

A decorative pattern of small diamonds in various shades of green and blue, arranged in a grid-like fashion with some missing diamonds to create a textured effect.

NASBA

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY

ANNUAL REPORT

A decorative pattern of small diamonds in various shades of green and blue, arranged in a grid-like fashion with some missing diamonds to create a textured effect.

FOCUS

Founded in 1908, the National Association of State Boards of Accountancy (NASBA) serves as a forum for the nation's 55 State Boards of Accountancy, which administer the Uniform CPA Examination, license more than 750,000 certified public accountants and regulate the practice of public accountancy in the United States.

NASBA accomplishes its mission of *enhancing the effectiveness of State Boards of Accountancy* by creating innovative avenues for accounting regulators, educators and practitioners alike to address trending topics and issues relevant to the viability of the accounting profession. NASBA also makes available to member boards a rich portfolio of products and services — all designed to effectively aid Boards of Accountancy in their mission of ensuring public protection.

As an extension of NASBA's core mission, the NASBA Center for the Public Trust (CPT) continues to provide a platform for corporate America, academics and the accounting profession to explore, promote and advance ethical behavior through business and leadership.

Introducing the theme of "FOCUS," NASBA's 2012 Annual Report will place focus on the Association's mission, its members, its outreach, its leadership, its service offerings, and its numerous successes achieved over the past year.

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FOCUS *ed* *on enhancing the State Boards of Accountancy*

OUR MISSION

To enhance the effectiveness of State Boards of Accountancy.

OUR GOALS

- Provide high quality, effective programs and services.
- Identify, research and analyze major current and emerging issues affecting State Boards of Accountancy.
- Strengthen and maintain communications with member boards to facilitate the exchange of ideas and opinions.
- Develop and foster relationships with organizations that impact the regulation of public accounting.

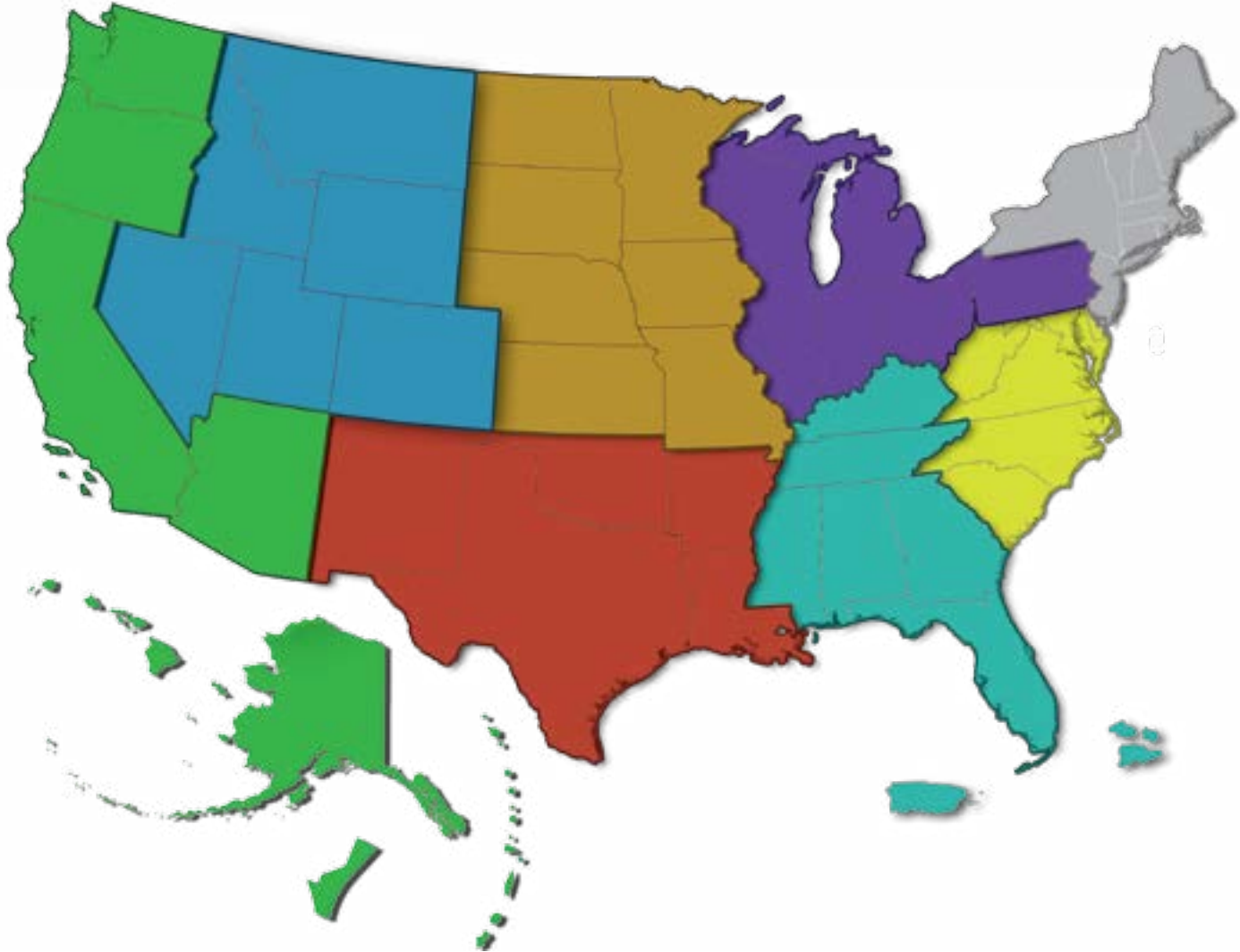
OUR VALUES

- Preserve the public trust and confidence in CPA license and credential.
- Support the licensing of individuals who demonstrate and maintain competence through education, examination and experience requirements.
- Ensure that integrity, objectivity and independence of licenses are not compromised.
- Foster compliance with ethical and all professional standards.
- Promote the rights of Boards of Accountancy to regulate licensees in all their professional activities.

OUR VISION

To be and to be known as the clear and trusted voice of State Boards of Accountancy by being the leading source of comprehensive and accurate information and services that enhance the efficiency of the regulatory process.

REGIONAL MAP



PACIFIC

Alaska	Guam
Arizona	Hawaii
California	Oregon
CNMI	Washington

MOUNTAIN

Colorado	Nevada
Idaho	Utah
Montana	Wyoming

SOUTHWEST

Arkansas	Oklahoma
Louisiana	Texas
New Mexico	

CENTRAL

Iowa	Nebraska
Kansas	North Dakota
Minnesota	South Dakota
Missouri	

GREAT LAKES

Illinois	Ohio
Indiana	Pennsylvania
Michigan	Wisconsin

SOUTHEAST

Alabama	Mississippi
Florida	Puerto Rico
Georgia	Tennessee
Kentucky	Virgin Islands

MIDDLE ATLANTIC

Delaware	North Carolina
District of Columbia	South Carolina
Maryland	Virginia
	West Virginia

NORTHEAST

Connecticut	New Jersey
Maine	New York
Massachusetts	Rhode Island
New Hampshire	Vermont

LETTER FROM NASBA LEADERSHIP

This past year has been an historic one for NASBA. Not only did NASBA transition to a new President & Chief Executive Officer (CEO) for the first time in nearly two decades and for the third time in its history, the organization also undertook to rethink its priorities, to reorganize and restructure, to revisit its strategic planning process, and to ultimately refocus on our primary stakeholders, the State Boards of Accountancy.

