

Strategic Plan
(2012-2014 Version 1)

Board of Accountancy (226)

Agency Plan

Mission Statement

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 Statement

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.

Information Technology

Current Operational IT Investments

Continued investments in technology are necessary to achieve the operational efficiencies necessary for the Virginia Board of Accountancy (VBOA) to reach its strategic goals. The VBOA is supported by a generic off-the-shelf licensing software system, MyLicense Office (MLO) developed by Systems Automation. The current system does not meet the needs of staff, applicants, licensees or the public. The system is in dire need for updates and modifications. The system cannot be efficiently or effectively customized to meet the specific functions and business processes of the VBOA. The system is not user friendly, difficult to navigate and does not support an internet browser other than Internet Explorer. A customer survey conducted in July 2011 regarding overall satisfaction with the online application and renewal processes, indicated only a 61% satisfaction rated by Certified Public Accountant (CPA) Exam candidates and an 82% satisfaction rating by existing licensees; however, daily contact with these customers indicates a much less satisfaction rating with the current system. The VBOA also contracts annually with the Department of Health Professions for \$43,200 to provide system maintenance and support in addition to contracting annually with the system vendor for annual maintenance and software support services of \$33,906. There are very good licensing applications systems specifically developed for Boards of Accountancy, which in the long run, will cost less than the existing system. As a 100% non-general funded agency, any IT investment project will be dependent upon the revenues collected through fees.

Factors Impacting the Current Agency IT

At this time, the agency is not aware of any external factors, requirements or mandates that will require IT investments by the agency in the foreseeable future.

Proposed IT Solutions

The Virginia Board of Accountancy is planning to procure a web-based, customizable off-the-shelf database system software that can be tailored to meet our specific business processes and work flow needs. This new system will provide increased efficiencies and streamline the processes for exam candidates, licensee applications, licensee renewals, continuing professional education and peer review tracking, and improve enforcement activities. This IT investment will provide operational efficiency by reducing ongoing operations and maintenance cost. Anticipated changes in the new system will improve customer experience, reduce processing time, and provide ease of use. The total estimated cost of the new system is projected to be \$245,000 or less.

The new system will also improve performance in our agency goals:

- Provide outstanding customer service support to all Virginia Board of Accountancy customers through our products and services.
- Ensure the effective and timely processing of Virginia Board of Accountancy applications, complaints, regulatory compliance documentation and financial activity.

Financial Overview

The Virginia Board of Accountancy (VBOA) is 100% non-general funded (financially dependent on fees charged to applicants and licensees). The VBOA's examination and licensing fees are the lowest among state boards of accountancy, while each customer receives a high level of individualized service. However, the Board has proposed fee increases to ensure the financial health/strength of the VBOA, and to ensure that the agency's needs are met.

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

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	1,231,905	0	1,231,905
Changes to Base	0	357,868	0	416,479
Total	0	1,589,773	0	1,648,384

Agency Goals

- Provide outstanding customer service support to all Virginia Board of Accountancy (VBOA) customers through our products and services.

Goal Summary and Alignment

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

Long Term Goal

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

Societal Indicator: Consumer Protection

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

Goal 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.

Long Term Goal

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

Societal Indicator: Consumer Protection

Programs and Service Areas for Agency

- 56001: Accountant Regulation

Customers

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Business and Finance	CPA Firms	1,230	1,300	Stable
Business and Finance	CPA Examination Candidates	5,785	8,000	Increase
Business and Finance	Complainants	57	60	Stable
Business and Finance	Certified Public Accountants (CPA)	25,627	26,000	Increase
Business and Finance	Professional Associations	10	15	Stable

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.

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

Trends

Rankings & Customer Trends

The VBOA evaluates education credentials and approves testing for over 5,700 candidates each year, over 1,200 applicants are licensed each year, and over 150 enforcement cases are handled the Board each year. There is a slight upward trend in these three activity areas.

The VBOA (June 2013) reflects a total of 25,627 individually licensed CPAs and 1,230 firm licensees in Virginia, up slightly from 24,936 and 1,218 as of June 30, 2012, respectively. 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 as well - that is, over 50 jurisdictions now allow licensed CPAs to practice in another state if the reciprocal state has been determined to be substantially equivalent. In addition, an aging CPA workforce will eventually affect the number of licensed CPAs in Virginia.

Trend Name	Trend Area
Number of CPA Licenses	Increase
Number of CPE Audits	Increase
Revenue	Increase

Performance Highlights: Service Performance & Productivity Initiatives

The Virginia Board of Accountancy (VBOA) continually evaluates its service performance through monthly reporting and performance measures tied 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 two surveys indicated a steady increase in customer service satisfaction indicating that 93% in FY 2012 and 96% in FY 2013 of VBOA customers were satisfied with staff customer service. 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, VBOA staff are provided training to enhance their knowledge and skills, and that strong internal controls exist to ensure that the VBOA receives no audit findings and/or compliance issues as a result of on-going audits.

