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## Periodic Review and Small Business Impact Review Report of Findings

<b>Agency name</b>	Virginia Board of Accountancy
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	18 VAC5-22
<b>VAC Chapter title(s)</b>	Board of Accountancy Regulations
<b>Date this document prepared</b>	March 23, 2023

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

## Acronyms and Definitions

*Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.*

n/a

## Legal Basis

*Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.*

Section 54.1-4402 subsection H establishes that the Virginia Board of Accountancy "may by regulation establish rules and procedures for the implementation of this chapter." Section 54.1-4403 grants the Board the power and duty to "promulgate regulations in accordance with the Administrative Process Act."

## Alternatives to Regulation

*Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.*

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There are no alternatives for achieving the purpose of this regulation. Section 54.4402 requires the board to restrict the practice of public accounting and use of the CPA title to properly licensed persons and firms. The regulation was retained owing to the need to protect public health, safety, and welfare. Potential future amendments are documented in the Board's Unified Regulatory Plan.

## Public Comment

*Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency's response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.*

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No comments were received during the public comment period. An informal advisory group was not formed for purposes of assisting in the periodic review.

## Effectiveness

*Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in the ORM procedures, including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.*

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The regulation is necessary for the protection of the public health, safety, and welfare, as it is needed to meet the statutory mandate to restrict the practice of public accounting and to ensure the competency of holders of Virginia CPA licenses. The regulation is not overly complex and is written in plain language which the general public should easily understand.

## Decision

*Explain the basis for the promulgating agency's decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).*

*If the result of the periodic review is to retain the regulation as is, complete the ORM Economic Impact form.*

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The Virginia Board of Accountancy had no scheduled changes prepared when undertaking this review. Retaining the regulation was necessary because of the statutory requirement that the Board regulate the profession of public accounting and the use of the CPA title.

An ORM Economic Impact form will be prepared.

### Small Business Impact

*As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) 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. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.*

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There is a continued need for the regulation because it provides the most cost-effective means of restricting the practice of public accounting and ensuring the competency of holders of Virginia CPA licenses. No complaints from the public were received during the comment period. The Virginia Board of Accountancy believes that its regulations are not overly complex. There is no overlap, duplication, or conflict with federal or state law or regulation. The last full review of the regulation occurred in 2018 when the decision was made to amend the regulation following periodic review. The Virginia Board of Accountancy, through examination of the regulation, has determined that the regulatory requirements currently minimize the economic impact of regulation on small businesses and thereby minimize the impact on existing and potential Virginia employers and their ability to maintain and increase the number of jobs in the Commonwealth.

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