

# VIRGINIA ACTS OF ASSEMBLY -- 1999 RECONVENED SESSION

## CHAPTER 950

*An Act to amend and reenact §§ 2.1-1.6, 2.1-20.4, 9-6.25:2, 54.1-202, 54.1-300 and 54.1-2000 through 54.1-2008 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 54.1-2004.1, relating to regulation of providers of public accounting services.*

[S 926]

Approved April 7, 1999

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.1-1.6, 2.1-20.4, 9-6.25:2, 54.1-202, 54.1-300 and 54.1-2000 through 54.1-2008 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 54.1-2004.1 as follows:**

§ 2.1-1.6. State boards.

A. There shall be, in addition to such others as may be established by law, the following permanent collegial bodies affiliated with a state agency within the executive branch:

Accountancy, Board for of  
~~Aging, Advisory Board on the~~  
Agriculture and Consumer Services, Board of  
Air Pollution, State Advisory Board on  
Alcoholic Beverage Control Board, Virginia  
Apple Board, Virginia State  
Appomattox State Scenic River Advisory Board  
Aquaculture Advisory Board  
Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects, Board for  
Art and Architectural Review Board  
~~Athletic Board, Virginia~~  
Auctioneers Board  
Audiology and Speech-Language Pathology, Board of  
Aviation Board, Virginia  
Barbers, Board for  
Branch Pilots, Board for  
Bright Flue-Cured Tobacco Board, Virginia  
Building Code Technical Review Board, State  
Catotcin Creek State Scenic River Advisory Board  
Cattle Industry Board, Virginia  
Cave Board  
Cemetery Board  
Certified Seed Board, State  
Charity Food Assistance Advisory Board  
Chesapeake Bay Local Assistance Board  
Chickahominy State Scenic River Advisory Board  
Child Abuse and Neglect, Advisory Board on  
Chippokes Plantation Farm Foundation, Board of Trustees  
Clinch Scenic River Advisory Board  
Coal Mining Examiners, Board of  
Coal Research and Development Advisory Board, Virginia  
Coal Surface Mining Reclamation Fund Advisory Board  
Conservation and Development of Public Beaches, Board on  
Conservation and Recreation, Board of  
Contractors, Board for  
Corn Board, Virginia  
Correctional Education, Board of  
Corrections, State Board of  
Cosmetology, Board for  
Criminal Justice Services Board  
Dark-Fired Tobacco Board, Virginia  
Deaf and Hard-of-Hearing, Advisory Board for the Department for the  
Dentistry, Board of  
Design-Build/Construction Management Review Board

Education, State Board of  
 Egg Board, Virginia  
 Emergency Medical Services Advisory Board, State  
 Farmers Market Board, Virginia  
 Fire Services Board, Virginia  
 Forestry, Board of  
 Funeral Directors and Embalmers, Board of  
 Game and Inland Fisheries, Board of  
 Geology, Board for  
 Goose Creek Scenic River Advisory Board  
 Health Planning Board, Virginia  
 Health Professions, Board of  
 Health, State Board of  
 Hearing Aid Specialists, Board for  
 Hemophilia Advisory Board  
 Historic Resources, Board of  
 Housing and Community Development, Board of  
 Irish Potato Board, Virginia  
 Juvenile Justice, State Board of  
*Licensed Professional Counselors, Marriage and Family Therapists and Substance Abuse Treatment Professionals, Board of*  
 Litter Control and Recycling Fund Advisory Board  
 Marine Products Board, Virginia  
 Medical Advisory Board, Department of Motor Vehicles  
 Medicare and Medicaid, Advisory Board on  
 Medicine, Board of  
 Mental Health, Mental Retardation and Substance Abuse Services Board, State  
 Migrant and Seasonal Farmworkers Board  
 Military Affairs, Board of  
 Mineral Mining Examiners, Board of  
 Minority Business Enterprise, Interdepartmental Board of the Department of  
 Networking Users Advisory Board, State  
 Neurotrauma Initiative Advisory Board, Commonwealth  
 North Meherrin State Scenic River Advisory Board  
 Nottoway State Scenic River Advisory Board  
 Nursing, Board of  
 Nursing Home Administrators, Board of  
 Occupational Therapy, Advisory Board on  
 Oil and Gas Conservation Board, Virginia  
 Opticians, Board for  
 Optometry, Board of  
 Peanut Board, Virginia  
 Personnel Advisory Board  
 Pesticide Control Board  
 Pharmacy, Board of  
 Physical Therapy to the Board of Medicine, Advisory Board on  
 Plant Pollination Advisory Board  
 Polygraph Examiners Advisory Board  
 Pork Industry Board, Virginia  
 Poultry Products Board, Virginia  
 Private College Advisory Board  
 Private Security Services Advisory Board  
 Professional and Occupational Regulation, Board for  
~~Professional Counselors, Board of~~  
 Professional Soil Scientists, Board for  
 Psychiatric Advisory Board  
 Psychology, Board of  
 Public Broadcasting Board, Virginia  
 Public Buildings Board, Virginia  
 Public Guardian and Conservator Advisory Board  
 Radiation Advisory Board  
 Real Estate Appraiser Board  
 Real Estate Board  
 Reciprocity Board, Department of Motor Vehicles

