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Ethics and Standards of Conduct for Virginia CPAs

Course #4225G

Exam Packet



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ETHICS AND STANDARDS OF CONDUCT FOR VIRGINIA CPAS **(COURSE #4225G)**

COURSE DESCRIPTION

This course is designed to meet the specific ethics requirements for the state of Virginia. It covers an update on current ethics and regulatory developments, as well as VBOA regulations and AICPA rules relating to planning and supervision, form of organization and name, independence, and process for ethical decision-making. Uses the materials entitled *Ethics and Standards of Conduct for Virginia CPAs*. No prerequisites. Course level: Basic. Course #4225G – 2 CPE hours.

LEARNING ASSIGNMENTS AND OBJECTIVES

As a result of studying each assignment, you should be able to meet the objectives listed below each individual assignment.

ASSIGNMENT	SUBJECT
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1	Chapter 1: Updates on Regulatory Developments Chapter 2: Core Content
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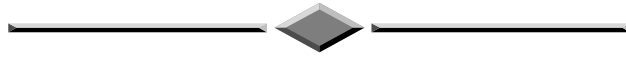
Study the course materials from 1-1 to 2-30
Complete the review questions at the end of each chapter
Answer the final exam questions 1 to 10

Objectives:

- To discuss the changes to the Accountancy Regulations and be able to apply those changes to your practice
- To identify examples of actual VBOA enforcement cases
- To describe the SSARS codification
- To discuss tax preparer registration requirements
- To explain AICPA Rule 201 – Planning and Supervision
- To explain AICPA Rule 505 – Form of Organization and Name and be able to apply it to your practice
- To explain AICPA Rule 101 – Independence

ASSIGNMENT

- 2 Complete the Answer Sheet and Course Evaluation and mail to PES for credit



NOTICE

This course and test have been adapted from materials and information contained in materials entitled *Ethics and Standards of Conduct for Virginia CPAs* and any supplemental material provided. This course is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional advice and assumes no liability whatsoever in connection with its use. Since laws are constantly changing, and are subject to differing interpretations, we urge you to do additional research and consult appropriate experts before relying on the information contained in this course to render professional advice.

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ETHICS AND STANDARDS OF CONDUCT FOR VIRGINIA CPAS (COURSE #4225G) – EXAM OUTLINE

COURSE EXPIRATION DATE: Per AICPA and NASBA standards, this course must be completed within one year from the date of purchase.

TEST FORMAT: The following final exam, consisting of 10 true/false and/or multiple choice questions, is based specifically on the material included in this course. The answer sheet must be completed and returned to PES for CPE certification. You will find the answer sheet at the back of this exam packet so that you may easily remove it and use it while taking your test.

LICENSE RENEWAL INFORMATION: The Ethics and Standards of Conduct for Virginia CPAs course (#4225G) qualifies for 2 CPE hours.

PROCESSING: Your exam will be graded promptly. You must score 70% or better to pass. When you pass, your certificate of completion will be mailed. If you do not pass, we will give you a courtesy call to inform you of this and then another answer sheet will be sent to you free of charge.

GRADING OPTIONS: Please choose only one of the following. There is no additional charge for any of these grading options. Make sure to fill out your answer sheet completely prior to submitting it.

- **ONLINE GRADING** – Visit our website at <http://www.mypescpe.com>. Login to your account (if you are a first-time user you must set up a new user account). Go to the “**MY CPE**” tab and click the “**My CPE Exams in Progress**” folder. If your exam is not already located in this folder, click “**Add Exam Previously Purchased**” and follow the instructions.
- **MAIL** – Your exam will be graded and your certificate of completion mailed to you the same day we receive it. Your certificate will be dated according to the **postmark date**; therefore, you do not need to overnight your exam. Please mail your answer sheet to:

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4208 Douglas Blvd., Ste 50
Granite Bay, CA 95746

- **FAX** – Your exam will be graded and you will be contacted either via phone or fax with your results within 4 business hours of receipt. A copy of your graded exam and certificate of completion will be mailed to you the same day we receive it. Your certificate will be dated according to the fax date. If you choose to fax your exam, please do not mail it. Your fax will serve as the original. Please refer to the attached answer sheet for further instructions on fax grading. Fax number (916) 791-4099.



***Thank you for using
Professional Education Services.
We appreciate your business!!***

ETHICS AND STANDARDS OF CONDUCT FOR VIRGINIA CPAS (COURSE #4225G) – FINAL EXAM

The following questions are either true or false and/or multiple choice. Please indicate your choice on the enclosed Answer Sheet.

