\$184	\$230	\$276	\$345	\$575					
24	\$192	\$240	\$288	\$360	\$600					
25	\$200	\$250	\$300	\$375	\$625					
26	\$208	\$260	\$312	\$390	\$650					
27	\$216	\$270	\$324	\$405	\$675					
28	\$224	\$280	\$336	\$420	\$700		\$500	\$875	\$1,000	\$2,000
29	\$232	\$290	\$348	\$435	\$725		Must make-up deficient hours	Must make-up deficient hours	1-Year suspension	Revocation - may re-apply after 5 years
30	\$240	\$300	\$360	\$450	\$750		Subject to compliance review	Subject to compliance review	Subject to compliance review after reinstatement	Subject to compliance review after reinstatement
31	\$248	\$310	\$372	\$465	\$775					
32	\$256	\$320	\$384	\$480	\$800					
33	\$264	\$330	\$396	\$495	\$825					
34	\$272	\$340	\$408	\$510	\$850					
35	\$280	\$350	\$420	\$525	\$875					
36	\$288	\$360	\$432	\$540	\$900					
37	\$296	\$370	\$444	\$555	\$925					
38	\$304	\$380	\$456	\$570	\$950					
39	\$312	\$390	\$468	\$585	\$975					

Penalties based on proposed Guidelines

Penalties based on Current Guidelines

Hours Deficient	First Offense		Second Offense		Third Offense		First Offense		Second Offense		Third Offense	
	Self Report	All Others	Self Report	All Cases	All Cases		Self Report	All Others	All Cases	All Cases		
40	\$320	\$400	\$480	\$600	\$1,000							
41	\$328	\$410	\$492	\$615	\$1,025							
42	\$336	\$420	\$504	\$630	\$1,050							
43	\$344	\$430	\$516	\$645	\$1,075							
44	\$352	\$440	\$528	\$660	\$1,100							
45	\$360	\$450	\$540	\$675	\$1,125							
46	\$368	\$460	\$552	\$690	\$1,150							
47	\$376	\$470	\$564	\$705	\$1,175							
48	\$384	\$480	\$576	\$720	\$1,200							
49	\$392	\$490	\$588	\$735	\$1,225							
50	\$400	\$500	\$600	\$750	\$1,250							
51	\$408	\$510	\$612	\$765	\$1,275							
52	\$416	\$520	\$624	\$780	\$1,300							
53	\$424	\$530	\$636	\$795	\$1,325							
54	\$432	\$540	\$648	\$810	\$1,350							
55	\$440	\$550	\$660	\$825	\$1,375							
56	\$448	\$560	\$672	\$840	\$1,400							
57	\$456	\$570	\$684	\$855	\$1,425							
58	\$464	\$580	\$696	\$870	\$1,450							
59	\$472	\$590	\$708	\$885	\$1,475							
60	\$480	\$600	\$720	\$900	\$1,500 1-year suspension							
61	\$488	\$610	\$732	\$915	\$1,525 1-year suspension							
62	\$496	\$620	\$744	\$930	\$1,550 1-year suspension							
63	\$504	\$630	\$756	\$945	\$1,575 1-year suspension							
64	\$512	\$640	\$768	\$960	\$1,600 1-year suspension							
65	\$520	\$650	\$780	\$975	\$1,625 1-year suspension							
66	\$528	\$660	\$792	\$990	\$1,650 1-year suspension							
67	\$536	\$670	\$804	\$1,005	\$1,675 1-year suspension		\$625	\$875	\$1,125	\$2,000		
68	\$544	\$680	\$816	\$1,020	\$1,700 1-year suspension		Must make-up deficient hours	Must make-up deficient hours	1-Year suspension	Revocation - may re-apply after 5 years		
69	\$552	\$690	\$828	\$1,035	\$1,725 1-year suspension		Subject to compliance review	Subject to compliance review	Subject to compliance review after reinstatement	Subject to compliance review after reinstatement		
70	\$560	\$700	\$840	\$1,050	\$1,750 1-year suspension							
71	\$568	\$710	\$852	\$1,065	\$1,775 1-year suspension							
72	\$576	\$720	\$864	\$1,080	\$1,800 1-year suspension							
73	\$584	\$730	\$876	\$1,095	\$1,825 1-year suspension							
74	\$592	\$740	\$888	\$1,110	\$1,850 1-year suspension							
75	\$600	\$750	\$900	\$1,125	\$1,875 1-year suspension							
76	\$608	\$760	\$912	\$1,140	\$1,900 1-year suspension							
77	\$616	\$770	\$924	\$1,155	\$1,925 1-year suspension							
78	\$624	\$780	\$936	\$1,170	\$1,950 1-year suspension							
79	\$632	\$790	\$948	\$1,185	\$1,975 1-year suspension							
80	\$640	\$800	\$960	\$1,200	\$2,000 1-year suspension							
81	\$648	\$810	\$972	\$1,215	\$2,025 1-year suspension							
82	\$656	\$820	\$984	\$1,230	\$2,050 1-year suspension							

Penalties based on proposed Guidelines

Penalties based on Current Guidelines

Hours Deficient	First Offense		Second Offense			Third Offense		First Offense			Second Offense		Third Offense	
	Self Report	All Others	Self Report	All Cases		All Cases	Self Report	All Others	All Cases	All Cases				
83	\$664	\$830	\$996	\$1,245	1-year suspension	\$2,075	1-year suspension							
84	\$672	\$840	\$1,008	\$1,260	1-year suspension	\$2,100	1-year suspension							
85	\$680	\$850	\$1,020	\$1,275	1-year suspension	\$2,125	1-year suspension							
86	\$688	\$860	\$1,032	\$1,290	1-year suspension	\$2,150	1-year suspension							
87	\$696	\$870	\$1,044	\$1,305	1-year suspension	\$2,175	1-year suspension							
88	\$704	\$880	\$1,056	\$1,320	1-year suspension	\$2,200	1-year suspension							
89	\$712	\$890	\$1,068	\$1,335	1-year suspension	\$2,225	1-year suspension							
90	\$720	\$900	\$1,080	\$1,350	1-year suspension	\$2,250	1-year suspension							