Choosing the theme of "Focus" for this year's Annual Meeting and Annual Report is significant as it demonstrates NASBA's continued dedication to its mission of enhancing the effectiveness of State Boards of Accountancy and to represent their collective best interests. It is not unusual for an organization to experience a rebooting of sorts with a change in staff leadership. It is a healthy evolution that will insure that NASBA continues to thrive, increase in relevance and be successful in its vital role.

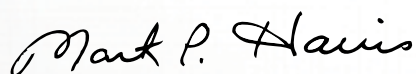
Many important accomplishments occurred this year. Most recently with the signing into law of the California mobility bill, we have blanketed the continental United States for mobility practice privilege by embracing the concept of substantial equivalency. No other profession in the world has accomplished this feat. We continue to press forward in our efforts to get the legislation passed in the remaining jurisdictions (State of Hawaii and the U.S. Territories). The pilot program for the international delivery of the Uniform CPA Examination has met its goals and we are currently negotiating an extension of the related contracts. NASBA successfully launched the new International Evaluation Services and continues to add on participating states. Our new state board relations and legislative support divisions have improved our ties to better serve our Boards.

The Center for the Public Trust (CPT), NASBA's ethics arm, is creating excitement with the enhanced focus on its Student Chapters. As the number of chapters on college and university campuses across the United States continues to grow, so does the impact of the CPT. The Center's *Being a Difference Award* has become nationally respected as recognition of business leaders' demonstrated ethics and guidance.

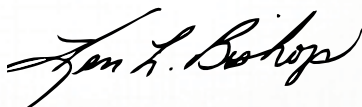
NASBA's products and services, the economic engine that drives our ability to work for Boards of Accountancy, have had a tremendously successful year. With a new emphasis on accountability, effectiveness and efficiency, our business units are poised to contribute increased resources to support our mission. There was some pain associated with downsizing in a few areas, but ultimately the results have been positive with improved productivity. NASBA is financially sound and is well placed to only improve going forward.

NASBA would not be the organization it is without its strong committee structure. Hundreds of volunteers provide countless hours of professional services and leadership to the organization. NASBA's leaders have played significant roles in national and international forums and provided carefully considered comments on emerging standards and laws. The recent appointment of former NASBA Chairs Billy M. Atkinson and Diane M. Rubin to the new Private Company Council is an indication of the strong network of volunteers serving our State Boards of Accountancy and NASBA.

"Focus" on our mission, our members, our business units and our support systems is vital. We thank you for the trust you have placed in all of the leadership, volunteers and staff of NASBA.



Mark P. Harris, CPA
Chair, 2011-2012



Ken L. Bishop
President & Chief Executive Officer



Colleen C. Conrad, CPA
Executive Vice President &
Chief Operating Officer

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on continuous dedication by our leadership



From left to right: Ken L. Bishop, Mark P. Harris, CPA and Colleen C. Conrad, CPA

2011-2012 BOARD OF DIRECTORS

OFFICERS

Mark P. Harris, CPA (LA), Chair
Gaylen R. Hansen (CO), Vice-Chair
Michael T. Daggett (AZ), Past Chair
Carlos E. Johnson, CPA, Ed.D. (OK)
Donald H. Burkett, CPA (SC)
E. Kent Smoll, CPA (KS)
Harry O. Parsons, CPA (NV)
Kenneth R. Odom, CPA (AL)
Laurie J. Tish, CPA (WA)
Richard Isserman, CPA (NY)
Theodore W. Long, Jr., CPA (OH)
Walter C. Davenport, CPA (NC)

REGIONAL DIRECTORS

Telford A. Lodden, CPA (IA), Central
Kim Tredinnick, CPA (WI), Great Lakes
Miley W. (Bucky) Glover, CPA (NC), Middle Atlantic
Karen Forrest Turner, Ph.D., CPA (CO), Mountain
Jefferson Chickering, CPA (NH), Northeast
Raymond N. Johnson, CPA (OR), Pacific
Jimmy E. Burkes, CPA (MS), Southeast
Janice L. Gray, CPA (OK), Southwest

EXECUTIVE DIRECTORS' LIAISON

Pamela Ives Hill, CPA (MO)

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on advancing the common interest of member boards

2011-2012 BOARD OF DIRECTORS



Front Row (left to right): Pamela Ives Hill, Gaylen R. Hansen, Mark P. Harris, David A. Costello, Ken L. Bishop. Second Row (left to right): Janice L. Gray, Theodore W. Long, Jr., Jefferson Chickering, Jimmy E. Burkes, Walter C. Davenport, Kenneth R. Odom. Third Row (left to right): Miley W. Glover, Harry O. Parsons, Raymond N. Johnson, Carlos E. Johnson, Kim L. Tredinnick, Donald H. Burkett, Laurie J. Tish. Fourth Row (left to right): Richard Isserman, Telford A. Lodden, Michael T. Daggett, E. Kent Smoll, Noel L. Allen. Not Pictured: Karen F. Turner

NASBA STAFF DIRECTORS AND MANAGERS

Alfonzo Alexander	President & Chief Operating Officer, NASBA CPT; Chief Relationship Officer, NASBA	Shawn Jackson, CPA	CPA Exam Review Board Audit Manager
Ed Barnicott	Vice President, Strategic Planning and Program Management	John Johnson	Director, Legislative and Governmental Affairs
Shawn Bell, Esq.	Manager, Contracts and Legal Research	Randy Jung	Manager, Operations - Guam Testing Center
Kimberly Blevins	CPAES Program Manager	Thomas Kenny	Director, Communications
Michael Bryant, CPA	Sr. Vice President & Chief Financial Officer	Mary Lane	Manager, Facilities
Maria-Lisa Caldwell, Esq.	Chief Legal Officer; Director, Compliance Services	Christy Long	Manager, Human Resources
Liz Carrier	Director, IT Development Services	Kathleen Love	Manager, Client Services
Dean Carroll	Director, IT Operations and Security	Jessica Luttrull, CPA	Manager, National Registry
Lisa Dampf	Manager, Benefits	Jose Manzon	Manager, Guam Operations
Sandra Davidson, CPA	Manager, Compliance and Supporting Services Accounting	Chris Mays	Manager, National Candidate Database
Toerien DeWit, CPA	Director, Strategic and Finance Initiatives	Rachel Nelson	Manager, Customer Services and Resource Center
Daniel Dustin, CPA	Vice President, State Board Relations	Meritta Phillips Grant	Manager, Accounts Payable
John Fields	Director, Project Management	Denny Phillips	Manager, Print and Delivery
Rebecca Gebhardt	Manager, Compliance Services	James Polite	Manager, Software Development
Jill Gordon	Manager, Strategic Initiatives	Onita Porter, CPA	CPA Exam Review Board Director**
Cassandra Gray	Manager, Communications	Kathryn Rooks	Manager, Marketing
Stacey Grooms, Esq.	Manager, Regulatory Affairs	Morgan Scheel	Manager, WCS & CPA Exam Products; Assistant Manager, Client Services
Louise Dratler Haberman	Director, Information and Research	Elizabeth Stanton	Manager, Accountancy Licensee Database
Patricia Hartman	Director, Client Services	James Suh	Director, Continuous Improvement and Analytics
Brentni Henderson-King	Manager, International Evaluation Services	Vanessa Taylor	Manager, Risk and Compliance
Adam Herjeczki	Manager, Special Accommodations	James Thomas	Manager, Software Development
Ryan Hirsch	Manager, Multimedia and Video Services	Penny Vernon	Manager, Candidate Care
Charlotte Howard, CPA	Manager, CPA Operations Accounting	Troy Walker, CPA	Director, Finance & Controller
Angela Innes	Manager, Payroll and Compliance	Amy Walters	Manager, CPT Programs