1. Which of the following is not true regarding the Virginia Board of Accountancy:
 - a) the Board's purpose is to regulate businesses and individuals who practice public accountancy or who provide assurances about financial statements
 - b) the Board is comprised of a total of 7 members
 - c) each member is elected to a term of two years
 - d) no member can serve for more than two consecutive terms
2. New regulations were effective:
 - a) January 1, 2007
 - b) December 31, 2007
 - c) September 16, 2010
 - d) January 1, 2011
3. New rule 18VAC5-22-140 requires persons who release reports on attest services or compilation services to obtain CPE related to attest or compilation services. How much attest or compilation related CPE is required for these people:
 - a) 8 hours each year
 - b) 8 hours each CPE cycle
 - c) 4 hours of compilation CPE plus 4 hours of other attest CPE each year
 - d) 16 hours of attest or compilation CPE each renewal cycle
4. Which of the following is true regarding the CPE regulations:
 - a) the total number of hours of required CPE has increased for those who perform attest services
 - b) an hour of CPE is generally considered to be 60 minutes of continuous instruction
 - c) all licensees must take the Virginia ethics course each year even if they are licensed and practice in another state and complete an annual ethics course for that state
 - d) the requirement to obtain CPE cannot be avoided by not saying that the person providing services is a CPA
5. Which of the following is true under 18VAC5-22-130 regarding owners of firms that are not licensed:
 - a) non-licensee owners must participate in the firm's activities on a regular, continuous, and substantial basis
 - b) non-licensee owners must work for the firm at least 500 hours each year
 - c) non-licensee owners must be residents of Virginia
 - d) non-licensee owners must hold a CPA license, permit, or certificate from a state other than Virginia
6. Each licensee must notify the VBOA in writing within _____ days of any change of physical address, email address, or name.
 - a) 10
 - b) 30
 - c) 90
 - d) 180

7. Which of the following scenarios is not among the enforcement cases you read as part of this course:
- a) respondent diverted \$294,000 of firm funds for personal use
 - b) respondent was unable to show more than 6 hours of CPE credits for a CPE reporting cycle
 - c) respondent claimed that he or she “could get a client a greater refund than any other tax practitioner operating in the state”
 - d) respondent filed an incorrect tax return on behalf of a client
8. Rule 201 of the AICPA Code of Professional Conduct relates to Planning and Supervision. Which of the following is true regarding the proper Planning and Supervision of an engagement under Rule 201:
- a) Rule 201 applies to all professional services, not just attest engagements
 - b) the AICPA has delineated all of the rules relating to the proper supervision of an engagement that a Virginia CPA needs to comply with
 - c) under Rule 201, a CPA is generally not required to supervise a third-party service provider that the CPA hires to assist with an engagement
 - d) Rule 201 states in part that the use of an engagement letter will result in a CPA being deemed to have adequately planned the engagement. In other words, an engagement letter is a “safe harbor” protecting the CPA from a charge of failing to adequately plan the engagement
9. According to the “Process for Ethical Decision Making,” a CPA is advised to recognize problems early. Which of the following is one of the reasons given as to why problems should be recognized early:
- a) recognizing the problem early will give the CPA more time to analyze the issues
 - b) public accounting services are simpler now than they were in the past
 - c) recognizing the problem early will allow a CPA to justify higher fees
 - d) recognizing problems early will minimize any trouble with the Board regarding the decisions ultimately made that turn out to be ethical violations
10. The Virginia Board of Accountancy has authority to impose:
- a) sanctions
 - b) monetary penalties
 - c) both a and b above
 - d) none of the above

***Congratulations –
you’ve completed the exam!***

**ETHICS AND STANDARDS OF CONDUCT FOR VIRGINIA CPAS #4225G (2 CPE hours) –
ANSWER SHEET (3/11)**

Important Note: For certification, this answer sheet must be completed and submitted to PES for grading within one year from the date of purchase. Please use black ink and print for quicker processing – thank you.

Name (as it appears on your license) _____
Address _____
City _____ State _____ Zip _____ Home ☐ Work ☐
Daytime Phone (____) _____ E-mail address (for online grading) _____
License Number _____ State _____ Expiration Date _____ CPA, CFP, EA (circle one)
If course was ordered by another party, please indicate name here: _____

GRADING OPTIONS – Please choose only ONE of the following:

- **ONLINE GRADING** – Visit our website at <http://www.mypescpe.com>.
 - Login to your account (if you are a first-time user, you must set up a new user account).
 - Go to the “**MY CPE**” tab and click the “**My CPE Exams in Progress**” folder.
 - If your exam is not already located in this folder, click “**Add Exam Previously Purchased**” and follow the instructions.
- **Mail** – Mail your exam to: PES, 4208 Douglas Blvd., Ste 50, Granite Bay, CA 95746
- **Fax** – Fax your exam to (916) 791-4099 and choose one of the following options:
Please: ☐ mail my results only or ☐ fax ☐ phone my results to: (____) _____

PLEASE INDICATE YOUR ANSWER BY FILLING IN THE APPROPRIATE CIRCLE

	A	B	C	D		A	B	C	D
1.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	6.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	7.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	8.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	9.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	10.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please complete the attached course evaluation – your opinion is extremely valuable.

Ethics and Standards of Conduct for Virginia CPAs #4225G - Course Evaluation

Rate on a scale of 1-10 with 1 being poor and 10 being excellent.

1. The course met the course objectives described in the promotional material. _____
2. The course was up to date, held my interest, was timely, and effective. _____
3. The course materials were understandable, valuable, and suitable for a correspondence course. _____
4. The amount of advance knowledge and stated prerequisites were appropriate. _____
5. The completion time was appropriate for the number of credits allowed. _____
6. The course met my professional education needs. _____

Please answer the following questions – mark/rate any and all that may apply

1. How would you rate PES's ☐ order desk _____
☐ customer service _____
2. What can PES do to keep you as a valued customer?

3. Any other comments regarding this course or our company would be appreciated.

4. What other courses/subjects would you like to see PES offer in the future?



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