

Agency Strategic Plan

Board of Accountancy (226)

3/11/2014 8:47 am

Biennium: 2008-10 ▼

Mission and Vision

Mission Statement

The Board of Accountancy (BOA), as mandated by the Virginia General Assembly, protects the citizens of the Commonwealth, through a regulatory program of licensure and compliance of Certified Public Accountants (CPA) and CPA firms.

Vision Statement

To serve all citizens in a professional manner, enabling them to contribute to the Commonwealth's prosperity by entering and progressing in their chosen profession; to provide the most equitable, efficient, and economical means available to limit entry barriers to the marketplace; and to discipline those licensees who do not follow accepted ethical or professional standards.

Agency Values

- High Ethical Standards
Pledging principled and reputable conduct;
- Honesty and Fairness
Acting with openness, impartiality, and consistency;
- Competence
Striving for proficiency through creativity, innovation and diversity;
- Continuous Improvement
Striving to innovate and to change where change is needed.

Executive Progress Report

Service Performance and Productivity

- *Summary of current service performance*
BOA constantly evaluates its service performance through performance measures tied to the agency strategic goals and objectives.

BOA's goal is to maximize the efficiencies available through the use of Information Systems (IS) technology to enhance services to customers and decrease costs in the areas of education and examinations, licensing, and enforcement, and to do so in a secure and efficient work environment.

Of the objectives reported during the last strategic report period, the Board of Accountancy has completed the following:

- Developed a web enabled interactive application on our website for use by our applicants.
- Automated its license verification program.
- Decreased the time it takes to process license applications.
- Developed an Adjudication Manual to provide uniformity and standardization of adjudication policies and procedures for use by Board members, staff and legal counsel .
- Established a mediation program.
- Created a Continuity of Operations Plan (COOP).
- Assessed the needs of its staff and determined appropriate professional training.
- *Summary of current productivity*
BOA has existed as a supervisory board and separate agency since July 1, 2001. BOA's efforts to use IS technology to enhance services to customers and decrease costs has been so effective there has been no increase in the agency's appropriation since July 1, 2001 until July 1, 2006 when the CPA Examination administration was brought in house.

On September 30, 2004, the BOA interactive licensing application went live resulting in maximized efficiencies and expedited services and decreased costs to customers. In an effort to further enhance these efficiencies created by the implementation of this application, the Board of Accountancy staff has initiated a reengineering and automation activity that will "overhaul" all existing core business functions in the Peer Review, CPE, Enforcement, and Licensing service areas.

There are many complex facets to the regulatory license process. These include exam and license application tracking, issuance and renewal of licenses, testing, and license type monitoring, enforcement, CPE and Peer Review; each is dependent on the timely receipt and dissemination of information. As the only reasonable, cost and time effective solution, BOA has determined that implementing an existing solution is the only viable means of reducing the potential negative impacts of possible application (current) failure.

Systems Automation (SA), Inc., (a vendor currently on state contract) offers a regulatory licensing software solution most compatible with the Virginia Board of Accountancy functions and business processes. The SA MyLicense Suite solution has been implemented in several other national State Boards of Accountancy with much success. A Virginia BOA representative has spoken directly with other state representatives employing the solution and has determined their level of confidence in the product. Also, several Virginia state agencies also currently employ the SA product solution and, BOA has determined their level of satisfaction with the product. SA has demonstrated a unique, in-depth understanding of regulatory licensing requirements through extensive delivery of integrated solutions that support regulatory agencies. BOA staff has also determined the compatibility of the solution capabilities with BOA current business function needs. An onsite demonstration of the product has been conducted involving all affected BOA users, and it has been concluded that the solution, as-is (off the shelf), will meet 100% of BOA current functional licensing needs. Implementation of the new application is targeted for mid-November, 2008.

Board staff anticipates numerous agency and customer benefits such as increased customer service delivery and staff productivity, decreased processing time, greater performance tracking and heightened traceability, and of course, operational cost savings.