****Not a NASBA Director**

COMMITTEE REPORTS

Regarded as a cornerstone of support within the organization, NASBA appoints as many as 30 committees and task forces annually. Through the work of these committees, NASBA volunteers and staff address current and emerging issues affecting State Boards of Accountancy. Topics range from ethics, education, and global regulation in accounting principles to the development of model rules for the member boards' consideration.

In the following section, NASBA committee reports are presented with the committee charge, the committee summary and the committee member listing. Below is a listing of the committees.

- Accountancy Licensee Database (ALD) Committee
- Administration & Finance Committee
- Awards Committee
- Bylaws Committee
- Communications, Outreach and Relations Committee
- Compliance Assurance Committee
- CBT Examination Administration Committee
- CPA Examination Review Board
- Education Committee
- Enforcement Resource Committee
- Ethics & Professional Issues Committee
- Executive Directors Committee
- Global Strategies Committee
- International Qualifications Appraisal Board (IQAB)
- Legislative Support Initiative Committee
- Nominating Committee
- Regulatory Response Committee
- Relations With Member Boards Committee
- State Board Relevance and Effectiveness Committee
- Uniform Accountancy Act Committee

ACCOUNTANCY LICENSEE DATABASE (ALD) COMMITTEE

COMMITTEE CHARGE

Promote and assist with implementation of the ALD in every state.

COMMITTEE SUMMARY

Appointed in 2008, the ALD Committee's goal was to assist boards in overcoming any obstacles to participating in the ALD. The group's focus has shifted from promoting the concept and allaying privacy concerns to encouraging board leadership to make this project a priority when it comes to allocating resources.

Today, 38 boards are contributing licensee information to the ALD and in less than a year since the public version of the ALD (CPAverify.org) was launched, 10 additional states have added their data, bringing the total number of states on CPAverify to 34. A major push is being made now by NASBA and the Committee to have the participation of all jurisdictions on both the ALD and CPAverify. The database becomes more robust with each state implementation and enhances both communication across state lines for board staff and consumer protection.

This new focus is spearheaded by the following five subcommittees known as "Strike Forces":

- **Training and Outreach Strike Force** - Ensures others in the profession realize the impact of the ALD and CPAverify and are taking advantage of the available data

- **Public Strike Force** - Focused on the public site, CPAverify and its constant improvement
- **Policy Strike Force** - Focused on disciplinary action data and how it is used, shared, distributed and published on both the ALD and CPAverify
- **Technical Strike Force** - Charged with addressing technical issues relating to the ALD and CPAverify such as data quality and security
- **Strategy Strike Force** - The Strategy Strike Force has been reaching out to a few identified states to help NASBA staff in generating an open line of communication regarding the ALD. So far, these efforts have had a big impact in moving the process forward.

COMMITTEE MEMBERS

Chair: Daniel Sweetwood (NE); Members: Sally Anderson (CA), Patti Bowers (CA), Mark H. Crocker (TN), Susan M. Harris (MS), Wade A. Jewell (VA), Thomas G. Neil (WA), Kenneth R. Odom (AL), Michael W. Skinner (GA), Edith Steele (OK), Richard C. Sweeney (WA), Viki A. Windfeldt (NV), Lisa Zolman (WA); Staff Liaisons: Rebecca Gebhardt, Elizabeth Stanton



"The ALD Committee (Task Force) continued its pursuit to promote and assist with the implementation of the ALD (and CPAverify) in every state this past year. The Committee is comprised of several Strike Forces (subcommittees) developed to respond to issues that come before the Committee and provide possible solutions and recommendations for the Committee's consideration. The Committee is pleased that several state boards were added this year."

– Dan Sweetwood, ALD Committee Chair

FOCUS
on assisting boards in overcoming obstacles

ADMINISTRATION & FINANCE COMMITTEE

COMMITTEE CHARGE

Oversee and monitor the fiscal operations of NASBA.

COMMITTEE SUMMARY

The Administration & Finance Committee monitors and provides oversight to the fiscal operations of NASBA and the NASBA Center for the Public Trust (CPT). E. Kent Smoll, CPA, NASBA Treasurer, serves as chair of the Committee. The Board of Directors relies on the Administration & Finance Committee to review the Association's financial performance from operations and investment-related activities. The Committee met four times during the fiscal year and reviewed the financial policies, financial statements and projected operating results of NASBA and CPT. The Committee assessed aspects of the Association's enterprise risk management program, discussed internal controls with management, approved operating and capital budgets, monitored financial results as compared to budget and reviewed the investment in equity affiliate resulting from the fiscal 2011 subsidiary sale transaction.

The Investment Committee, a subcommittee of the Administration & Finance Committee, reviewed the performance of NASBA's short-term and long-term investments and monitored compliance with the board-approved investment policy of the Association.

During fiscal 2012, the Committee specifically addressed reducing risk related to short-term liquid assets. In addition, the Investment Committee implemented a significant investment policy change which gave NASBA's investment advisor discretion in tactical investment decisions and moved the oversight role of the Committee to more of a strategic and monitoring role.

COMMITTEE MEMBERS

Chair: E. Kent Smoll (KS); Members: Robert B. Cagnassola (NJ), Walter F. D' Olive, III (AL), John E. Katzenmeyer (OH), Theodore W. Long, Jr. (OH), Vicky Petete (OK), Donald R. Roland (GA), Leonard R. Sanchez (NM), Harris W. Widmer (ND), Robert G. Zurich (OH); Staff Liaisons: Michael R. Bryant, Troy A. Walker

AWARDS COMMITTEE

COMMITTEE CHARGE

Review nominees for the NASBA Distinguished Service Award, the William H. Van Rensselaer Public Service Award and the Lorraine P. Sachs Standard of Excellence Award. Recommend to the Board of Directors the recipients of the awards.