~~Recreation Specialists, Board of~~  
 Recreational Fishing Advisory Board, Virginia  
 Reforestation Board  
 Rehabilitation Providers, Advisory Board on  
 Rehabilitative Services, Board of  
~~Respiratory Therapy Care~~, Advisory Board on  
 Rockfish State Scenic River Advisory Board  
 Safety and Health Codes Board  
 Seed Potato Board, *State*  
 Sewage Handling and Disposal Appeal Review Board, State Health Department  
 Shenandoah State Scenic River Advisory Board  
 Small Business Advisory Board  
 Small Business Environmental Compliance Advisory Board  
 Small Grains Board, Virginia  
 Social Services, Board of  
 Social Work, Board of  
 Soil and Water Conservation Board, Virginia  
 Soybean Board, Virginia  
 State Air Pollution Control Board  
 Substance Abuse Certification Board  
 Surface Mining Review, Board of  
 Sweet Potato Board, Virginia  
 T & M Vehicle Dealers' Advisory Board  
 Teacher Education and Licensure, Advisory Board on  
 Transportation Board, Commonwealth  
 Transportation Safety, Board of  
 Treasury Board, The, Department of the Treasury  
 Veterans' Affairs, Board on  
 Veterinary Medicine, Board of  
 Virginia Board for Asbestos and Lead  
 Virginia Coal Mine Safety Board  
 Virginia Correctional Enterprises Advisory Board  
 Virginia Cotton Board  
 Virginia Employment Commission, State Advisory Board for the  
 Virginia Geographic Information Network Advisory Board  
 Virginia Horse Industry Board  
 Virginia Manufactured Housing Board  
 Virginia Retirement System, Board of Trustees  
 Virginia Schools for the Deaf and the Blind, Advisory Commission on the  
 Virginia Sheep Industry Board  
 Virginia Veterans Cemetery Board  
 Virginia Waste Management Board  
 Visually Handicapped, Virginia Board for the  
 Voluntary Formulary Board, Virginia  
 War Memorial Foundation, Virginia, Board of Trustees  
 Waste Management Facility Operators, Board for  
 Water Resources Research Center Statewide Advisory Board, Virginia  
 Waterworks and Wastewater Works Operators, Board for  
 Well Review Board, Virginia.

B. Notwithstanding the definition for "board" as provided in § 2.1-1.2, the following entities shall be referred to as boards:

Compensation Board  
 State Board of Elections  
 State Water Control Board  
 Virginia Parole Board  
 Virginia Veterans Care Center Board of Trustees.

§ 2.1-20.4. Bodies receiving compensation.

Notwithstanding any other provision of law, members of the commissions, boards, committees, councils and other similar bodies listed below, and members of any other board, committee, council, or similar body who are appointed at the state level, shall receive compensation from state funds pursuant to § 2.1-20.3:

Accountancy, Board ~~for~~ of  
 Agriculture and Consumer Services, Board of  
 Air Pollution Control Board, State

Airports Authority, Virginia  
 Apprenticeship Council  
 Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape  
 Architects, Board for  
~~Athletic Board, Virginia~~  
 Auctioneers Board  
 Audiology and Speech-Language Pathology, Board of  
 Aviation Board, Virginia  
 Barbers, Board for  
 Branch Pilots, Board for  
 Building Code Technical Review Board, State  
 Charitable Gaming Commission  
 Chesapeake Bay Local Assistance Board  
 Coal Mining Examiners, Board of  
 College Building Authority  
 Commonwealth Competition Council  
 Commonwealth Transportation Board  
 Conservation and Development of Public Beaches, Board on  
 Conservation and Recreation, Board of  
 Contractors, Board for  
 Correctional Education, Board of  
 Corrections, Board of  
 Cosmetology, Board for  
 Criminal Justice Services Board  
 Deaf and Hard-of-Hearing, Advisory Board for the  
 Dentistry, Board of  
 Education, State Board of  
~~Education Loan Authority, Virginia - Board of Directors~~  
 Elections, State Board of  
~~Environment, Council on the~~  
 Fire Services Board, Virginia  
 Funeral Directors and Embalmers, Board of  
 Game and Inland Fisheries, Board of  
 Geology, Board for  
 Health, State Board of  
 Health Professions, Board of  
 Hearing Aid Specialists, Board for  
 Higher Education, State Council of  
 Historic Resources, Board of  
 Housing and Community Development, Board of  
 Information Management, Council on  
 Juvenile Justice, State Board of  
*Licensed Professional Counselors, Marriage and Family Therapists and Substance Abuse Treatment*  
*Professionals, Board of*  
 Marine Resources Commission  
 Medical Assistance Services, Board of  
 Medical Complaint Investigation Committee  
 Medicine, Board of  
 Mental Health, Mental Retardation and Substance Abuse Services Board, State  
 Milk Commission  
 Mineral Mining Examiners, Board of  
 Motor Vehicle Dealer Board  
 Nursing, Board of  
 Nursing Home Administrators, Board of  
 Occupational Therapy, Advisory Board on  
 Oil and Gas Conservation Board, Virginia  
 Opticians, Board for  
 Optometry, Board of  
 Pesticide Control Board  
 Pharmacy, Board of  
 Physical Therapy, Advisory Board on  
 Port Authority, Board of Commissioners of the Virginia  
 Professional and Occupational Regulation, Board for  
 Professional Counselors, Board of