It should be noted that excellent customer service is provided to every customer as evinced by the high ratings BOA receives on its online customer service surveys. As importantly, 99% of the BOA's customers communicate by the Internet by submitting their license applications online.

The BOA also implemented an inexpensive, online, real-time "Flash Chat" to further decrease costs to our customers. From the BOA website, customers can login to our office and "speak" with office personnel without incurring the cost of telephoning into the office to have their questions answered.

Initiatives, Rankings and Customer Trends

- *Summary of Major Initiatives and Related Progress*

On July 1, 2001, the Virginia General Assembly enacted law establishing BOA as a supervisory board and separate agency in the Commonwealth. BOA sought statutory authority to require CPAs to complete continuing professional education (CPE) in Ethics each year. The regulatory requirement for Ethics CPE became effective in 2004. In 2004, the new Board of Accountancy Trust Account (Trust Account) was established. The primary goal of the Trust Account is to have monies earmarked for a major enforcement activity in an effort to more effectively protect Virginia's citizens. On July 1, 2004, BOA was granted statutory authority to impose a monetary penalty for violation(s) determined by the Board, not to exceed \$100,000 for each violation.

In 2004, BOA Board members began a conceptual discussion to overhaul regulations governing the practice of CPAs and CPA firms in Virginia. By the end of the 2007 General Assembly session, the Board had amendments its statutes—Title 54.1, Chapter 44, of the Code of Virginia—approved that became effective July 1, 2007.

This was a broad-based effort with the Board establishing a working group composed of Board members, the Board's Executive Director, a representative of the Attorney General's office, the Deputy Secretary of Commerce and Trade, a representative of the Virginia Society of CPAs, and the Division of Legislative Services—the ones who actually draft the bills that become law. Input of the draft was obtained from individuals in small, medium and large CPA firms, as well as accountants, who are not CPAs.

Definitions for assurance, attest services, compilation, and financial statement, to name a few, are now consistent with the American Institute of Certified Public Accountant's definitions. Provisions for licensing and substantial equivalency were fragmented making it difficult for Board staff to explain and almost impossible for individuals wanting a license to understand. These definitions are now clarified and placed in their respective sections. For example, the section on

substantial equivalency is fairly simple—Virginia does not require a CPA or CPA firm to register, to pay a fee to come into Virginia to provide services, if they do not have an office in Virginia and they are from a substantially equivalent state—period. Those coming into Virginia through substantial equivalency must comply strictly with the requirements in Virginia; the Board will not allow violations against our citizens by CPAs from out of state.

The changes also require CPAs and CPA firms to comply not only with standards but also with related interpretive guidance provided by the various standard setting bodies. Degree of integrity, objectivity and freedom from conflicts of interest are written into the statutes became effective July 1, 2007. For those who do not follow standards, penalties are now clearly written and are enumerated in one place in the statutes.

A major change for licensing firms has also been included. Licensed CPA firms NOT providing public accounting services will no longer have to be licensed became effective July 1, 2007. The rationale for this change is straightforward—the purpose of CPA firm licensing is to have a mechanism for peer review compliance.

Another major change pertained to establishing Confidential Consent Agreements. These agreements have been used by the Department of Health Professions (DHP) for two years, and have reduced the conduct of informal fact-finding conferences (IFFs) by 70%. DHP used these agreements only in cases involving minor violations, where there is no pattern of misconduct and no injury to the client. The Board is required to promulgate regulations before using this new enforcement tool. The regulation will specify the types of allegations on which the Confidential Consent Agreement can be used and when it cannot be used.

The Board's work has just started—the Board now begins the next phase of re-writing its regulations to conform to the newly enacted statutes.

- *Summary of Virginia's Ranking*

The Virginia Board of Accountancy ranks #1 among national state boards of accountancy for providing most online services.

- Virginia Board of Accountancy ranks #5 among national state boards of accountancy in the number of candidates taking the CPA exam.