Management Discussion & Analysis

Future Direction, Expectations, and Priorities

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.

56001: Accountant Regulation

Description

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 and Authority

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.

Customers for this Service Area

Anticipated Changes to Customers Base

The current national economic conditions are expected to impact the VBOA customer base; however, this impact has not been fully realized. The impact of mobility will also affect the number of licensees in Virginia as well - that is, over 48 jurisdictions now allow licensed CPAs to practice in their respective jurisdiction if the reciprocal jurisdiction has been determined to be substantially equivalent. The Board is closely observing this situation to make internal adjustments as needed.

The VBOA, as most agencies in the Commonwealth, has many aging CPA licensees in their customer base. Please see the Executive Progress Report, Customer Trends & Coverage Section for a current summary.

The VBOA plans to work with other organizations and associations to more closely understand the impact of these influences.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Business and Finance	Certified Public Accountants (CPA)	24,936	26,000	Increase
Business and Finance	CPA Firms	1,218	1,300	Stable
Business and Finance	CPA Examination Candidates	3,571	8,000	Increase
Business and Finance	Complainants	90	150	Stable
Business and Finance	Professional Associations	10	15	Stable

Partners for this Service Area

Partner	Description
Department of Accounts (DOA)	The VBOA has entered into a memorandum of understanding (MOU) with DOA to provide agency financial 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 application maintenance and support, and hosting 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.

Products and Services

Factors Impacting the Products and/or Services

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 as well - that is, over 48 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 negatively impact agency operations and services.

Anticipated Changes to the Products and/or Services

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.

Listing of Products and / or Services

VBOA Board Operations (in general):

- 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.

VBOA Staff Operations (in general):

- 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 of operations (COOP) plan, public relations, management analysis, and legislative and regulatory programs.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	1,231,905	0	1,231,905
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Objectives for this Service Area

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Objective

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 and Training Director will track all employee training hours on a quarterly basis.

Alignment to Agency Goals

- Provide outstanding customer service support to all Virginia Board of Accountancy (VBOA) customers through our products and services.

Measures

- Percentage of Virginia Board of Accountancy (VBOA) employees who have taken at least 24 annual training hours.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Track training hours for all Virginia Board of Accountancy (VBOA) employees. Divide the number of employees who have obtained a minimum of 24 training hours by the total number of employees.

Objective

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 correction action plans where necessary and appropriate to improve customer satisfaction.

Alignment to Agency Goals

- Provide outstanding customer service support to all Virginia Board of Accountancy (VBOA) customers through our products and services.

Measures

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

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

As of FY2011, the Virginia Board of Accountancy conducts an annual Customer Satisfaction Survey with its customers. The Customer Satisfaction rating is used as the primary measurement tool for Virginia Board of Accountancy management and staff. The average rating is calculated on the number of all responses of satisfied or above divided by the total number of all responses.

Objective

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.

Alignment to Agency Goals

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

Measures

- Percentage of enforcement cases closed within 160 calendar days of complaint.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Track the number of enforcement cases closed within 160 calendar days of complaint. This number is then divided by the total number of complaints made during the same time period. Note: This calculation excludes litigation and non-controllable (special circumstances outside of the Board's control) cases. The data will be measured on a calendar year basis. The original methodology that indicated enforcement cases would be closed within 90 calendar days of complaint was generally unrealistic and was established during a time of staff turnover and unfamiliarity with the enforcement process. In general a non continuing professional education (CPE) deficient enforcement case will average over 150 days for closure.

- Percentage of Continuing Professional Education (CPE) compliance reviews completed within 21 calendar days of documentation receipt.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Track incoming CPE compliance review documentation from the time of entry to the time of system closeout. Divide the number of reviews completed within 21 calendar days of receipt by the total number of reviews initiated during the same time period.

- Number of internal control audit findings or compliance issues.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Number of Auditor of Public Accounts (APA), Department of Accounts (DOA), Department of General Services (DGS) - The Division of Purchases and Supply (DPS), and The Virginia Information Technologies Agency (VITA) audit findings.

- Labor cost per new Certified Public Accountant (CPA) license issued

Measure Class Preferred Trend Frequency

Data Source and Calculation

Total cost of licensee labor (staff) dedicated to the issuance of new CPA licenses divided by the number of new CPA licenses issued for the period. This measure has the potential to fluctuate based on current economic conditions and impact on CPA licensure status. This measure is new for the 2012-2014 Biennium, replacing a measure that was calculated on the total cost of licensee labor divided by the ending count of all licensees, including new license applications and license renewals issued for the same period. The issuance of a new CPA license is a labor intensive process compared to the renewal of a current license, which is primarily processed online by the licensee.