Professional Soil Scientists, Board for  
 Psychology, Board of  
 Public Defender Commission  
 Public School Authority, Virginia  
 Purchases and Supply Appeals Board  
 Real Estate Appraiser Board  
 Real Estate Board  
~~Recreation Specialists, Board of~~  
 Rehabilitative Services, Board of  
 Respiratory ~~Therapy~~ Care, Advisory Board on  
 Safety and Health Codes Board  
 Seed Potato Board, *State*  
 Social Services, Board of  
 Social Work, Board of  
 State Health Department Sewage Handling and Disposal Appeal Review Board  
 Substance Abuse Certification Board  
 Surface Mining Review, Board of  
 Treasury Board  
 Veterans' Affairs, Board on  
 Veterinary Medicine, Board of  
 Virginia Advanced Shipbuilding and Carrier Integration Center Board  
 Virginia Board for Asbestos ~~Licensing and Lead~~  
 Virginia Health Planning Board  
 Virginia Manufactured Housing Board  
 Virginia Veterans Care Center Board of Trustees  
 Virginia Waste Management Board  
 Visually Handicapped, Virginia Board for the  
 Waste Management Facility Operators, Board for  
 Water Control Board, State  
 Waterworks and Wastewater Works Operators, Board for  
 Well Review Board, Virginia.

§ 9-6.25:2. Policy boards, commissions and councils.

There shall be, in addition to such others as may be designated in accordance with § 9-6.25, the following policy boards, commissions and councils:

Apprenticeship Council  
~~Athletic Board~~  
 Auctioneers Board  
 Blue Ridge Regional Education and Training Council  
~~Board for Accountancy~~  
 Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and  
 Landscape Architects  
 Board for Barbers  
 Board for Contractors  
 Board for Cosmetology  
 Board for Geology  
 Board for Hearing Aid Specialists  
 Board for Opticians  
 Board for Professional and Occupational Regulation  
 Board for Professional Soil Scientists  
 Board for Waterworks and Wastewater Works Operators  
~~Board of Accountancy~~  
 Board of Agriculture and Consumer Services  
 Board of Audiology and Speech-Language Pathology  
 Board of Coal Mining Examiners  
 Board of Conservation and Recreation  
 Board of Correctional Education  
 Board of Dentistry  
~~Board of Directors, Virginia Student Assistance Authorities~~  
 Board of Funeral Directors and Embalmers  
 Board of Health Professions  
 Board of Historic Resources  
 Board of Housing and Community Development  
 Board of Licensed Professional Counselors, Marriage and Family Therapists and Substance Abuse  
 Treatment Professionals

Board of Medical Assistance Services  
 Board of Medicine  
 Board of Mineral Mining Examiners  
 Board of Nursing  
 Board of Nursing Home Administrators  
 Board of Optometry  
 Board of Pharmacy  
 Board of Psychology  
~~Board of Recreation Specialists~~  
 Board of Social Services  
 Board of Social Work  
 Board of Surface Mining Review  
 Board of Veterinary Medicine  
 Board on Conservation and Development of Public Beaches  
 Cemetery Board  
 Chesapeake Bay Local Assistance Board  
 Child Day-Care Council  
 Commission on Local Government  
 Commonwealth Transportation Board  
 Council on Human Rights  
 Council on Information Management  
 Criminal Justice Services Board  
 Design-Build/Construction Management Review Board  
 Disability Services Council  
 Farmers Market Board, Virginia  
 Interdepartmental Council on Rate-setting for Children's Facilities  
 Library Board, The Library of Virginia  
 Marine Resources Commission  
 Milk Commission  
 Pesticide Control Board  
 Real Estate Appraiser Board  
 Real Estate Board  
 Reciprocity Board, Department of Motor Vehicles  
 Safety and Health Codes Board  
 Specialized Transportation Council  
 State Air Pollution Control Board  
 State Board of Corrections  
 State Board of Elections  
 State Board of Health  
 State Board of Juvenile Justice  
 State Health Department, Sewage Handling and Disposal Appeal Review Board  
~~State Library Board~~  
 State Mental Health, Mental Retardation and Substance Abuse Services Board  
~~State Seed Potato Board~~  
 State Water Control Board  
 Substance Abuse Certification Board  
 Treasury Board, The, Department of the Treasury  
 Virginia Aviation Board  
 Virginia Board for Asbestos and Lead  
 Virginia Fire Services Board  
 Virginia Gas and Oil Board  
 Virginia Health Planning Board  
 Virginia Manufactured Housing Board  
 Virginia Parole Board  
 Virginia Public Broadcasting Board  
 Virginia Soil and Water Conservation Board  
 Virginia Voluntary Formulary Board  
 Virginia Waste Management Board  
 Waste Management Facility Operators, Board for.  
 § 54.1-202. Monetary penalty.

Any person licensed or certified by a regulatory board who violates any statute or regulation pertaining to that regulatory board who is not criminally prosecuted shall be subject to the monetary penalty provided in this section. *Except as provided by § 54.1-2006*, if a regulatory board determines that a respondent is guilty of the violation complained of, the board shall determine the amount of the

monetary penalty for the violation, which shall not exceed \$1,000 for each violation. The penalty may be sued for and recovered in the name of the Commonwealth.

§ 54.1-300. Definitions.

As used in this chapter unless the context requires a different meaning:

"Board" means the Board for Professional and Occupational Regulation.

"Certification" means the process whereby the Department or any regulatory board issues a certificate on behalf of the Commonwealth to a person certifying that he possesses the character and minimum skills to engage properly in his profession or occupation.

"Department" means the Department of Professional and Occupational Regulation.

"Director" means the Director of the Department of Professional and Occupational Regulation.

"Inspection" means a method of regulation whereby a state agency periodically examines the activities and premises of practitioners of an occupation or profession to ascertain if the practitioner is carrying out his profession or occupation in a manner consistent with the public health, safety and welfare.