COMMITTEE SUMMARY

In preparation for the 2012 NASBA Awards program, the Awards Committee extended its annual call for nominations to NASBA membership March 15 – July 2, 2012. At the close of the nomination period, the Committee participated in an extensive review of the nomination materials as well as a discussion on the slate of nominees for the William H. Van Rensselaer Public Service Award, the NASBA Distinguished Service Award and the Lorraine P. Sachs Standard of Excellence Award. Committee recommendations were later presented and approved by the

NASBA Board of Directors during the Board's July 2012 meeting, held July 26-27.

The 2012 NASBA award recipients include: Michael D. Weatherwax, CPA, of Colorado (William H. Van Rensselaer Public Service Award), Charles W. Taylor, Ph.D., CPA, of Mississippi (NASBA Distinguished Service Award) and Robert N. Brooks of North Carolina (Lorraine P. Sachs Standard of Excellence Award). NASBA will formally recognize each recipient during the 105th Annual Meeting in Orlando, FL, October 28-31, 2012.

COMMITTEE MEMBERS

Chair: Billy M. Atkinson (TX); Members: Philip W. Gleason (MN), Andrew P. Marincovich (CA), Barbara Porter (ID), Sandra A. Suran (OR), Carol A. Schuster (IA), Michael Weinshel (CT); Staff Liaison: Cassandra A. Gray



"On behalf of NASBA and the members of the Awards Committee, congratulations to our most deserving award winners!"

-Billy M. Atkinson, Awards Committee Chair

BYLAWS COMMITTEE

COMMITTEE CHARGE

In response to suggestions from the Boards of Accountancy, Board of Directors and NASBA committees, review Bylaws and Articles of Incorporation for clarity and consistency and recommend changes as needed.

COMMITTEE SUMMARY

This year NASBA's Bylaws Committee focused on three areas, 1) Organizing the bylaws for easier readability, 2) Recommendations regarding NASBA committee terms and composition, 3) A proposed compilation of NASBA board resolutions. To address the organization of the bylaws, the Committee reformatted the official bylaws to include numbers for each of the paragraphs within the sections. No content changes were made to the bylaws this year.

In response to a proposal submitted by one of the NASBA member state boards, the Bylaws Committee submitted a resolution to the NASBA Board of Directors recommending parameters for committee chair qualifications and committee member term limits.

The Committee began the development of a publication for NASBA Board of Directors to have written documentation of the Board of Directors' resolutions that help govern the association, but do not constitute a bylaws change.

COMMITTEE MEMBERS

Chair: Jimmy E. Burkes (MS); Members: James J. Carroll (OH), Claireen Herting (IL), Kathleen J. Smith (NE); Staff Liaison: Alfonso Alexander

COMMUNICATIONS, OUTREACH AND RELATIONS COMMITTEE

COMMITTEE CHARGE

Develop and promote innovative and unique programs and methods for communications by State Boards of Accountancy and NASBA with other agencies, consumers, the CPA profession, related professionals and legislative bodies. Enhance outreach and relations with state boards and their constituents, assist in the implementation of management initiatives beneficial to Boards of Accountancy, and recognize outstanding performance by individual state board members and their staff. (Formerly Communications Committee)

COMMITTEE SUMMARY

During the 2011-2012 year, the Communications, Outreach and Relations Committee continued its efforts to assist state boards to enhance their communications to candidates, licensees, government agencies and the public-at-large. Early in the year, the Committee was specifically tasked by Chair Harris to review and enhance NASBA's meetings and conferences. As a result of this effort, the Committee enacted new enhancements at the Regional Meetings. In addition, the Committee published NASBA's Meeting Enhancements paper which was shared at the Regional Meetings.

The Committee continued its efforts to educate boards on social media outreach initiatives. Currently, 14 Boards of Accountancy use social media including Facebook, LinkedIn and Twitter to communicate with their candidates and licensees.

The Committee lead discussions at Communications Officer

Breakfast meetings during the 2011 Annual Meeting and lead breakout sessions entitled: "Getting Out to the Public with No Budget" at the 2012 Regional Meetings. Additionally, table topic discussions on "Communicating with Licensees and the Public" were facilitated by Committee members at the Executive Directors and State Board Legal Counsel Conference.

The Committee plans to share model practice outreach initiatives by Boards of Accountancy and review current orientation programs for new executive directors and board members.

COMMITTEE MEMBERS

Chair: Jefferson Chickering (NH); Members: Jim Abbott (ND), Donny H. Burkett (SC), Melvin E. Bush (CO), Linda E. Harris (MT), Lisa R. Hearne (NC), Mark T. Hobbs (SC), Pamela Ivey (WY), Nicole Kasin (SD), Dolly Lalvani (PA), Shelley LaRacunte (IA), William Millager (AR), Edward H. Rudert (NY), Lisa Mays Stickel (TN), Sandra A. Suran (OR); Staff Liaisons: Cassandra A. Gray, Thomas G. Kenny



"The COR Committee undertook several innovative programs to assist NASBA in its mission to enhance the effectiveness of state boards. Among the programs undertaken, the Committee continues to work with state boards to work more efficiently with the public."

-Jefferson Chickering, COR Chair

COMPLIANCE ASSURANCE COMMITTEE

COMMITTEE CHARGE

Explore, develop and implement opportunities for state boards to become uniformly involved in standard setting and oversight of mandatory peer review or other compliance assurance review programs.

COMMITTEE SUMMARY

The Committee continued participation in outreach programs to increase state boards' awareness of Peer Review and the need for oversight of the process in order to fulfill their mandate to protect the public. These programs were presented to 12 state boards during the current year. This proactive strategy was taken one step further by filming the presentation to provide a venue for new board members to obtain education on the Peer Review process and why board Peer Review Oversight Committees (PROC's) are important.

In fulfilling the Committee's oversight role, members attended the AICPA Peer Review Conference and open sessions of the AICPA Peer Review Board (PRB).

The Committee held a face-to-face meeting on August 23, in Raleigh, NC. A Peer Review Oversight Survey was presented by

Task Force Chair Jim Goad. The survey will gather information to assist the CAC in implementing their strategic plan to increase the number of PROCs. The survey will also provide information regarding consistencies among the PROCs and information for possible discussion topics for the 2013 PROC Summit. The survey was launched September 5, 2012.

The Committee had its annual meeting with the AICPA Oversight Committee to collaborate regarding oversight issues. Committee Chair Janice Gray reported that in order to provide states sufficient information regarding the oversight of the NPRC, the reporting from the two NASBA representatives needs to be enhanced. This will provide concrete information to back up the CAC annual report regarding the oversight of NPRC.

