

2014-16 Strategic Plan

Board of Accountancy [226]

Mission

The Virginia Board of Accountancy's mission is to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of Certified Public Accountants (CPA) and CPA firms.

Vision

To serve all CPAs and CPA candidates 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.

Values

The Virginia Board of Accountancy's commitment to excellence is demonstrated through the agency's values:

- High Ethical Standards and Integrity
Pledging principled and reputable conduct;
- Exceptional Customer Service
Demonstrating a courteous, empathetic and helpful attitude while assisting each customer to reach their goal;
- Honesty and Fairness
Acting with openness, impartiality, and consistency;
- Teamwork
Excelling mutually, the VBOA will work together with citizens and licensees to achieve the shared vision;
- Competence
Striving for proficiency through creativity, innovation and diversity;
- Communication
Achieving enhanced understanding between the VBOA, the regulated community and the public through effective communications, interactions, and service;
- Continuous Improvement
Striving to innovate and to change where change is needed;
- Financial Stewardship
Maintaining frugality with respect to the expenditures of public funds.

Finance

Financial Overview

The Virginia Board of Accountancy (VBOA) is 100% nongeneral funded (financially dependent on fees charged to applicants and licensees). Rising or new costs, coupled with no fee increase for over 20 years, led the VBOA to increase fees effective January 1, 2013. This fee increase ensures the financial health/strength of the VBOA and ensures that the agency's needs are met.

Fifty-nine percent of VBOA's budget supports personnel costs: salaries, wages, and fringe benefits. The remaining budget supports day-to-day operations: funding for rent, information technology needs, contractual services, training, office supplies, and other miscellaneous costs.

The VBOA imposes monetary penalties in disciplinary cases; however, those funds are deposited to the Virginia Literary Fund.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	0	1,648,449	0	1,648,465
Changes to Initial Appropriation	0	0	0	0

(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

Customers

Anticipated Changes to Customer Base

While the current economic conditions will undoubtedly have an impact on the CPA community, the long-term impact has not been felt/determined.

The impact of mobility will affect the number of licensees in Virginia. Currently 50 of the 55 jurisdictions now allow licensed CPAs to practice in

another jurisdiction/state if the reciprocal jurisdiction/state has been determined to be substantially equivalent.

In addition, an aging CPA workforce will eventually affect the number of licensed CPAs in Virginia.

Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Business and Finance	Certified Public Accountants (CPA)	26,348	26,750	Stable
Business and Finance	Complainants	74	75	Stable
Business and Finance	First Time CPA Examination Candidates applying to sit for CPA exam	1,860	1,890	Increase
Business and Finance	CPA Firms	1,218	1,218	Stable
Business and Finance	Professional Associations	10	12	Stable

Partners

Name	Description
Department of Accounts (DOA)	The VBOA has entered into memorandums of understanding (MOU) with DOA to provide agency fiscal and payroll services.
Department of General Services (DGS)	The VBOA has a written agreement with DGS for shared services and lease management at VBOA's office location at the Perimeter Center.
Department of Health Professions (DHP)	The VBOA has an MOU with DHP for IT application maintenance and support services, and website maintenance and support services.
Department of Human Resource Management (DHRM)	The VBOA has an MOU with DHRM to provide human resource services.
Virginia Information Technologies Agency (VITA)/Northrop Grumman Partnership	Supports the VBOA information technology infrastructure.

Agency Goals

- **Provide outstanding customer service support to all Virginia Board of Accountancy (VBOA) customers through our products and services to promote the Commonwealth of Virginia as the best state for CPAs and CPA firms to do business.**

Summary and Alignment

The VBOA assists customers through automated systems and direct contact, implementing process and system improvements for increased operational efficiencies.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objectives

- » **Enhance the knowledge and skills of Virginia Board of Accountancy staff to ensure outstanding customer service support.**

Description

This objective falls within the Virginia Board of Accountancy's (VBOA) administrative and support services function. VBOA management is committed to providing their employees with continuing education and training necessary to stay current with information technology and within their assigned areas of responsibilities.

Objective Strategies

- Employee training plans will be developed as a component of the annual employee work profile (EWP). The VBOA Communications Manager will track all employee training hours on a quarterly basis.

Measures

- ◆ Percentage of Virginia Board of Accountancy (VBOA) employees who have taken at least 15 annual training hours.