"Licensure" means a method of regulation whereby the Commonwealth, through the issuance of a license, authorizes a person possessing the character and minimum skills to engage in the practice of a profession or occupation which is unlawful to practice without a license.

"Registration" means a method of regulation whereby any practitioner of a profession or occupation may be required to submit information concerning the location, nature and operation of his practice.

"Regulatory board" means the ~~Athletic Board~~, Auctioneers Board, Board ~~for~~ of Accountancy, Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects, Board for Barbers, Board for Branch Pilots, Board for Contractors, Board for Cosmetology, Board for Geology, Board for Hearing Aid Specialists, Board for Opticians, Board for Professional Soil Scientists, *Board for Waste Management Facility Operators*, Board for Waterworks and Wastewater Works Operators, *Cemetery Board*, Real Estate Appraiser Board, Real Estate Board and ~~Board for Waste Management Facility Operators~~ *Virginia Board for Asbestos and Lead*.

§ 54.1-2000. Definitions.

As used in this chapter, unless the context clearly indicates otherwise:

"Assurance" means any act or action, whether written or oral, expressing an opinion or conclusion about the reliability of a financial statement or about its conformity with any financial accounting principles or standards.

"Board" means the Board ~~for~~ of Accountancy continued by the provisions of this chapter and established by its predecessor under prior law.

*"Commission" means compensation generated from the purchase or sale of a product or service and which would not be generated but for the purchase or sale of the product or service.*

*"Contingent fee" means a fee established for the performance of a service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is obtained, or in which the amount of the fee is dependent upon the finding or result obtained. Fees shall not be considered contingent if fixed by courts or other public authorities, or in tax matters if determined based on the results of judicial proceedings or the findings of governmental agencies. A CPA certificate holder's fees may vary depending on the complexity of services rendered, and such variation shall not be considered a contingent fee.*

"CPA certificate" means a certificate as a certified public accountant (CPA) issued by the Board pursuant to this chapter or corresponding provisions of prior law, *which shall function as a license*, or a corresponding certificate as a certified public accountant issued after examination under the laws of any other state.

"Financial statement" means writing or other presentation, including accompanying notes, which presents, in whole or in part, historical or prospective financial position, results of operations or changes in financial position of any person, corporation, partnership or other entity.

*"Firm" means a sole proprietorship, partnership, corporation, limited liability company, limited liability partnership, or any other form of organization permitted by law.*

~~"License" means a license to practice public accounting issued under the provisions of this chapter.~~

*"Peer review" means a study, appraisal, or review, by a CPA certificate holder who is not affiliated with the firm being reviewed, of one or more aspects of the professional work of a firm that engages in the practice of public accounting or compiles financial statements in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Accounting and Review Services (SSARS).*

"Practice of public accountancy" or "public accounting" means the giving of an assurance, in a report or otherwise, whether expressly or implicitly, unless this assurance is given by an employee to his employer.

*"Registration" means the process through which a firm obtains a registration certificate from the Board.*

"Registration certificate" means a certificate issued to a ~~professional corporation or professional limited liability company~~ *firm* that has met all of the requirements for registration under this chapter.

"Report" or "reports," when used with reference to financial statements, means an opinion or disclaimer of opinion or other form of language or representation which states or implies any form of assurance or denial of assurance.

"State" means any state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.

*"Substantial equivalency" means a determination by the Board or its designee that the education, examination and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to, or exceed, the education, examination and experience requirements contained in this chapter, or that an individual CPA from another jurisdiction has met education, examination and experience requirements which are comparable to, or exceed, the education, examination, and experience requirements contained in this chapter.*

*"SSARS" means Statements on Standards for Accounting and Review Services established by the American Institute of Certified Public Accountants.*

§ 54.1-2001. Inapplicability of chapter.

A. This chapter shall not be construed to prevent any person from:

1. Describing himself as an "accountant" or a "bookkeeper";
2. Stating that he practices accountancy or bookkeeping;
3. Performing services involving the use of accounting skills;
4. Rendering tax services, or management advisory or consulting services;
5. Keeping the books of account and related accounting records; or
6. Preparing financial statements without the expression of an opinion or an assurance.

B. This chapter shall not be construed to prevent any person from stating that he has prepared, compiled, assembled or drafted a financial statement, provided he does not use any additional language which comprises an assurance, *make any claims or representations, or use any of the language prohibited by § 54.1-2007.*

C. The prohibitions of § 54.1-2007 and the other provisions of this chapter shall not be construed to preclude the use of the following language: "I (We) have compiled the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. A compilation is limited to presenting in the form of financial statements information that is the representation of management (owners). I (We) have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. Management has elected to omit substantially all (or certain) required disclosures (and the statement of changes in financial position). If omitted disclosures were included in the financial statements, they might influence the user's conclusions about the (entity's) financial position, results of operations, and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters."

§ 54.1-2002. Board of Accountancy; membership; qualifications; powers and duties of Board.

A. The Board ~~for~~ of Accountancy shall consist of seven members who shall serve for terms of four years. ~~Members of the Board for Accountancy as it existed prior to July 1, 1987, may continue as Board members until their individual terms expire.~~

~~As the terms of the members of the Board expire, they shall be replaced by members with the following qualifications:~~ *The Board shall be comprised of one public member who may be an unlicensed accountant who does not hold a CPA certificate but otherwise meets the requirements of § 54.1-107 (i) and (ii); one educator in the field of accounting; and five practicing certified public accountants, duly certified and licensed, who four of whom have been actively engaged in the practice of public accounting for at least three years prior to appointment to the Board and one of whom may be a certified public accountant not engaged in the practice of public accounting at the time of his appointment but who has at least three years of experience in the accounting field prior to his appointment.* Any certified public accountant member of the Board whose ~~license~~ *CPA certificate* is revoked or suspended shall automatically cease to be a member of the Board.