COMMITTEE MEMBERS

Chair: Janice L. Gray (OK); Members: Jimmy E. Burkes (MS), James S. Ciarica (CT), Elizabeth Gantnier (MD), James W. Goad (AR), Dennis L. Gring (MD), Patrick Hearn (OR), Edwin G. Jolicoeur (WA), Henry Krostich (NY), Alan Long (KY), David L. Miller (MS), Larry E. Nunn (IN), Thomas M. Orbrist (NE), Richard N. Reisig (MT), Randall A. Ross (OK), Arthur L. Sparks, Jr. (TN), Kim Tredinnick (WI), Robert G. Zurich (OH); Staff Liaison: Leona Johnson

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on assisting boards in protecting the public

CPA EXAMINATION REVIEW BOARD (ERB)

COMMITTEE CHARGE

The ERB shall review, evaluate and report on the appropriateness of the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and other examinations in general use by the Boards of Accountancy for the licensing of Certified Public Accountants. In carrying out its responsibilities the ERB shall examine such records and make such observations, inspections and inquiries, as it deems necessary. The ERB shall report annually to the Boards of Accountancy.

COMMITTEE SUMMARY

The 2011 ERB Annual Report issued to the Boards of Accountancy of the 55 U.S. jurisdictions states, "Based on our review and evaluations, we believe that the Boards of Accountancy may rely on the Uniform CPA Examination and the International Qualification Examination in carrying out their licensing responsibilities for the year ended December 31, 2011."

Additionally, the ERB presented a comprehensive management letter to the chair and board of directors of NASBA that includes recommendations that could enhance future examinations.

COMMITTEE MEMBERS

Chair: Sandra R. Wilson (AK); Members: Wesley P. Johnson (TX), Nicholas J. Mastracchio, Jr. (NY), Charles L. Talbert, III, (SC), David A. Vautt (IA); Staff Liaison: Onita S. Porter (Additional Staff Support: Shawn Jackson); Consultants: Michael W. Harnish, CPA, CITP, CISA, CDP, EnCE - Technology Consultant, Steven M. Downing, Ph.D. - Testing Professional and Psychometric Consultant



"It was a busy and successful year for the Exam Review Board. In addition to improving communications with our three parties to the exam (NASBA, AICPA and Prometric), the three organizations produced a video we think is Oscar worthy. Many, many thanks to all for their hard work."

-Sandra R. Wilson, ERB Chair

EDUCATION COMMITTEE

COMMITTEE CHARGE

Explore and define issues relating to educational requirements for entry into and a successful career in the accounting profession, including effective implementation of UAA Rules 5-1 & 5-2 among the 55 jurisdictions. Encourage collaboration between the education community and profession to proactively address issues relative to college curriculum and the jurisdictions' individual education rules. Address issues contained in ACAP'S recommendations. Administer NASBA's research grants awarded to address these and other regulatory issues.

COMMITTEE SUMMARY

The Committee made strides in identifying ways for NASBA to be a resource to the academic and professional communities, increasing NASBA's interaction with educational organizations, and tracking changes in accounting education requirements across the United States.

The Accounting Education Research Grant Program completed its first year with success. Two of last year's grant recipients presented their preliminary results during the 2012 NASBA Regional Meetings. This year, the number of grant applications doubled over the previous year. After a detailed review process, the Committee awarded three more grants totaling \$25,000.

Committee representatives also attended the American Accounting Association (AAA), Federation of Schools of Accountancy (FSA) and Accounting Program Leadership Group (APLG) annual meetings. In addition to participating in the meetings, Committee leadership held a successful meeting with FSA and APLG leaders to discuss CPA Examination candidate statistics, and how NASBA can provide information to help support academic institutions.

Additionally, the Committee spent time tracking changes in educational requirements across the U.S. and Canada.

COMMITTEE MEMBERS

Chair: Karen F. Turner (CO); Members: Quinton Booker (MS), O. Whitfield Broome Jr. (VA), William Hunter Cook (NC), David deSilva (NY), Donald A. Driftmier (CA), James C. Flagg (TX), Nathan T. Garrett (NC), Robert Kawa (NY), Patrick D. McCarthy (LA), Marianne Mickelson (IA), John E. Peterson (SD), Lela D. "Kitty" Pumphrey (ID), Douglas W. Skiles (NE), Melanie G. Thompson (TX), Thomas R. Weirich (MI); Staff Liaisons: Alfonso Alexander, James Suh

ENFORCEMENT RESOURCE COMMITTEE

COMMITTEE CHARGE

To maintain and enhance the "Enforcement Manual" designed for use by state boards as a resource in enforcement. To assess and provide resource support in areas such as discovery, investigations, expert witness sourcing and other areas deemed necessary.

COMMITTEE SUMMARY

With the official release of the NASBA Best Practices Manual, developed by the Enforcement Assessment and Best Practices Committee, the Enforcement Resource Committee was poised to build support around the Manual. The complexities surrounding the accounting and auditing profession helped the Committee identify a critical area in need of development.

Investigator resources are often at a minimum in the state boards' budgeting scenario. As a value-added service, the Committee has worked to develop an Investigator Training Course which could be supplemented by a manual and, possibly, a certification indicating superior competency. Information was gathered and subject

matter experts were interviewed to determine potential areas for improvement. Assistance by the NASBA Project Management team has moved this effort forward.

The Committee continues with outreach to federal agencies, as well as federal legislators and other regulators. As complexity increases and resources remain scarce, attempts to assist state boards in executing efficient, effective enforcement activities will continue for the Committee.

COMMITTEE MEMBERS

Chair: Harry O. Parsons (NV); Members: Carla J.K. Bassler (AK), Karla Blair (WI), Albert J. Cannon (OH), Sharron M. Cirillo (DE), Tyrone Dickerson (VA), Larry L. Gray (MO), Mark Hunsaker (HI), Shelley R. Johnson (IN), Nicole Kasin (SD), Neil N. Lapidus (MN), Patrick McGuire (WY), Edilberto C. Ortiz (IL), Melanie S. Pike (SC), Leonardo Romaniello, Jr. (CT), Michael J. Swartz (MI), Jim Titus (NE), Viki A. Windfeldt (NV); Staff Liaison: Stacey Grooms



"The Enforcement Resource Committee has been very focused on providing state boards with enforcement assistance. We not only are continuing work updating and improving the Manual, but we are also now focused on investigator assistance. Currently, we are preparing a preliminary investigator training guide, an investigator and expert witness pool, and reviewing the potential of an investigator certification course available to state boards."

-Harry O. Parsons, Enforcement Resource Committee Chair

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on providing boards with resources to protect the public

ETHICS AND PROFESSIONAL ISSUES COMMITTEE

COMMITTEE CHARGE

Monitor and evaluate the issues of AICPA's PEEC, to harmonize ethics standards of state boards with other regulatory bodies. To promote the development and adoption of UAA ethics provisions uniformly among the states, and to share with state boards emerging ethics and other professional issues.