» **Provide user friendly, state of the art automated systems and web services to submit and manage applications and data for all Certified Public Accountant exam/licensee candidates and Certified Public Accountant licensees.**

Description

The Virginia Board of Accountancy (VBOA) assists customers through automated systems and direct contact, implementing process and system improvements for increased operational efficiencies.

Objective Strategies

- The VBOA provides on-going customer service assistance to its customers. VBOA staff are assigned specific responsibilities to assist customers; however, all VBOA staff are available to provide assistance to its customer base as available/necessary.
- The VBOA will fully analyze the results of the annual Customer Satisfaction Survey to determine where improvements can be implemented. The VBOA will implement corrective action plans where necessary and appropriate to improve customer satisfaction.

Measures

- ◆ Percentage of overall customer satisfaction with Virginia Board of Accountancy (VBOA) products and services, as demonstrated by the ratings received in an annual survey of VBOA customers.

• **Ensure the effective and timely processing of Virginia Board of Accountancy (VBOA) applications, complaints, regulatory compliance documentation and financial activity.**

Summary and Alignment

The VBOA customers are dependent upon the VBOA to meet their needs. Effective and timely processing of data is critical to the success of VBOA's customers, and is equally important to the VBOA from an audit and customer service perspective.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objectives

» **Monitor the effectiveness and timeliness of application and data processing.**

Description

The Virginia Board of Accountancy (VBOA) customers are dependent upon the VBOA to meet their needs. Effective and timely processing of data is critical to the success of VBOA's customers, and is equally important to the VBOA from an audit and customer service perspective.

Objective Strategies

- The VBOA's Executive Director will review performance measure data prior to submission to Virginia Performs to ensure compliance with goals, objectives and measure targets. Corrective action will be taken in cases of non-compliance.

Measures

- ◆ Labor cost per new Certified Public Accountant (CPA) license issued.
- ◆ Percentage of Continuing Professional Education (CPE) compliance reviews completed within 21 calendar days of documentation receipt.
- ◆ Percentage of enforcement cases closed within 160 calendar days of complaint.

Major Products and Services

VBOA Products and/or Services:

- CPA Exam candidate application processing
- CPA Licensee (Individuals & Firms) candidate application processing
- CPA Licensee (Individuals & Firms) Annual Renewals
- CPA Continuing Professional Education (CPE) Monitoring
- CPA Firm Peer Review Monitoring
- Complaint (Enforcement) Processing/Investigations

Performance Highlights

The Virginia Board of Accountancy (VBOA) continually evaluates its service performance through monthly reporting and performance measures

ted to the VBOA's strategic goals and objectives.

Beginning with the fiscal year ended 6/30/2011, the VBOA began conducting an annual customer service satisfaction survey (a key performance measure). The results of the first survey indicated that 88% of VBOA customers were satisfied with staff customer service. The results of the next three surveys on customer service satisfaction were 93% in FY 2012, 96% in FY 2013 and 95% in FY 2014. An analysis of this survey allows VBOA management to address any areas of concern and where improvements are needed.

Other performance measures assist the VBOA to ensure that enforcement cases are monitored closely, that continuing professional education (CPE) and Peer Review compliance are reviewed on a timely basis, CPA licenses are issued in a cost effective manner, and VBOA staff are provided training to enhance their knowledge and skills.

Staffing

Authorized Maximum Employment Level (MEL)	12
Salaried Employees	10
Wage Employees	1
Contracted Employees	0

Key Risk Factors

The key risk factors that will have a significant impact on the Virginia Board of Accountancy are:

- The national economic conditions, the primary reason for current state budgetary constraints, could impact VBOA from accomplishing its initiatives in the future.

Management Discussion

General Information About Ongoing Status of Agency

The Virginia Board of Accountancy (VBOA) will continue to focus on maximizing internal and application service efficiencies to enhance service delivery to our customers (including website functionality and user friendly application screens), and to do so in a secure and efficient work environment through the use of information technology.

The VBOA Executive Director has developed a long-term business plan that focuses on the future business needs of the agency. The plan addresses such issues as the financial health/strength of the Board, staffing structure and classifications, and future business needs.

The VBOA's priorities therefore include an enhanced service delivery to our customers, the fiscal integrity of on-going operations and an effective/efficient staffing structure.