- Virginia Board of Accountancy ranks #10 among national state boards of accountancy in the number of CPAs licensed.

- *Summary of Customer Trends and Coverage*

BOA evaluates education credentials and tests approximately 5000 candidates each year. Approximately 2300 applicants are licensed each year. Approximately 90 complaints are filed with the Board each year. There is a slight upward trend in the three activity areas.

Also, in response to Virginia Code Section 2.2-5510.A.4, By November 15th of each year, the BOA shall report to the Department of Aging, its progress in addressing the impact of the aging of the population, according to guidance established by the Secretary of Health and Human Resources. Based upon information received, the Department of Aging shall prepare a report summarizing the progress mad by the agency and submit such report to the Governor and the General Assembly by the following year.

Future Direction, Expectations, and Priorities

- *Summary of Future Direction and Expectations*

BOA will continue to focus on maximizing efficiencies to enhance services to customers and decrease costs in the areas of education and examinations, licensing, and enforcement, and to do so in a secure and effecient work environment through the use of Information Systems technology.

- *Summary of Potential Impediments to Achievement*

Budgetary constraints could impact the Board of Accountancy accomplishing its initiatives in the future.

Service Area List

Service Number	Title
226 560 01	Accountant Regulation

Agency Background Information

Statutory Authority

The Board of Accountancy was created as an independent board by the Virginia General Assembly in 1910.

The Commonwealth regulated selected occupations through independent boards until 1948. At that time, the Department of Commerce was formed by legislative action and charged with the responsibility of providing administrative support to over ten boards and commissions.

July 1, 2001 was a landmark in the history of the Board of Accountancy. Through the efforts of Ellis M. Dunkum, Chairman of the Board at that time, Senator Walter A. Stosch, and many CPAs, Virginia’s lawmakers took action during the 2001 Session of the General Assembly to establish the Board of Accountancy as a separate supervisory board.

The Board of Accountancy is composed of seven members appointed by the Governor. Those members are by statute: five (5) licensed Certified Public Accountants (CPAs), an educator in the field of accounting and a citizen member. Each member may be appointed to two successive, four-year terms.

The Board receives its authority under Chapter 44 of Title 54.1 of the Code of Virginia and regulates the professional practice of CPAs and CPA firms under Board Regulation 18 VAC 5-21-10 et seq.

Customers

Customer Group	Customers served annually	Potential customers annually
Complainants	90	100
CPA Examination Candidates	5,000	6,000
CPA Firms	1,500	1,000
CPA Licensees	22,000	23,000
Government agencies, i.e., SEC, PCAOB, Justice, OAG	25	25
Professional Associations	10	15
Public affected by practice of CPAs and CPA Firms	250,000	250,000

Anticipated Changes To Agency Customer Base

BOA does not anticipate any significant change in other areas of its agency customer base.

Partners

Partner	Description
Department of General Services	BOA has an agreement with the Department of General Services for shared service at BOA's office location at the Perimeter Center.
Department of Health Professions	BOA has entered into an agreement (MOU) with the Department of Health Professions for application maintenance and support, and hosting services.
Division of Motor Vehicles (DMV)	BOA entered a memorandum of understanding (MOU) with DMV in 2001, to provide second-line process and compliance review in the areas of procurement, personnel and finance. The MOU has been modified and remains in effect today.
VITA/Northrup Gruman	The former state seat management contract has been eliminated and the contract has not been renewed. The BOA has transitioned under the VITA/Northrup Gruman IT service umbrella.

Products and Services

• *Description of the Agency's Products and/or Services:*

BOA Board Operations:

- The Board promulgates regulations that establish entry requirements, including education, examination, and licensure, which are essential to determine that an individual is minimally competent to practice as a CPA in Virginia. It also establishes requirements for the registration of CPA firms. It develops policy for Board operation.