COMMITTEE SUMMARY

The Ethics and Professional Issues Committee has met regularly throughout the year, once in person and seven times by teleconference working on defining standards for ethics education in CPE and reviewing exposure drafts on ethics standards. The Committee has addressed several issues related to the work of AICPA's PEEC and the IESBA and has worked closely with the Regulatory Response Committee in developing responses on a variety of exposure drafts. The Committee also participated in responding to several strategic professional issues including changes to the auditor's report proposed by the IAASB. The following two ethics issues will continue into next year:

- What are the most proactive activities that state boards can take to improve ethics education and ethical behavior?
- How should state boards modify their states' codes of conduct to respond to the AICPA Ethics Codification?

Two subcommittees, Effective Ethics Education and Standards Response, met several times during the year by conference call.

COMMITTEE MEMBERS

Chair: Raymond N. Johnson (OR); Members: Catherine R. Allen (NY), Kent Bailey (OR), Steven Corbeille (WI), Bobby R. Creech, Jr. (SC), John F. Dailey (NJ), Richard G. David (MI), W. Michael Fritz (OH), Sonia Gomez de Torres (PR), Craig K. Hirai (HI), Shelley R. Johnson (IN), Max E. Mertz (AK), M. Chad Singletary (AL), Benjamin C. Steele (NV), Richard D. Thorsen (MN), Michael M. Vekich (MN), Michael Weinschel (CT), Thomas R. Weirich (MI), Cecil D. Wood, (MO); Staff Liaison: Ed Barnicott

EXECUTIVE DIRECTORS COMMITTEE

COMMITTEE CHARGE

Provide Executive Director colleagues a platform for education and information exchange, provide NASBA with administrative and regulatory perspective, and facilitate cooperation and understanding among common-ground entities.

COMMITTEE SUMMARY

The Executive Directors Committee represents the executive directors of the 55 Boards of Accountancy and serves as a means of outreach to the executive directors. The Committee was responsible for spearheading the 30th Annual Conference for Executive Directors and State Board Staff which was held in San Antonio, TX, in March 2012. The conference was dedicated to the objective of learning from fellow executive directors and board staff as participants discussed various operational topics. The 31st Conference for Executive Directors and State Board Staff will be held in Tucson, AZ, March 3-6, 2013.

COMMITTEE MEMBERS

Chair: Pamela Ives Hill (MO); Members: Richard C. Sweeney (WA) [past chair], James Corley (AR), Mark H. Crocker (TN), Doris Cubitt (SC), Ofelia Duran (CO), Russ Friedewald (IL), J. Lamar Harris (AL), Wade A. Jewell (VA), Nicole Kasin (SD), David Sanford (GU); Staff Liaisons: Daniel J. Dustin, Patricia Hartman, Anita Holt

"When licensees are asked about the most important ethical principles they identify the following: Integrity, Objectivity, Independence, Due Care and Confidentiality of Client Information. Licensees rarely identify the public interest as an important principle. What does this say about our ability to earn the public trust?"

-Raymond N. Johnson, Ethics and Professional Issues Committee Chair



GLOBAL STRATEGIES COMMITTEE

COMMITTEE CHARGE

Identify and assert state boards' influence on international issues including accounting principles, auditing standards, standards of ethics and education, and other aspects of the accounting profession as they affect the regulation of accounting professionals. Manage and monitor NASBA's periodic International Forum. Identify and refer issues to appropriate NASBA committees and/or task forces for action and monitor results.

COMMITTEE SUMMARY

The Committee began its year with a strategy meeting designed to identify goals and associated action steps that would fully implement the Committee's mission to assert the influence of State Boards of Accountancy on international issues affecting the regulation of the accounting profession in order to protect the public interest.

The Committee maintained its focus on international conferences and events, communications and education, monitoring technical issues and the 2012 NASBA International Forum. NASBA members participated in several key international conferences and events including International Auditing and Assurance Standards Board (IAASB), International Ethics Standards Board for Accountants (IESBA) and International Accounting Educators Standards Board (IAESB) Consultative Advisory Group (CAG) meetings on auditor reporting; professional skepticism; breaches in independence; responding to a suspected illegal act; and continuing professional development and other education-related standards.

Additionally, NASBA was represented at the IESBA National Standards Setter Meeting at which accounting ethics standard setters from around the world gathered to discuss common issues and solutions. A NASBA representative also addressed a group of European accountants at the European Federation of Accountants and Auditors (EFAA) Ethics Summit.

During the 2012 NASBA Regional meetings, Committee members led breakout sessions focused on international issues and provided an opportunity for state board members to ask questions and learn about international accounting and regulatory activities.

The committee year culminates with the 5th Annual International Forum that will be held immediately following the NASBA Annual Meeting in Orlando, FL. The final day of the Annual Meeting will dovetail with the Forum and include international topics relevant to state boards.

COMMITTEE MEMBERS

Chair: Laurie J. Tish (WA); Members: Rudy Bermudez (CA), John G.D. Carden (AL), Samuel K. Cotterell (ID), Ruben A. Davila (SC), Shelly Boone Ford (MS), W. Michael Fritz (OH), Venable M. Houts (MO), Sharon A. Jensen (MN), Grace M. Lopez-Williams (GA), Kermit Lucena (PR), T. Farrell Nichols (GA), John B. Peace (AR), Ronald J. Rotaru (OH), Thomas J. Sadler (WA), Antonia Browning Smiley (DC), Howard S. Todo (HI), William Treacy (TX), Arthur M. Winstead (NC); Staff Liaison: Daniel J. Dustin

"It is exciting to play a part in NASBA's increasing role and involvement in international regulatory matters – the expertise, energy and level of commitment by NASBA management, staff and volunteers is incredible."

-Laurie J. Tish, Global Strategies Committee Chair



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on international issues affecting regulation of the accounting profession

INTERNATIONAL QUALIFICATIONS APPRAISAL BOARD

COMMITTEE CHARGE

Review accounting qualifications of other countries, negotiate reciprocity agreements with the professional accounting organizations and make reciprocity recommendations to State Boards of Accountancy.

COMMITTEE SUMMARY

The Mutual Recognition Agreement (MRA) developed by NASBA/AICPA IQAB with the Hong Kong Institute of Certified Public Accountants was formally signed at the NASBA 2011 Annual Meeting and then distributed to Boards of Accountancy for their consideration, adoption and implementation. This is IQAB's first agreement with an Asian body.

NASBA/AICPA QAB subcommittees are continuing to exchange information as they consider new mutual recognition agreements with the following:

- Institute of Chartered Accountants in England and Wales (ICAEW)
- Institute of Chartered Accountants of Scotland (ICAS)
- South African Institute of Chartered Accountants (SAICA)

Task forces are considering each of these organizations' applications. In addition, IQAB has a task force that is considering accreditation of international education.

IQAB proposed, and the NASBA and AICPA Boards agreed, that the tri-party mutual recognition agreement with the Canadian Institute of Chartered Accountants and the Instituto Mexicano de Contadores Públicos be extended until December 31, 2015,

to enable consideration of the CICA's program to unite the accounting profession in Canada. IQAB Chair William Treacy participated in the NASBA/CICA/AICPA summit discussions on August 14. Throughout the year, Mr. Treacy has been in contact with representatives from other international bodies.