B. The Board shall have the responsibility for the enforcement of the provisions of this chapter subject to the powers and duties of the Director.

~~The Board for Accountancy shall certify and license issue CPA certificates to persons to practice public accountancy and restrict the practice of public accountancy to those persons who are so certified and licensed, who may call themselves CPAs, and shall take such actions as may be authorized by this chapter to ensure their continued competence and - The Board shall also take such actions as may be authorized by this title to aid the public in determining the qualifications of such persons who give assurances on financial statements. The Board shall issue registration certificates to firms to engage in the practice of public accountancy in the Commonwealth as set forth in § 54.1-2005 and take such actions as may be authorized by this chapter to ensure that such firms and their certified public accountants adhere to standards of conduct and practice.~~

C. The Board ~~may establish continuing education requirements for the issuance of a license or to assure continued competency of licensees shall have the responsibility of enforcing this chapter and may by regulation establish rules and procedures for the implementation of the provisions of this chapter.~~



§ 54.1-2002.1. Board authorized to contract for certain services; award of contract.

A. Upon a majority vote of the Board and the approval of the Director of the Department of Professional and Occupational Regulation (the "Director"), the Board may contract with a private person, firm, corporation, or association to provide the following services on behalf of the Board: examining, recommending ~~license~~ *issuance of CPA certificates and firm registration certificates*, investigating, providing mandatory continuing professional education, performing clerical duties, collecting fees, maintaining records, recommending enforcement actions in accordance with Article 3 (§ 9-6.14:10 et seq.) of the Administrative Process Act, and developing proposed regulations in accordance with Article 2 (§ 9-6.14:6 et seq.) of the Administrative Process Act.

B. The Board shall procure any or all of the services in accordance with the provisions of the Virginia Public Procurement Act (§ 11-35 et seq.). Prior to the award of such contract, a proposer shall demonstrate, to the satisfaction of the Board:

1. Personnel and financial resources necessary to carry out the provisions of the contract;
2. Adequate indemnification to protect the Commonwealth and its agencies and instrumentalities from all claims and losses incurred as a result of the contract;
3. Evidence of past performance in enforcing standards of practice for public accounting;
4. Compliance with all applicable federal, state, and local laws;
5. Ability to maintain, develop, and implement the internal operations that may be necessary or may become necessary to carry out the provisions of the contract; and
6. Any other qualifications the Board or the Director deems appropriate in the procurement process.

C. Such contract shall not exceed a three-year term, but may be renewed annually upon a majority vote of the Board and the approval of the Director. Prior to the execution of such contract, the Attorney General shall approve its form. The chairman of the Board and the Director shall be signatories to the contract on behalf of the Commonwealth.

D. Nothing herein is intended to deprive the contractor or the Commonwealth of the benefits of any law limiting exposure to liability or setting a limit on damages.

§ 54.1-2003. Grant of CPA certificate; restrictions on practice; educational and experience requirements.

A. The Board shall issue a CPA certificate only to a person who meets the character, education, *experience* and examination requirements established *in this chapter and* by regulations of the Board *and shall renew such certificate only if the certificate holder meets the requirements established by* § 54.1-2004. ~~Before adopting any regulations requiring that an individual admitted for examination have more than a baccalaureate degree, the Board shall submit such proposed regulations to the State Council of Higher Education for its review and comment and the Board shall coordinate and consult with the State Council of Higher Education regarding such regulations. Any such regulations shall not be effective prior to February 15, 1994. A person who holds a valid certificate granted to him by the Board may refer to himself as a Certified Public Accountant or CPA but is not empowered to practice public accountancy until he obtains a valid license to do so.~~

B. *Before an applicant for a CPA certificate may sit for the examination prescribed by this section, the following education requirements shall be met:*

1. *For persons applying to sit for the examination prior to July 1, 2006, a baccalaureate degree or its equivalent conferred by an accredited college or university with an accounting concentration or equivalent as defined by Board regulations.*
2. *For persons applying to sit for the examination on or after July 1, 2006, at least 150 semester hours of college education, including a baccalaureate or higher degree conferred by an accredited college or university with the total educational program to include an accounting concentration or equivalent as defined by Board regulations.*

C. *An applicant for initial issuance of a CPA certificate shall provide proof acceptable to the Board that the applicant has had at least one year of acceptable experience in accounting or a related field. This experience may include providing any type of service or advice involving the use of accounting, management, financial, tax or consulting advisory skills or services. Acceptable experience shall include employment in government, industry, academia or public accounting or related services.*

D. *The Board shall grant all privileges of Virginia CPA certificate holders to persons who were granted CPA certificates or licenses in other jurisdictions who can demonstrate that they are eligible under the substantial equivalency provisions set forth in § 54.1-2004.1.*

~~B.~~ E. For the purpose of meeting the examination requirements ~~referred to in subsection A~~ of this section, the Board may admit for examination graduates of (i) Bristol College, Bristol, Tennessee, ~~using the same criteria for admission as required by the Tennessee State Board of Accountancy who have otherwise completed the course work and credit hours required by this chapter and~~ (ii) Benjamin Franklin School of Accountancy and Financial Administration, Washington, D.C., ~~using the same criteria for admission as required by the District of Columbia Board of Accountancy who have otherwise completed the course work and credit hours required by this chapter.~~

~~C.~~ F. For the purpose of meeting the examination ~~requirement~~ *requirements* referred to in subsection A of this section, the Board shall admit graduates with a baccalaureate degree with a major

in accounting or a concentration in accounting from National Business College of Virginia, who have otherwise completed the course work and credit hours required by the Board *this chapter*.