BOA Board Office Operations:

- Education/Examination - assesses education and other qualifications for licensure and determines eligibility to take the CPA Examination.
 - Licensing - determines eligibility to be licensed as a CPA or registered as a CPA firm.
 - Enforcement - receives, investigates and adjudicates complaints regarding the professional practice by CPAs and CPA firms. Manages the Alternative Dispute Resolution program (mediation).
 - Administration - prepares budget and monitors financial statements, procures goods and services, and provides personnel/payroll services. Manages IS technology development, board administration, public relations, and management analysis. Manages legislative and regulatory programs.
- *Factors Impacting Agency Products and/or Services:*
The Administrative Process Act (APA) has a significant impact on both the adjudication of complaint cases and promulgation of regulations.

The frequent changes in the Information Systems technology area including state policies and operations, hardware and software capabilities and costs could negatively impact services.

The cost for ever increasing security to protect BOA's staff and its IS technology, customer-related programs could also impact services.

- *Anticipated Changes in Products or Services:*
Board of Accountancy staff has initiated a reengineering and automation activity that will "overhaul" all existing core business functions in the Peer Review, CPE, Enforcement, and Licensing service areas. As part of this activity, staff intends to establish an automated, historical CPA-database, "warehouse," (SQL application-specific) where all records pertaining to those licensed by the Virginia Board will be available to staff, online, from their desktop versus several independent paper files and inaccessible database applications.
- A web-based, online version (the CPA Profile) will be made available to regulant licensee providing them quick access to records (licensee-specific only) maintained by the Board. This online CPA Profile was submitted to the Governor as a performance measure.

Board staff began this activity in the third quarter of FY07 by procuring the necessary hardware (a mid-range production scanner), "intelligent" imaging software, and the needed programming services. Currently, the software has been programmed to capture a portion of existing historical records, and staff has begun scanning. All internal, independent databases will eventually be incorporated into the historical database. However, this is not the activity in its' entirety.

There are many complex facets to the regulatory license process. These include exam and license application tracking, issuance and renewal of licenses, testing, and license type monitoring, enforcement, CPE and Peer Review; each is dependent on the timely receipt and dissemination of information. As the only reasonable, cost and time effective solution, BOA has determined that implementing an existing solution is the only viable means of reducing the potential negative impacts of possible application (current) failure.

Systems Automation (SA), Inc., (a vendor currently on state contract) offers a regulatory licensing software solution most compatible with the Virginia Board of Accountancy functions and business processes. The SA MyLicense Suite solution has been implemented in several other national State Boards of Accountancy with much success. A Virginia BOA representative has spoken directly with other state representatives employing the solution and has determined their level of confidence in the product. Also, several Virginia state agencies also currently employ the SA product solution and, BOA has determined their level of satisfaction with the product. SA has demonstrated a unique, in-depth understanding of regulatory licensing requirements through extensive delivery of integrated solutions that support regulatory agencies. BOA staff has also determined the compatibility of the solution capabilities with BOA current business function needs. An onsite demonstration of the product has been conducted involving all affected BOA users, and it has been concluded that the solution, as-is (off the shelf), will meet 100% of BOA current functional licensing needs.

Board staff anticipates numerous agency and customer benefits such as increased customer service delivery and staff productivity, decreased processing time, greater performance tracking and heightened traceability, and of course, operational cost savings.

Finance

- *Financial Overview:*
BOA receives its operating funds from its licensing activities. It receives no general funds and no federal funds. BOA's licensing fees are the lowest among state boards of accountancy while each customer receives a high level of individualized service. BOA imposes monetary penalties in disciplinary cases and those funds are sent to the Virginia Literary Fund.

- *Financial Breakdown:*

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$0	\$865,626	\$0	\$865,626
Change To Base	\$0	\$52,510	\$0	\$52,510
Agency Total	\$0	\$918,136	\$0	\$918,136

This financial summary is computed from information entered in the service area plans.