Significant staff and volunteer work was done to respond to questions raised by the ICAEW and the ICAS in preparation for their meeting with the Financial Reporting Council (the UK's regulator). It is hoped that agreements with those bodies can be reached soon.

Current mutual recognition agreements successfully negotiated by IQAB include those with:

- Canadian Institute of Chartered Accountants
- Chartered Accountants Ireland
- Hong Kong Institute of CPAs
- Institute of Chartered Accountants in Australia
- Instituto Mexicano de Contadores Públicos
- New Zealand Institute of Chartered Accountants

IQAB met on April 30-May 1 in Washington, DC, and October 18-19 in Nashville, TN.

COMMITTEE MEMBERS

Chair: William Treacy (TX); Members: Charles H. Calhoun, III (FL), Ruben A. Davila (CA), Jeffrey A. Leiserowitz (KS), Diane M. Rubin (CA), Kathleen J. Smith (NE); Staff Liaisons: Louise Dratler Haberman, Patricia Hartman

"NASBA/AICPA IQAB is key to showing the world that the U.S. State Boards of Accountancy are ready to recognize established professionals from other countries which have substantially equivalent credentials to the U.S. CPA. IQAB's members perform a valuable service for all state boards as they diligently evaluate non-U.S. credentials."

-William Treacy, IQAB Chair



LEGISLATIVE SUPPORT INITIATIVE COMMITTEE

COMMITTEE CHARGE

Begin to develop an effective strategy for NASBA as an organization to assist Boards of Accountancy with legislative issues.

COMMITTEE SUMMARY

Recognizing that Boards of Accountancy have an increasing need for assistance and support on legislative matters, NASBA took the significant step of forming the Legislative Support Committee for the 2011-2012 committee year. John Johnson was hired as the Director of Legislative and Governmental Affairs and began working with the Committee to lay the groundwork for legislative support efforts on behalf of Boards of Accountancy.

COMMITTEE MEMBERS

Chair: Donny Burkett (SC); Members: David E. Clarke (MS), Sharon A. Jensen (MN), Carlos E. Johnson (OK), E. Kent Smoll (KS); Staff Liaison: John Johnson



"NASBA has once again delivered on its commitment to serve the evolving needs of the Boards of Accountancy by hiring the very capable and experienced John Johnson as its Director of Legislative and Governmental Affairs. Our Committee is developing strategies to work with John to build a strong legislative support infrastructure."
-Donny Burkett, Legislative Support Initiative Committee Chair

NOMINATING COMMITTEE

COMMITTEE CHARGE

Nominate officers and directors in accordance with NASBA's Bylaws.

COMMITTEE SUMMARY

Nominating Committee members met on March 19 and June 29, 2012, to make their recommendations for Vice Chair, Directors at Large and Regional Directors. As part of the process to select a Vice Chair, each recommended candidate completed a questionnaire that included specific skills and experience that they could bring to NASBA through a leadership role as chair.

Committee members were encouraged to attend both June Regional Meetings to familiarize themselves with nominees for Board positions. In accordance with the Bylaws, the Committee submitted its report to NASBA Chair Mark P. Harris, CPA in early July 2012.

COMMITTEE MEMBERS

Chair: Michael T. Daggett (AZ); Members: Patrick M. Thorne (NV) member, D. Lynn Smith (ID) alternate, Bobby R. Creech (SC) member, Tyrone Dickerson (VA) alternate, Andrew L. DuBoff (NJ) member, James Ciarcia (CT) alternate, Michael A. Tham (LA) member, James W. Goad (AR) alternate, Edwin G. Jolicoeur (WA) member, Robert Petersen (CA) alternate, Lisa Stickel (TN) member, Charles Calhoun (FL) alternate, Marianne Mickelson (IA) member, Douglas Skiles (NE) alternate, Claireen Herting (IL), member, Gary Fish (IL) alternate; Staff Liaisons: Ken L. Bishop, Anita Holt

FOCUS *ed*
on discovering new mutual recognition agreements

PAST CHAIR ADVISORY COUNCIL

COMMITTEE CHARGE

Review NASBA's current issues and identify past activities that could help significantly in analyzing present problems.

COMMITTEE SUMMARY

Established in 2000, members of the Past Chair Advisory Council have come together annually to provide insight into NASBA's performance and current issues based on their experiences. They meet prior to each year's Annual Meeting.

The Council met in Nashville, TN, in conjunction with the 2011 NASBA Annual Meeting and discussed the significant strides in mobility efforts, the successful launch of the international delivery of the CPA examination, the sale of PCS and other current issues and topics.

COMMITTEE MEMBERS

Chair: Michael T. Daggett (AZ); Members: Billy M. Atkinson (TX), Barton W. Baldwin (NC), Sarah G. Blake (AZ), Milton Brown (NJ), Thomas F. Cardegna (MD), K. Michael Conaway (TX), Samuel K. Cotterell (ID), Albert J. Derbes, III (LA), Robert C. Ellyson (FL), Welling W. Fruehauf (PA), Nathan T. Garrett (NC), John M. Green (SC), Thomas Iino (CA), Wesley P. Johnson (TX), Noel P. Kirch (OK), Andrew P. Marincovich (CA), John B. Peace (AR), Diane M. Rubin (CA), Ronnie Rudd (TX), Thomas J. Sadler (WA), Jerome A. Schine (FL), Wilbert H. Schwotzer (GA), Jerome P. Solomon (MA), Dennis P. Spackman (UT), Sandra A. Suran (OR), David A. Vaudt (IA), Michael D. Weatherwax (CO), Sam Yellen (CA); Staff Liaisons: Ken L. Bishop, Colleen K. Conrad

"The Past Chair Advisory Council provides valuable insight and guidance to the current leadership of NASBA on issues of today. Each member has experienced the privilege of leading this great organization and brings a distinctive mix of historical perspective and continuing passion for NASBA and its mission to the meeting each year. Their advice and counsel is profoundly important."

-Michael T. Daggett, CPA, Chair, Past Chair Advisory Council



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on respecting the past while embracing the future

REGULATORY RESPONSE COMMITTEE

COMMITTEE CHARGE

Develop regulatory responses to issues embodied in accounting and auditing exposure drafts and statements, and drafts and statements of other entities that will impact the state boards' regulatory and enforcement responsibilities.

COMMITTEE SUMMARY

This year, the Regulatory Response Committee continued to carry out its deliberations via conference call. The Committee held several calls with other NASBA committees including the Ethics and Professional Issues Committee and the Committee on Relations with Member Boards.

Exposure drafts were reviewed and, when found to contain issues relevant to the regulation of CPAs, comment letters were crafted and presented to NASBA leadership for their approval and signature. The initial drafts were frequently prepared by Chair Rick Isserman, but other Committee members took the lead in some instances, including Gaylen Hansen, Raymond Johnson and Ray Stephens. Several times, the Committee was directly contacted and asked to comment on public exposure drafts.