§ 54.1-2004. Renewal of CPA certificate; continuing education requirements.

The Board shall issue a license only to a person who holds a valid certificate and who has met work experience requirements established by Board regulation.

The Board shall grant or renew a license only if the license holder meets requirements established by the Board. A person who holds a valid license granted to him by the Board may practice public accounting.

A. The Board shall promulgate regulations establishing procedures and requirements for the renewal of a CPA certificate granted by the Board, including the payment of a renewal fee.

B. Any person referring to himself as a Certified Public Accountant or "CPA," including the use of the "CPA" title on individual business cards, letterhead and all other documents and devices except the CPA certificate, and who is performing or offering to perform any services involving accounting skills or auditing skills, issuing reports on financial advisory or consulting services, preparing tax returns, or furnishing advice on tax matters, for the public, shall meet the continuing professional education (CPE) requirements established by the Board as a condition of renewal of a CPA certificate. Such CPE requirements shall include at least 120 credit hours during each three-year period. The certificate holder may choose the areas of study and courses.

C. Effective July 1, 2002, any person referring to himself as a Certified Public Accountant or "CPA," including the use of the "CPA" title on individual business cards, letterhead and all other documents and devices except the CPA certificate, and who is performing or offering to perform any services involving accounting skills or auditing skills, issuing reports on financial advisory or consulting services, preparing tax returns, or furnishing advice on tax matters, for an employer or other organization and not for the public, or who is employed as an educator in the field of accounting, shall meet CPE requirements as a condition of renewal of the person's CPA certificate as follows: (i) for the three-year reporting period beginning July 1, 2002, a minimum of 45 credit hours, (ii) for the three-year reporting period beginning July 1, 2005, a minimum of 90 credit hours, and (iii) for three-year reporting periods beginning on or after July 1, 2008, a minimum of 120 credit hours. The certificate holder may choose the areas of study and courses.

§ 54.1-2004.1. Substantial equivalency for nonresident CPA certificate holders and licensees.

A. A nonresident of the Commonwealth shall be granted the privilege of practicing public accounting in the Commonwealth if he holds a valid CPA certificate or license to practice public accounting in another state or foreign jurisdiction which is determined by the Board or its designee to have education, examination and experience requirements substantially equivalent to those provided by this chapter or if the Board determines that the nonresident individual has met education, examination and experience requirements that are substantially equivalent to those provided by this chapter. The Board shall provide by regulation the manner in which the privilege to practice under this section shall be evidenced.

B. Any person intending to exercise the privileges of a CPA certificate holder in the Commonwealth under this section shall:

1. Consent to be subject to (i) the same laws, regulations and standards of conduct applying to holders of CPA certificates issued by the Board, (ii) the jurisdiction of the Board in all disciplinary proceedings arising out of matters related to his exercise of the privileges granted by this section, and (iii) the Board's authority to revoke his privilege to practice public accounting in the Commonwealth under this section.

2. Consent to the appointment of the director of the state board which issued his CPA certificate or license as his agent upon whom process may be served in any action or proceeding by the Board against him, or in any civil action in Virginia courts arising out of his professional activities in the Commonwealth. In the event he holds a CPA certificate or license from more than one state, the Board by regulation shall establish which director shall serve as his agent.

3. Consent to the personal and subject matter jurisdiction of the courts of the Commonwealth in any civil action arising out of his professional activities in the Commonwealth and agree that the proper venue for such actions is in the Commonwealth.

C. A person who holds a CPA certificate issued by the Board and is exercising the privileges of a CPA certificate holder in another state under a comparable substantial equivalency provision of that state's law shall be subject to disciplinary action by the Board for an act or omission committed in the Commonwealth. The Board shall investigate any complaint made to or by the board of accountancy of another state related to the person's exercise of the privileges of a CPA certificate holder in the Commonwealth.

§ 54.1-2005. Firms.

A. No professional corporation organized under the provisions of Chapter 7 (§ 13.1-542 et seq.) of Title 13.1 or professional limited liability company organized under the provisions of Chapter 13 (§ 13.1-1100 et seq.) of Title 13.1 shall practice. Any person holding a valid CPA certificate may organize a firm as a sole proprietorship, partnership, corporation, limited liability company, limited liability partnership, or any other form or organization permitted by law. Any person holding a valid

CPA certificate may offer services that do not constitute the practice of public accounting as defined in § 54.1-2000 through any lawful form of organization while representing himself as a "Certified Public Accountant" or "CPA."

B. Any firm with one or more offices in the Commonwealth which practices, directly or indirectly, public accounting in this Commonwealth unless registered or which uses the term "Certified Public Accountant(s)" or the designation "CPA" in the name of the firm shall register under this chapter.

B. A professional corporation organized under the provisions of Chapter 7 of Title 13.1 or professional limited liability company organized under the provisions of Chapter 13 of Title 13.1 shall be issued a registration certificate by the Board upon its application and payment of the required registration fee provided that: Only one registration certificate shall be required for a firm with multiple offices. Each firm registered under this section shall designate an individual to register as the primary contact on behalf of the firm. A firm with no offices in the Commonwealth may offer public accounting services in this Commonwealth if the individual members or employees providing services are (i) holders of CPA certificates from the Board, (ii) have met the substantial equivalency requirements of this chapter, or (iii) are otherwise eligible to practice in the Commonwealth as determined by the Board. The Board may revoke the privileges of such firm to offer public accounting services in the Commonwealth for good cause shown, pursuant to regulations promulgated by the Board.