Human Resources

- *Overview*

In 2001, BOA began its operation as a supervisory board with 1 at-will position, 3 classified positions and 1 temporary P-14 position. To date, the agency employees a total of nine (9) employees. Pay for performance is provided appropriately and in accordance with state policy.

- *Human Resource Levels*

Effective Date	7/1/2007	
Total Authorized Position level	8	
Vacant Positions	0	
Current Employment Level	8.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	8	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	2	
Contract Employees	0	
Total Human Resource Level	10.0	<i>= Current Employment Level + Wage and Contract Employees</i>

- *Factors Impacting HR*

State pay falling behind the private sector is a major factor impacting the human resources.

- *Anticipated HR Changes*

During this report period, The Board of Accountancy has filled its remaining two vacant positions.

Information Technology

- *Current Operational IT Investments:*

In December 2006, The BOA underwent a transition under the seat management contract with their IT service provider. At that time, all IT systems and applications residing on the infrastructure were verified to be in compliance with VITA prescribed policy and system regulations. During the September 2007, the state-wide seat management contract came to its contractual end. BOA IT services were transferred to the VITA/Northrup Gruman partnership. To ensure system and service continuity, BOA management encouraged continued service by the subcontractor, BeINIS, on the newly initiated service contract with VITA/Northrup Gruman.

- *Factors Impacting the Current IT:*

Current budgetary constraints have the potential of impacting anticipated IT changes.

- *Proposed IT Solutions:*

Board of Accountancy staff has initiated a reengineering and automation activity that will "overhaul" all existing core business functions in the Peer Review, CPE, Enforcement, and Licensing service areas. As part of this activity, staff intends to establish an automated, historical CPA-database, "warehouse," (SQL application-specific) where all records pertaining to those licensed by the Virginia Board will be available to staff, online, from their desktop versus several independent paper files and inaccessible database applications.

A web-based, online version (the CPA Profile) will be made available to regulant licensee providing them quick access to records (licensee-specific only) maintained by the Board. This online CPA Profile was submitted to the Governor as a performance measure, and is scheduled to be implemented by the end of FY08 (July 2008).

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Board staff anticipates numerous agency and customer benefits such as increased customer service delivery and staff productivity, decreased processing time, greater performance tracking and heightened traceability, and of course, operational cost savings.

At this time, the agency does not anticipate any requirements for IT investments to support business needs during the upcoming 2010-2012 budget biennium.

- *Current IT Services:*

Estimated Ongoing Operations and Maintenance Costs for Existing IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Projected Service Fees	\$0	\$132,009	\$0	\$133,989
Changes (+/-) to VITA Infrastructure	\$0	\$0	\$0	\$0
Estimated VITA Infrastructure	\$0	\$132,009	\$0	\$133,989
Specialized Infrastructure	\$0	\$14,000	\$0	\$10,000
Agency IT Staff	\$0	\$0	\$0	\$0
Non-agency IT Staff	\$0	\$0	\$0	\$0
Other Application Costs	\$0	\$26,000	\$0	\$20,000
Agency IT Current Services	\$0	\$172,009	\$0	\$163,989

Comments:

[Nothing entered]

- *Proposed IT Investments*

Estimated Costs for Projects and New IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Major IT Projects	\$0	\$180,000	\$0	\$0
Non-major IT Projects	\$0	\$0	\$0	\$0
Agency-level IT Projects	\$0	\$0	\$0	\$0
Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Non-major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Total Proposed IT Investments	\$0	\$180,000	\$0	\$0

● *Projected Total IT Budget*

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Current IT Services	\$0	\$172,009	\$0	\$163,989
Proposed IT Investments	\$0	\$180,000	\$0	\$0
Total	\$0	\$352,009	\$0	\$163,989

[Appendix A](#) - Agency's information technology investment detail maintained in VITA's ProSight system.

