

NASBA Writes to IRS

The rigor, comprehensiveness and validity of the Uniform CPA Examination were underscored in a letter sent August 30 by NASBA Chair Thomas J. Sadler and President David A. Costello in response to Internal Revenue Service Commissioner Douglas Shulman's call for input regarding the IRS's proposed registration and regulation of tax return preparers to ensure proper public protection.

The NASBA leaders told the IRS that, as stated in the Uniform Accountancy Act: "In order to obtain the CPA license issued by the state, an individual must obtain 150 hours of college education; pass an extremely rigorous, psychometrically-valid exam; and gain experience in the field of accounting, taxation and attest competencies. Once the individual has obtained a license, they must participate in a renewal process requiring successful completion of continuing education; adherence to the state-specified code of conduct; and demonstrated compliance with applicable professional standards."

NASBA is eager to continue its dialogue with the IRS to improve public protection. ♦

Niemeier to Address Annual Meeting



Charles D. Niemeier, a founding member of the Public Company Accounting Oversight Board and independent voice on many topics, will be the keynote speaker at NASBA's 102nd Annual Meeting to be held November 1-4. Also addressing the meeting from the PCAOB will be Rhonda Schnare, PCAOB director of international affairs, who has been at the center of the PCAOB's efforts to work with the quality review programs in other countries. There will be a presentation on the Internal Revenue Service's latest discussions on tax preparer regulation, and on the lessons that State Boards can learn from the Ponzi schemes being uncovered across the country. A panel of professors will tell NASBA what educators are focusing on at different campuses. In addition, there will be:

- ◆ Regional breakout sessions,
- ◆ Reports from the American Accounting Association's and the American Institute of CPAs' leaders,
- ◆ Spotlights on state boards facing major change,
- ◆ Probing of current professional standards controversies,
- ◆ Updates on the Uniform CPA Examination and its administration internationally,
- ◆ Valuable strategies for guarding against identity theft, and
- ◆ Annual Business Meeting – including the election of officers, consideration of Bylaws changes and review of NASBA's activities.

This year's meeting's theme is "Opening Doors" and there could not be a more beautiful place to do that than at the meeting's site, the Desert Ridge JW Marriott in Phoenix, AZ. Included in the social program will be a reception, breakfasts, luncheons and a dinner with dancing. A Jeep tour for guests is also planned. Details can be found on NASBA's Web site www.NASBA.org. ♦

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Meetings Division Ready to Assist Others

NASBA is broadening its services and adding some new helpful features to its communications offerings:

NASBA Meetings Division – Link to the Division's colorful new page to find out how NASBA can assist with your organization's events. The Meetings Division, a subsidiary of NASBA, was created to plan and execute conferences for outside organizations and supply them with a one-stop shop solution for all communications, marketing, graphics, print and video needs. NASBA has built a solid reputation for planning and hosting very effective meetings, along with all of the services that enhance those meetings. Led by the communications department, NASBA currently plans and manages hundreds of meetings and conferences each year. Explore the Web site to preview the wide array of services available or contact Division Director Thomas Kenny directly at 615-880-4237 to discuss any and all services.

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Meetings Division Ready to Assist Others

Other NASBA site additions: (Continued from Page 1)

Mobility – Click on the “Mobility” tab on NASBA’s Web site and then select the state in which you would like to practice. The state-specific page details the effective date for practice privileges under substantial equivalency, when firm registration requirements apply, consent to jurisdiction and other information contained in the state’s mobility law. The site answers questions such as: Is your state considered substantially equivalent? Do you need to complete any forms or pay any fees prior to practicing?

International – Click on the “International” tab and find the mutual recognition agreements (MRA) developed by the NASBA/AICPA International Qualifications Appraisal Board, links to the sites of MRA partners, information for IQEX candidates, and other helpful information. ♦



One of the eye-catching conferences created by the Meetings Division.

