

REVIEW QUESTION 1

What is the relationship between the Code of Virginia and the AICPA Code of Professional Conduct?

- A. The Code of Virginia makes no reference to the AICPA Code of Professional Conduct.
 - A is incorrect because the Code of Virginia does have an explicit reference to the AICPA Code.
- B. The AICPA Code of Professional Conduct refers to the Code of Virginia.
 - B is incorrect because the AICPA Code of Professional Conduct makes no specific reference to the Code of Virginia or any other state.
- C. The Code of Virginia recommends CPAs may, at their option, refer to the AICPA Code of Professional Conduct.
 - C is incorrect because the Code of Virginia does not merely "recommend" the AICPA Code of Professional Conduct as some guidance that may or may not be considered, it in fact requires adherence to it.
- ✓ **D. The Code of Virginia explicitly incorporates by reference the AICPA Code of Professional Conduct, so that any changes in the AICPA Code automatically carry the authority of law in Virginia for CPAs.**
 - D is correct as under the Code of Virginia 54.1-4413.3 Standards of conduct and practice Section 4 states, "Follow the Code of Professional Conduct, and the related interpretive guidance, issued by the American Institute of Certified Public Accountants, or any successor standard-setting authorities."

REVIEW QUESTION 2

When referring to guidance, what takes precedence for Virginia licensed CPAs?

- A. Virginia CPAs only have to follow the policies set forth by the VBOA.
 - A is incorrect, while the VBOA creates policies, they are designed to further interpret statutes and regulations. They are authoritative but only in conjunction with statutes and regulations.
- B. Virginia CPAs only have to follow the AICPA Code of Professional conduct.
 - B is incorrect, the Code of Professional Conduct is written into Virginia's statutes and must be followed in conjunction with regulations that are also written into statutes.
- C. Virginia CPAs are only responsible to follow the Administrative Code of Virginia (Regulations).
 - C is incorrect, the Administrative Code of Virginia is authoritative only if it does not conflict with the Code of Virginia.
- ✓ **D. Virginia CPAs are regulated and controlled by state laws (the Code of Virginia).**
 - D is correct, the Code of Virginia (Statutes) are the state laws of Virginia that are at the top of the compliance hierarchy.

REVIEW QUESTION 3

What is a true statement for the Inactive license status?

- A. You must use CPA (Inactive) on your email signature.
 - A is incorrect because under VA Code 54.1-4409.1 to use the CPA title in VA you must be licensed – Inactive status is licensed.
- B. As long as you are not currently providing services, including on a volunteer basis, to the public or to or on behalf of an employer (providing to an entity services that require the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the VBOA) you automatically qualify for Inactive status.
 - B is incorrect as under VBOA Policy # 9 Persons who hold a Virginia license must proactively apply for this status by submitting a Change of License Status Request Form (Active to Inactive) to the VBOA.
- ✓ C. **You are exempt from CPE if you qualify for Inactive license status.**
 - C is correct, under VBOA Policy #9, unless you are denied the Inactive status you are exempt from CPE.
- D. There is no appeal process once you have been denied Inactive status.
 - D is incorrect Under Policy # 9 there is an appeal process in place.

REVIEW QUESTION 4

The VBOA, in cooperation with NASBA, is now offering a CPE Tracking System for all active Virginia CPAs. Which of the following is true?

- A. All providers of CPE courses automatically upload CPE verification forms to the CPA's record in the VBOA's CPE Tracking System.
 - A is incorrect, because the VSCPA is the only CPE provider currently uploading verification forms into the CPE Tracking System. Verification from other CPE providers must be uploaded manually.
- ✓ B. **CPE verification forms for courses sponsored by the Virginia Society of CPAs are automatically uploaded to the CPA's record in the VBOA's CPE Tracking System.**
 - B is correct, because the VSCPA is the only CPE provider currently uploading verification forms into the CPE Tracking System.
- C. When selected for a CPE verification audit, the VBOA allows each CPA the option of either using the VBOA's CPE Tracking System or instead simply providing hard copies of CPE verification forms to the VBOA.
 - C is incorrect, because use of the CPE Tracking System is the only acceptable documentation during a VBOA CPE verification audit.
- D. Since the VBOA's CPE Tracking System is based online, only online course credits may be recorded in the system. Live courses must be reported separately in a different system.
 - D is incorrect, because the CPE Tracking system accepts verification of all acceptable methods of CPE.

REVIEW QUESTION 5

Which statement indicates compliance with CPE requirements?

- ✓ A. I have 120 hours of CPE during 2018-2020 including the VBOA approved ethics every year and I am a VA licensee who releases or authorizes the release of reports on attest, compilation, or financial statement preparation services provided for persons or entities located in VA and annually I obtain a minimum of eight hours of continuing professional education related to attest, compilation, or financial statement preparation.
- A is correct, see 18VAC5-22-140.
- B. I have 120 hours of CPE during 2018-2020 including the VBOA ethics each year and I do not release or authorize the release of reports on attest, compilation, or financial statement preparation services provided for persons or entities located in VA. In 2018, since I was sick, I completed 10 hours of CPE and then caught up with 55 hours each in 2019 and 2020.
- B is incorrect, according to 18VAC5-22-90, for each of the calendar years in that period, you need to have obtained at least 20 hours of continuing professional education.
- C. I am a newly licensed CPA who passed the exam in 2018 and obtained my Virginia license in 2020, I do not need CPE until 2023.
- C is incorrect, according to 18VAC5-22-90, no more than 60 hours from examination and certification shall be considered during each three-calendar-year period.
- D. I took a 2-hour ethics course that was not approved by the VBOA – this qualifies for the 2-hour ethics requirement.
- D is incorrect, because VBOA Policy #4 states it is the responsibility of a person who holds a Virginia license to ensure that sponsors providing the Virginia-Specific Ethics course are listed on the VBOA's website as an approved sponsor of this course.

REVIEW QUESTION 6

In the following scenarios, which CPA requires a firm license?

- A. I am a Virginia sole proprietor who only prepares tax returns.
- A is incorrect, under 54.1-4412.1 a firm license is required if the firm provides attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia.
- B. I am a partner in a Virginia partnership and the firm only prepares tax returns.
- B is incorrect, under 54.1-4412.1 a firm license is required if the firm provides attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia.
- ✓ C. I am a Virginia sole proprietor who prepares tax returns and provides financial statement preparation services.
- C is correct, under 54.1-4412.1 only a firm can provide attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia.
- D. I am a volunteer for a Virginia non-profit organization, and I reconcile the bank statements.
- D is incorrect, under 54.1-4412.1 a firm license is required if the firm provides attest services, compilation services, or financial statement preparation services to persons or entities located in Virginia.