Capital

- *Current State of Capital Investments:*
BOA has no capital investments.
- *Factors Impacting Capital Investments:*
[Nothing entered]
- *Capital Investments Alignment:*
[Nothing entered]

Agency Goals

Goal 1

BOA's goal is to maximize the efficiencies available through the use of Information Systems technology.

Goal Summary and Alignment

Maximizing the efficiencies available through the use of Information Systems technology will enhance services to customers and decrease costs in the areas of education and examinations, licensing, and enforcement, and to do so in a safe and effective work environment.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal Objectives

- Provide each Board of Accountancy regulant with immediate and efficient access to all information (individual Certified Public Accountants and Certified Public Accountant firms) in the Board files.

Link to State Strategy

- nothing linked

Objective Measures

- Design an online portfolio for each regulant that will permit immediate access to Board files.

□ □ □ □

Measure Class: Measure Type: Measure Frequency: Preferred Trend:
 Measure Baseline Description: Access to Board files is currently available within 7 days.

Measure Target Value: Date:

Measure Target Description: Immediate access to Board files by early 2009.

Data Source and Calculation: Total amount of time for a regulant to contact the Board, make the request for a copy of the records, and have those records copied and faxed, mailed, or emailed.

- To maximize the efficiencies available through the use of information systems technology.

Link to State Strategy

- nothing linked

Objective Measures

- Reduce completion time for investigation of complaints.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: 10% reduction of the average investigation time.

Measure Baseline Value: Date:

Measure Baseline Description: 3.5 months -established FY06

Measure Target Value: Date:

Measure Target Description: By end of FY09

Data Source and Calculation: Number of months required to complete the investigation of a complaint determined from the date complaint is received by the Board to the date the investigation is completed. Date received plus the number of days required to complete the investigation -- number of days to complete an investigation for all complaints received in a year divided by the total number of complaints received.

Goal 2

BOA's goal is to maximize the "work experience" for BOA's staff.

Goal Summary and Alignment

Providing a positive and cost effective experience for candidates taking the Uniform CPA Examination involves in-house administration of the examination. BOA's purpose is to reduce administration costs and elevate the level of customer service to excellent.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal Objectives

- Maximization of the "work experience" for Board of Accountancy staff.

Link to State Strategy

- nothing linked

Objective Measures

- Valued classified employee turnover

Measure Class: Measure Type: Measure Frequency: Preferred Trend: Measure Baseline

Description: 0 (FY 2005)

Measure Target Value: Date:

Measure Target Description: 0 (FY 2009)

Data Source and Calculation: Board of Accountancy has a total of 5 valued classified employees. Current number of valued classified employees minus the number of valued classified employees retained.

Goal 3

BOA will strengthen the culture of preparedness across state agencies, their employees and customers.

Goal Summary and Alignment

This ensures compliance with federal and state regulations, policies, and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor for Commonwealth Preparedness in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the of the Commonwealth's statewide goal of protecting the public's safety and security, ensuring a fair and effective system of justice, and providing a prepared response to emergencies and disasters of all kinds. We will strengthen the culture of preparedness across state agencies, their employees and customers.

Goal Alignment to Statewide Goals

- Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Goal Objectives

- The BOA will be prepared to act in the interest of the citizens of the Commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals.

Objective Strategies

- The agency Emergency Coordination Officer will stay in continuous communication with the Office of Commonwealth Preparedness and the Virginia Department of Emergency Management.

Link to State Strategy

- nothing linked

Objective Measures

- Agency Continuity of Operations Plan COOP Assessment Score

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 2007 COOP Assessment Results (% out of 100)

Measure Target Value: Date:

Measure Target Description: Minimum of 75% or, if at 75%, increase the average by 5% each year

Data Source and Calculation: The COOP Assessment Review is a 24 component assessment tool that helps measure the viability of a COOP plan.