WI Pays Newspapers Under Records Act

The Wisconsin Department of Administration paid the *Journal Sentinel* \$51,256 and the *Lakeland Times* \$30,278 in August after the state’s Supreme Court ruled against the state for refusing to release the names of state employees who were no longer allowed to drive state vehicles in 2005. These amounts are to cover the legal costs of the newspapers’ initial lawsuits, but the Supreme Court sent the case back to the circuit court and more fees may yet be charged to the state.

In a separate case, the *Capital Times* is suing Wisconsin for delaying the release of public records related to judicial appointments. The newspaper had requested the names of the

candidates for the bench five weeks prior to Governor Jim Doyle’s announcement of his appointments, but they only received the information 90 minutes before the Governor announced his selections. A spokesman for the Governor said the request came in when the Governor’s staff was busy with the budget and it took five weeks to review the over 300 pages to make sure that information that should not have been released wasn’t.

Meantime the Washington State Board of Accountancy continues in its court battle with D. Edison Clark over a disciplinary action. Mr. Clark has asked for a complete copy of the 1300-page investigative files along with files in other complaints. ♦

Accounting Enrollment Up 4.7%

2007-08 saw an increase in accounting enrollment of 4.7 percent, reports the AICPA’s *2009 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits*, which can be downloaded from the AICPA’s Web site www.aicpa.org. Based on the responses from 241 schools, the survey found an equal number of males and females pursuing master’s degrees in accounting and females accounting for 53 percent of the enrollment in the bachelor’s degree programs. The same year saw a 3.5 percent increase in the number of bachelor’s and master’s degree program graduates, to 66,459, hitting record levels.

The AICPA study reports: “Given the pending adoption of IFRS, accounting programs were asked if they will offer IFRS course material in their curricula. Eighty percent said that they currently include some IFRS material in the curriculum, and another 15 percent will add coverage by Fall 2009. Most other respondents indicated the likelihood of incorporating IFRS in some form by 2010.” ♦

Passings

Leonard Wayne Jones, CPA, a member of NASBA’s Nominating Committee and a past president of the North Carolina State Board of CPA Examiners, died on August 7 after a short illness. Memorial donations can be made to Broad Street Clinic Foundation, 534 N. 35th Street – Suite K, Morehead City, NC 28557 or to Caret County Domestic Violence Program, PO Box 2279, Morehead City, NC 28557.

Eli Mason, CPA, a lifetime NASBA associate and a past chair of the New York State Board for Public Accountancy, died on August 3 after a long illness. Memorial contributions may be made to The Baruch College Fund, 1 Bernard Baruch Way, Box A-1603, New York, NY 10010. ♦

Keeping An Eye On The Profession

A few years ago—I think it was the fall of 2005—I accepted an invitation from Eli Mason to have coffee and donuts with him and to discuss particularly NASBA's Center for the Public Trust and the overall topic of ethics. It was a beautiful New York City morning, crisp, sunny and clear. Eli welcomed me warmly into his office and we sat and enjoyed our morning refreshments.

We crammed a lot into our hour meeting, besides donuts, and as I've thought back on our discussion, I recall vividly three things:

1. Eli supported any effort to promote and encourage ethical behavior in and among CPAs and their respective firms and would continue his fight for the utmost integrity in the accounting profession.
2. As I reached for my first donut, Eli cautioned me to leave the cherry-filled ones for him. I honored that request as I consumed a lemon-filled and a couple of other varieties.
3. Eli pointed to his office window and informed me that AICPA President Barry Melancon's office was in the building directly across the avenue. "Through this window I'm keeping an eye on the profession," quipped Eli. He often made metaphorical or jocular comments about his sight, which he'd lost due to a degenerative eye disease in the 1970s.



David A. Costello, CPA

The accounting profession, the regulatory community and the public at large suffered a great loss on Eli's passing, but his tremendous legacy and influence will continue to impact the foundation of the profession—its ethics mooring. The "Conscience of the Profession," as he was aptly described, will live long into the future.

Eli was a model critic, taking his well-studied positions, then confronting, challenging and fueling the debate on such issues as education, peer review, national licensure, non-CPA firm ownership, firm names, and big firms. I was on the receiving end of several Mason conversations which were always clearly stated and argued by Eli and always concluded with, "You are still my friend." When he would start off a statement by calling me a "fine Southern gentleman," I knew something untoward was going to follow.