C. Any firm with an office in the Commonwealth providing or offering to provide public accounting services shall be issued a registration certificate by the Board upon application and payment of the required fee and shall maintain such certificate provided that:

1. Each shareholder of the professional corporation or member or manager of a professional limited liability company who will practice public accountancy in Virginia holds a license issued by the Board. At least fifty-one percent of the owners of the firm, as determined on a firm-wide basis, hold a valid CPA certificate.

2. The name of the professional corporation or professional limited liability company and the conduct of its practice conform with the ethical standards which its shareholders or members and managers are required to observe in the practice of public accountancy and the name includes, as appropriate, such designation of the corporate form as is authorized by Chapter 7 of Title 13.1 and is followed by the description a "Professional Corporation" or "PC," or designation of the professional limited liability company form as is authorized by Chapter 13 of Title 13.1 and is followed by the description "Professional Limited Company" or "Professional Limited Liability Company," or the abbreviations "P.L.C." or "P.L.L.C." At least fifty-one percent of the voting equity interest in the firm, as determined on a firm-wide basis, is owned by persons holding a valid CPA certificate. If this requirement or the requirement of subdivision 1 of this subsection is not met due to the death, retirement or departure of an owner, the requirements shall be met within one year of such event.

3. All non-CPA owners work in the firm as prescribed by Board regulations. Retirees or heirs who do not meet this requirement shall have a period specified by Board regulation to dispose of their interest. Firms in existence as of July 1, 1999, shall comply with this requirement within a period specified by Board regulation.

4. All public accounting services are under the supervision of a person holding a valid CPA certificate.

5. The firm provides evidence satisfactory to the Board that the firm has undergone, no less frequently than every three years, a peer review in accordance with requirements established by the Board.

6. The firm conducts its accounting practice in conformity with the Board's standards of practice for firms and also with standards of conduct and practice which its CPA certificate holders are required to observe in the practice of public accountancy.

7. Any individual CPA who is responsible for supervising public accounting services and signs or authorizes another person to sign the accountant's report on the financial statement on behalf of the firm, shall meet the experience requirements for these individuals as established by the Board.

8. The name of the firm is not false, misleading or deceptive.

D. Any firm with an office in the Commonwealth that is not engaged in the practice of public accounting but uses the term "Certified Public Accountant" or the "CPA" designation in its name shall be issued a registration certificate by the Board upon its application and payment of the required fee provided that such firm is in compliance with subdivisions C 1, 2, 3 and 8 of § 54.1-2005 and the firm:

1. Conducts its practice in conformity with the ethical standards and standards of practice which the CPA certificate holders in the firm are required to observe; and

2. Affirms that it has met the requirements of this section and has not provided nor offered to provide services involving the practice of public accounting in the previous two years and will not provide or offer to provide such services in the future, unless it first meets the requirements set forth in subsection C.

In addition, any such firm using certified public accountants to compile financial statements in compliance with SSARS shall provide evidence satisfactory to the Board that the firm has undergone, no less frequently than every three years, a peer review in accordance with the requirements established by

the Board.

~~C. E. Professional corporation or professional limited liability company registration certificates A firm's registration certificate shall be renewed biennially on the anniversary date if such corporation or professional limited liability company firm meets the requirements for registration and has paid the registration required fee. The Board shall establish a renewal fee.~~

§ 54.1-2006. Unprofessional conduct; enforcement against holders of CPA certificates and registration certificates.

The Board may revoke or suspend a license or certificate or impose lesser sanctions for any of the following causes:

1. The use of fraud, deceit, or misrepresentation about credentials or qualifications for licensure or certification.

2. The conviction of any crime involving moral turpitude.

3. Unprofessional conduct in violation of the Standards of Practice adopted by the Board.

4. Professional discipline imposed by another state in the practice of public accountancy.

5. Dishonesty, fraud, or negligence in the practice of public accountancy.

6. Suspension or revocation of the right to practice before any state or federal agency.

7. Violation of any of the provisions of this chapter or any regulation promulgated by the Board.

A. The Board may revoke any CPA certificate or registration certificate; suspend any CPA certificate or registration certificate or refuse to renew any CPA certificate or registration certificate for a period of not more than five years; reprimand, censure or limit the scope of practice of any CPA certificate holder or registered firm; impose a monetary penalty as provided in § 54.1-202 or place any CPA certificate holder or registered firm on probation, with or without terms, conditions and limitations, for any of the following reasons:

1. Fraud or deceit in obtaining or renewing a CPA certificate or registration certificate.

2. Cancellation, revocation, suspension or refusal to renew the CPA certificate or license to engage in the practice of public accountancy for disciplinary reasons in another state or foreign jurisdiction.

3. Failure to comply with the requirements for issuance or renewal of a CPA certificate or registration certificate.

4. Revocation or suspension of the right to practice before any state or federal agency.

5. Dishonesty, fraud, or gross negligence in the practice of public accountancy, including but not limited to the content of a CPA certificate holder's state or federal income tax returns or his failure to file his own state or federal income tax returns or those of his client.