Goal 4

BOA shall efficiently and effectively manage programs in a manner consistent with applicable state and federal requirements

Goal Summary and Alignment

The Virginia Performs Management Scorecard program serves as a common gauge of agency operations.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal Objectives

- To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of scorecard categories marked as "meets expectations" for the agency

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: The 2007 score of the agency

Measure Target Value: Date:

Measure Target Description: Score 90% or above on the Management Scorecard

Data Source and Calculation: The Management Scorecard grades agencies on six criteria. Take the number of cases where your agency scored "Meets Expectations" and divide by six. For example, if your agency "Meets Expectation" in four cases, and "Needs Improvement" in two, divide four by six, to receive a score of 67.7%. This number will serve as your agency's baseline as we head into the new biennium.

Service Area Strategic Plan

Board of Accountancy (226)

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Biennium: 2008-10 ▼

Service Area 1 of 1

Accountant Regulation (226 560 01)**Description**

This service area is comprised of all the work performed by the Board of Accountancy including determining the standards for education, examination, licensing and enforcement for the professional practice by CPAs and CPA firms.

Background Information**Mission Alignment and Authority**

- *Describe how this service supports the agency mission*

The Board of Accountancy (Board), as mandated by the Virginia General Assembly, protects the citizens of the Commonwealth, through its regulatory program of licensure and compliance of Certified Public Accountants (CPA) and CPA firms.

BOA serves all citizens in a professional manner, enabling them to contribute to the Commonwealth's prosperity by entering and progressing in their chosen profession; to provide the most equitable, efficient, and economical means available to limit entry barriers to the marketplace; and to discipline those licensees who do not follow accepted ethical or professional standards.

- *Describe the Statutory Authority of this Service*

The Board receives its authority under Chapter 44 of Title 54.1 of the Code of Virginia and regulates the professional practice of CPAs and CPA firms under Board Regulation 18 VAC 5-21-10 et seq.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
CPA Licensees	Certified Public Accountants (CPA)	21,200	23,000
Complainants	Complainants	90	100
CPA Examination Candidates	CPA Examination Candidates	5,000	6,000
CPA Firms	CPA Firms	1,500	1,000
Government agencies, i.e., SEC, PCAOB, Justice, OAG	Government agencies, i.e., SEC, PCAOB, Justice, OAG	25	25
Professional Associations	Professional Associations	10	15
Public affected by practice of CPAs and CPA Firms	Public affected by practice of CPAs and CPA Firms	250,000	250,000

Anticipated Changes To Agency Customer Base

BOA, as most agencies in the Commonwealth, has many aging CPA licensees in their customer base.

Partners

Partner	Description
Department of General Services	BOA has a written agreement with the Department of General Services for shared services and lease management at the Perimeter Center.
Department of Health Professions	BOA has entered into an agreement (MOU) with the Department of Health Professions for application maintenance and support, and hosting services.
Division of Motor Vehicles (DMV)	BOA entered a memorandum of understanding with DMV in 2001, to provide second-line process and compliance review in the areas of procurement, personnel and finance. The MOU has been modified and remains in effect, today.
VITA/Northrup Gruman	Supports the BOA IT infrastructure since the state-wide seat

Partnership management contract was dissolved.

Products and Services

- *Factors Impacting the Products and/or Services:*

The Administrative Process Act has a significant impact on both the adjudication of complaint cases and promulgation of regulations.

The frequent changes in the Information Systems technology area including state policy and operations, hardware and software capabilities and increased costs of agency IT transformation could negatively impact services.

Also, the cost of increasing security to ensure the Board's staff and its IS technology customer-related programs could also impact services.

- *Anticipated Changes to the Products and/or Services*

Board of Accountancy staff has initiated a reengineering and automation activity that will "overhaul" all existing core business functions in the Peer Review, CPE, Enforcement, and Licensing service areas. As part of this activity, staff intends to establish an automated, historical CPA-database, "warehouse," (SQL application-specific) where all records pertaining to those licensed by the Virginia Board will be available to staff, online, from their desktop versus several independent paper files and inaccessible database applications.