His early criticisms in the 1980s of accounting firms performing consulting engagements for their audit clients were validated at the beginning of the 2000s as auditors were required by the PCAOB to disengage from any assignments affecting their independence and objectivity. Many of the regulatory changes mandated by the Sarbanes-Oxley Act and the PCAOB it spawned relating to auditor independence, objectivity and integrity were presaged by Eli.

I was privileged to receive autographed copies of two of Mason's books: *Random Thoughts* and *Conscience of the Profession: a Personal Journey*. These writings reflect Eli's sometimes contrarian views, his intense desire to preserve auditor independence, and his consistent call to selfless service to the public.

I cannot end my comments about Eli without mentioning his dear wife and partner of 67 years, Claire, whom I admire and respect highly. Eli was at his best when Claire was at his side.

Eli Mason: CPA (Past President of the New York State Society of CPAs); regulator (Past Chairman of New York State Board of Public Accountancy); philanthropist; exemplar of integrity; the ever-vigilant conscience of the profession; friend...and one who kept an eye on all of us.

Ad astra

Per aspera

A handwritten signature in cursive script that reads "David A. Costello".

- David A. Costello, CPA

President and CEO

US IQAB-NZCIA MRA Signing Ceremony

On August 12, the NASBA/AICPA International Qualifications Appraisal Board (IQAB) signed a Mutual Recognition Agreement with the New Zealand Institute of Chartered Accountants (NZICA). Signing on behalf of US IQAB was Chair William Treacy, executive director of the Texas State Board of Public Accountancy. Signing on behalf of the NZICA were Chair Linda Turner, FCA, and Terry McLaughlin, FCA, Chief Executive Officer, NZICA. Mr. Treacy addressed the audience on the success of substantial equivalency in the United States and how those initiatives could impact reciprocal applicants. He also explained how the concept of substantial equivalency is applied to the appraisal process in evaluating education, examination, and experience, which are the benchmarks for US IQAB appraisals.

Following Mr. Treacy's remarks, Tim Groser, Minister of Trade for New Zealand, who hosted the ceremony at the Parliament



IQAB Chair William Treacy signs MRA as NZICA Chief Executive Officer Terry McLaughlin and NZICA Chair Linda Turner look on.

Building, discussed how New Zealand might in the future employ the concept of substantial equivalency. Also in attendance were U.S. trade delegates led by Chargé d'Affaires David J. Keegan. ♦

PWC Honors Atkinson

PricewaterhouseCoopers announced a new gift of \$150,000 for scholarships in the accounting department of Texas A&M University's Mays Business School in honor of NASBA Vice Chair Billy M. Atkinson, Jr., a PWC partner and graduate of the school.

Mr. Atkinson has served on A&M's accounting advisory board since 1982 and on the university's president's advisory council since 1997. Billy and his wife, Donnelle, another former A&M student, have also contributed to the scholarship fund. ♦

Creech to Serve on Nominating Committee

Bobby R. Creech, Jr., CPA, vice chair of the South Carolina Board of Accountancy will become the Middle Atlantic Region's member on the NASBA Nominating Committee 2009-10. ♦

Kroeker Named SEC Chief Accountant

James L. Kroeker on August 25 was appointed the Securities and Exchange Commission's Chief Accountant by Commission Chairman Mary Schapiro. He has been serving as Acting Chief Accountant since January 2009, when Conrad W. Hewitt resigned.

Mr. Kroeker was the staff director of the SEC's Congressionally-mandated study of fair value accounting standards and has been working on improving off-balance-sheet accounting standards.

Prior to joining the SEC in February 2007, Mr. Kroeker was a partner in Deloitte and Touche LLP's National Office Accounting Services Group. He had also served as a Practice Fellow at the Financial Accounting Standards Board. Mr. Kroeker is a graduate of the University of Nebraska. ♦

State Board Report

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