6. Violation of any provision of this chapter or regulation promulgated by the Board under this chapter.

7. Violation of any standard of conduct or applicable standard of practice promulgated by the Board.

8. Subject to the provisions of § 54.1-204, conviction of a felony, or of any crime involving fraud or dishonesty, under the laws of the United States, of this Commonwealth, or of any other state if the acts involved would have constituted a crime under the laws of the Commonwealth.

B. In lieu of, or in addition to, any authority provided in subsection A or other provisions of this chapter, the Board may require a registered firm to submit to a peer review conducted as the Board may specify, provided such firm performs services involving public accounting or compiles financial statements in accordance with SSARS. The Board may also require a CPA certificate holder to attain satisfactory completion of additional or specific continuing professional education credit hours as the Board may specify.

C. Any person referring to himself as a Certified Public Accountant, including the use of the title on business cards, letterhead or other documents or devices other than the person's CPA certificate, who compiles financial statements must create the report in compliance with SSARS.

§ 54.1-2007. Prohibited acts.

A. A person who does not hold a valid license issued by the Board CPA certificate shall not:

1. Claim to hold a valid license CPA certificate;

2. Practice or offer to practice public accountancy or public accounting; or

3. Make any other claim of licensure, registration, or approval related to the preparation of financial statements which is false or misleading;

B. 4. A person who does not hold a valid certificate issued by the Board shall not claim to hold one or Describe himself as or assume any of the following titles or designations: certified public accountant, CPA, public accountant, PA, certified accountant, CA, chartered accountant, licensed accountant, LA, registered accountant, RA, independent auditor, IA or auditor-;

C. 5. A person who does not hold a valid license issued by the Board shall not Claim to have used "generally accepted accounting principles," "generally accepted accounting standards," "public accountancy standards," "public accountancy principles," "generally accepted auditing principles," or "generally accepted auditing standards," or "standards promulgated by the American Institute of Certified Public Accountants," including SSARS, in connection with his preparation of any financial statement; nor shall he use any of these terms in describing any complete or partial variation from such

standards or principles or to imply complete or partial conformity with such standards or principles;

~~D. 6. A person who does not hold a valid license issued by the Board shall not~~ Use the words "audit," "audit report," "independent audit," "attest," "attestation," "examine," "examination," "opinion," or "review" in a report, as that term is defined in this chapter, and which expresses assurance on a financial statement-; *or*

~~E. 7. A person who does not hold a valid license issued by the Board shall neither State nor~~ *or* imply that he is tested, competent, qualified, or proficient in financial standards established by (i) the American Institute of Certified Public Accountants or any agency thereof, (ii) the Governmental Accounting Standards Board or any agency thereof, (iii) the Securities and Exchange Commission or any agency thereof, (iv) the Financial Accounting Standards Board, or (v) any successor entity to an entity named in this subsection *subdivision*.

~~F. A person who holds a valid license issued by the Board shall not engage in the practice of public accounting under a professional or firm name or designation that contains a name or term other than past or present partners, officers, members, managers, or shareholders of the firm or of a predecessor firm; nor shall any such person engage in the practice of public accounting under a professional or firm name which is deceptive or misleading.~~

*B. A firm shall not use a name that is false, misleading or deceptive.*

*C. This section shall not prohibit any officer, partner, member, manager, or employee of any firm or organization from affixing that person's signature to any statement in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that person holds therein, nor does this section prohibit any act of a public official or employee in the performance of his duties.*

*D. No CPA certificate holder shall:*

*1. Recommend or refer to a client any product or services for a commission, or, for a commission, recommend or refer any product or service to be supplied by a client, or receive a commission when the CPA certificate holder also performs for that client any service which involves the practice of public accounting. This prohibition applies during the period in which the CPA certificate holder is providing services which involve the giving of an assurance or during the period covered by any financial statements that were prepared by the CPA certificate holder as a part of such services.*

*2. Perform for a contingent fee any services for, or receive such a fee from, a client for whom the CPA certificate holder or the CPA certificate holder's firm performs services which involve the practice of public accounting, during the period when such services are being provided and during the period covered by the financial statements.*

*3. Prepare an original tax return or claim for a tax refund for a contingent fee for any client.*

*E. A CPA certificate holder who is not prohibited by this section from accepting a commission and who is paid or expects to be paid a commission shall disclose that fact to any person or entity to whom the CPA certificate holder recommends or refers a product or service to which the commission applies.*

*F. A CPA certificate holder who accepts a referral fee for recommending or referring any service of a CPA certificate holder shall disclose such payment to the client.*

§ 54.1-2008. Exemptions from unlawful acts.

A. The unlawful acts set forth in § 54.1-2007 shall not apply to or prohibit a person or firm holding a certification, designation, degree or license granted in a foreign country entitling the holder thereof to engage in the practice of public accountancy or its equivalent in such country, provided that:

1. The practice of ~~this the~~ *the* person or firm in the Commonwealth of Virginia is limited to providing ~~professional~~ services to persons or firms who are residents of, governments of, or business entities of the country in which such entitlement is held;

2. Such person or firm does not engage in the practice of public accountancy in the preparation of financial statements about any other person, firm, or governmental unit in the Commonwealth of Virginia; and

3. The person or firm designates the country of origin and does not use any title or designation other than the one under which he or it may lawfully practice in the country of origin, which may be followed by a translation of such title or designation into English.

B. The provisions of this chapter shall not be construed, interpreted, or applied in such a way as to prohibit any public employee from performing his duly authorized or mandated duties.

**2. That the Board of Accountancy shall promulgate emergency regulations to implement the provisions of this act by October 1, 1999.**