A web-based, online version (the CPA Profile) will be made available to regulant licensee providing them quick access to records (licensee-specific only) maintained by the Board. This online CPA Profile was submitted to the Governor as a performance measure, and is scheduled to be implemented by the end of FY08 (July 2008).

Board staff began this activity in the third quarter of FY07 by procuring the necessary hardware (a mid-range production scanner), "intelligent" imaging software, and the needed programming services. Currently, the software has been programmed to capture a portion of existing historical records, and staff has begun scanning. All internal, independent databases will eventually be incorporated into the historical database. However, this is not the activity in its' entirety.

There are many complex facets to the regulatory license process. These include exam and license application tracking, issuance and renewal of licenses, testing, and license type monitoring, enforcement, CPE and Peer Review; each is dependent on the timely receipt and dissemination of information. As the only reasonable, cost and time effective solution, BOA has determined that implementing an existing solution is the only viable means of reducing the potential negative impacts of possible application (current) failure.

Systems Automation (SA), Inc., (a vendor currently on state contract) offers a regulatory licensing software solution most compatible with the Virginia Board of Accountancy functions and business processes. The SA MyLicense Suite solution has been implemented in several other national State Boards of Accountancy with much success. A Virginia BOA representative has spoken directly with other state representatives employing the solution and has determined their level of confidence in the product. Also, several Virginia state agencies also currently employ the SA product solution and, BOA has determined their level of satisfaction with the product. SA has demonstrated a unique, in-depth understanding of regulatory licensing requirements through extensive delivery of integrated solutions that support regulatory agencies. BOA staff has also determined the compatibility of the solution capabilities with BOA current business function needs. An onsite demonstration of the product has been conducted involving all affected BOA users, and it has been concluded that the solution, as-is (off the shelf), will meet 100% of BOA current functional licensing needs. Implementation is targeted for mid-November 2008.

Board staff anticipates numerous agency and customer benefits such as increased customer service delivery and staff productivity, decreased processing time, greater performance tracking and heightened traceability, and of course, operational cost savings.

This is proposed in an effort to reduce or stop escalating administrative costs to candidates and to ensure excellent customer service.

- *Listing of Products and/or Services*

- BOA Board Operations:
 - The Board promulgates regulations that establish entry requirements, including education, examination, and licensure, essential to determine that an individual is minimally competent to practice as a CPA in Virginia. It also establishes requirements for registration of CPA firms. It develops policy for Board operation.
- Board Office Operations:
 - Education/Examination - assesses education and other qualifications for licensure and determines eligibility to take the CPA Examination.
 - Licensing - determines eligibility to be licensed as a CPA or registered as a CPA firm.
 - Enforcement - receives, investigates and adjudicates complaints regarding

the professional practice by CPAs and CPA firms. Manage the Alternative Dispute Resolution program (mediation). • Administration - prepares budget and monitors financial statements, procures good and services, and provides personnel/payroll services. Manages IT development, board administration, public relations, and management analysis. Manages legislative and regulatory programs.

Finance

- *Financial Overview*

This service area covers all work performed by BOA as provided for in this strategic plan.

- *Financial Breakdown*

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$0	\$865,626	\$0	\$865,626
Change To Base	\$0	\$52,510	\$0	\$52,510
Service Area Total	\$0	\$918,136	\$0	\$918,136

Human Resources

- *Human Resources Overview*

The BOA currently has a total of ten (10) agency employees serving its customer base.

- *Human Resource Levels*

Effective Date	7/1/2007	
Total Authorized Position level	8	
Vacant Positions	0	
Current Employment Level	8.0	
Non-Classified (Filled)		breakout of Current Employment Level
Full-Time Classified (Filled)	8	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage	2	
Contract Employees		
Total Human Resource Level	10.0	= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*

BOA has filled two vacant staff positions during the FY08 period.

- *Anticipated HR Changes*

During this report period, BOA has filled vacant positions.

Service Area Objectives

[None entered]