Information Technology

Continued investments in technology are necessary to achieve the operational efficiencies necessary for the Virginia Board of Accountancy (VBOA) to reach its strategic goals and ensure compliance with the Virginia Information Technology Agency (VITA) Information Security Management Standards. The VBOA is currently working with VITA on several agreements for vulnerability scanning services, a complete server migration and disaster recovery services that will be implemented during FY 2015. In addition VBOA is proposing an IT initiative for the replacement of our mission critical licensing system. As a 100% non-general funded agency, any IT investment project will be dependent upon the revenues collected through fees.

Estimate of Technology Funding Needs

Workforce Development

The Virginia Board of Accountancy (VBOA) has an Authorized Maximum Employment Level (MEL) of 12 with 10 positions currently filled. VBOA plans to fill our vacant Enforcement Director position by the end of 2014 and will be looking to fill another position in the area of Information Technology by the end of FY 2015. As a result of our continued growth and staff size, VBOA is currently in the process of hiring a wage employee to supplement classified staff and may hire additional wage employees during peak work periods and unexpected staff turnover.

The VBOA seeks to provide training and staff development programs in a manner that best meets the needs of VBOA and its employees. The VBOA utilizes a performance measure to track the number of employees who have taken at least 24 annual training hours.

Physical Plant

On August 29, 2007, the Virginia Board of Accountancy (VBOA) entered into a ten year lease with the Department of General Services (DGS) for office space located in the Perimeter Center Building in Henrico County. The VBOA shares the Perimeter Center Building with five other state agencies to facilitate the use of shared space and services. DGS and the building owner are currently discussing extending this lease for an

additional 5 years.

Supporting Documents

Title

File Type

Accountant Regulation [56001]

Description of this Program / Service Area

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

Mission Alignment

This service area directly aligns the Virginia Board of Accountancy's (VBOA) mission to protect the citizens of the Commonwealth through a regulatory program of licensure and compliance of CPA's and CPA firms.

The VBOA serves all CPAs and CPA candidates 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.

Products and Services

Description of Major Products and Services

The Board promulgates regulations that establish entry requirements, including education, examination, and licensure, which are essential in determining whether an individual is minimally competent to practice as a CPA in Virginia.

The Board establishes requirements for the registration of CPA firms.

The Board promulgates regulations in accordance with the Administrative Process Act.

The Board levies and collects fees for the issuance, renewal or reinstatement of Virginia licenses (and special assessments) that are sufficient to cover all expenses of the administration and operation of the Board.

The Board initiates or receives complaints concerning CPAs or those that claim to be a CPA, and takes disciplinary action if warranted (to include revoking, suspending or refusing to reinstate a Virginia license, or to assess fines).

The Board establishes requirements for peer review and continuing professional education (CPE) requirements as a condition for issuance, renewal or reinstatement of a Virginia license.

The Board develops policy for Board operation.

Education/Examination - assesses education and other qualifications for eligibility to take the CPA exam.

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 (and those claiming to be CPAs).

CPE and Peer Review Compliance - administers the CPE and Peer Review compliance reviews.

Administration - prepares budgets, financial statements, and reports; procures goods and services; provides personnel/payroll services; provides fiscal services; manages information security technology development and maintenance; manages board administration, strategic planning, continuity planning, public relations, management analysis, and legislative and regulatory programs.

Anticipated Changes

The VBOA will continue to focus on maximizing internal and application service efficiencies to enhance service delivery to our customers (including website functionality and user friendly application screens).

The VBOA Executive Director has developed a long-term business plan that focuses on a vision for the future. This plan addresses such issues as the financial health/strength of the Board, staffing structure and classifications, and future business needs.

Factors Impacting

The current national economic conditions may impact the CPA community. The VBOA is 100% non-general funded (financially dependent on fees charged to applicants and licensees). The trend in the number of CPA exam applicants and licensees directly impacts revenue collection.

The impact of mobility will affect the number of licensees in Virginia. Currently 50 of the 55 jurisdictions now allow licensed CPAs to practice in their respective jurisdiction if the reciprocal jurisdiction has been determined to be substantially equivalent.

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

The frequent changes in the Information Systems technology arena, including increased costs, could impact agency operations and services.

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Supporting Documents

Title **File Type**