In some cases, working with other NASBA committees, in others consulting only the Regulatory Response Committee's members, letters were developed this Committee year regarding:

- AICPA "Omnibus Proposal AICPA Professional Ethics Division, Proposed New and Revised Interpretations & Proposed

Deletions of Ethics Rulings"

- Public Company Accounting Oversight Board, Concept Release on Auditor Independence and Audit Firm Rotation
- International Ethics Standards Board for Accountants, Proposed Changes to the Code of Ethics for Professional Accountants Related to the Provisions Addressing a Breach of a Requirement of the Code
- U.S. Senate Committee on Banking, Housing and Urban Affairs, Senate Bill S. 1933, the "Reopening American Capital Markets to Emerging Growth Companies Act of 2011"
- AICPA Accounting and Review Services Committee, Proposed Statement on Standards

The Committee is presently working on the International Auditing and Assurance Standards Board's Invitation to Comment "Improving the Auditor's Report." Releases from the Financial Accounting Standards Board and the International Ethics Standards Board for Accountants are also under consideration.

COMMITTEE MEMBERS

Chair: Richard Isserman (NY); Members: Billy M. Atkinson (TX), Alan J. Bronstein (VI), Jimmy E. Burkes (MS), Gerald W. Burns (OR), Gordon Haycock (UT), Claireen Herting (IL), Robert J. Hyde (MN), Raymond Johnson (OR), Thomas J. Kilkenny (WI), Leslie A. Mostow (MD), Kenneth R. Odom (AL), John C. Olsen (NY), Steven H. Richards (AL), Ray G. Stephens (OH), Robert H. Temkin (MA), Michael D. Weatherwax (CO); Staff Liaison: Louise Dratler Haberman

"This is a great committee to chair, with some terrific thinkers on it. We have had some spirited debates on recent exposure drafts. Plus, we have worked with the Ethics Committee to bring in more viewpoints. As the accounting profession evolves, we have been charged with focusing on the pertinent issues for regulators."

-Richard Isserman, Regulatory Response Committee Chair



RELATIONS WITH MEMBER BOARDS

COMMITTEE CHARGE

Represent the NASBA Board of Directors within each Region and represent each Region before the NASBA Board of Directors. Work with NASBA staff to facilitate the exchange of information and ongoing communications between NASBA and its member boards. In coordination with NASBA Officers, visit state boards in respective Regions to identify issues, obtain input and report on NASBA and other state boards' activities. Identify issues for Regional Meetings, moderate meetings, oversee new board member orientation and recommend sites for future Regional Meetings. Upon the request of the NASBA Chair, vet documents to be released as NASBA positions.

COMMITTEE SUMMARY

As requested by NASBA Chair Harris, the Committee revised its charge to more accurately reflect the focus on communication with state boards and representing these boards. This has been accomplished through: face-to-face sessions at the Regional Meetings and Annual Meeting; focus questions distributed in the winter, summer and fall; visits to state board meetings; conference calls and calls to board chairs and executive directors. At their meetings, the Committee members created the questions posed to the boards, both through the focus questions as well as at the Regional and Annual Meetings, to informally gather a sense of where the boards stand on major regulatory issues. Topics covered in this year's focus questions included: defining acceptable college accrediting agencies, locating expert investigators, identifying frequent sources of disciplinary cases and reporting to state legislators.

Chair Lodden encouraged the regional directors to ensure that all state boards have been visited within a three-year cycle, either by a regional director or another NASBA leader. The Committee has spent considerable time with Vice President – State Board

Relations Dan Dustin establishing communication links between the regional directors and the vice president to coordinate their visits to state boards and share what they learn from those visits.

Based on what they learned from the boards, the regional directors developed the program for the 2012 Regional Meetings and then moderated those meetings. This year, there was particular interest in the Financial Accounting Foundation's plan for private company standard setting, findings of the American Accounting Associations' Pathways Commission, proposals from the Public Company Accounting Oversight Board, and NASBA Committee updates.

Several state boards' structures were threatened this year, and the regional directors supplied information and counsel to assist those boards, in conjunction with NASBA's executive staff, including Director of Legislative and Governmental Affairs John Johnson.

At the 2012 New State Board Orientation Programs, the regional directors provided information about the operations and issues common to all state boards, what NASBA does and how state board members can become involved in the Association's activities. The presentations this year were improved and enhanced based on feedback from previous years' orientations. Through NASBA's scholarships for new state board members to attend these orientation sessions, as well as the following Regional Meetings, NASBA leaders were able to discover talented new people to become involved in committees and projects.

COMMITTEE MEMBERS

Chair: Telford A. Lodden (IA); Members: Jimmy E. Burkes (MS), Jefferson Chickering (NH), Bucky Glover (NC), Janice L. Gray (OK), Raymond N. Johnson (OR), Kim Tredinnick (WI), Karen F. Turner (CO); Staff Liaison: Louise Dratler Haberman



"It has been a very active and productive year. The Relations with Member Boards Committee has reached out to the member state boards to hear their concerns, opinions and needs. With the new NASBA response vetting process, the regional directors have been given an added opportunity for reflecting their regions' views."

-Ted Lodden, Relations With Member Boards Committee Chair

STATE BOARD RELEVANCE AND EFFECTIVENESS COMMITTEE

COMMITTEE CHARGE

Promote a legislative template for self-directed, semi-independent Boards of Accountancy and enhance state boards' relevance, effectiveness, and operational and financial independence. Such efforts will include assisting with best practices in legislative management, interaction with professional groups, regulatory bodies and the public, including board and legislative testimony.

COMMITTEE SUMMARY

The State Board Relevance and Effectiveness Committee met on May 10 in Dallas, TX, following several conference calls in previous months. Results of the two surveys conducted by the Committee (one on state board characteristics and the other on relationships between the boards and the state societies) were reviewed at the May meeting. They also considered information being collected by NASBA staff and the Enforcement Resources Committee. Based on all these findings, Chair Bucky Glover divided the Committee's members into two task forces:

- Characteristics of an Effective State Board – To determine the characteristics of what an effective state board looks like, in order to compare that with the results of the Committee's surveys.
- Analysis of Information Collected from/by States – To develop benchmarks for effective performance based on the statistical information gathered from the states via the surveys and the information collected by the states to comply with their requirements for reporting to the legislature.

Presentations were made at the NASBA Executive Directors' Conference and at the 2012 Regional Meetings by Committee Chair Bucky Glover and Task Force Chair Rick Sweeney to update

the boards on the Committee's work.

NASBA Vice President Ed Barnicott has been working with Chair Bucky Glover and Committee members Michael Barham, Michael Henderson, Patrick Hearn and Richard Sweeney, to create a paper that explains each of the components of the state board's work, articulate what effectiveness looks like for each component, and recommend standardized ways to measure effectiveness for that component. It is the task force's goal to create a document that any board will be able to use to evaluate its effectiveness, measure improvements and use the results to make the case to a state's elected officials for changes that are needed for that state's board to become more effective.

Committee Chair Bucky Glover has also discussed with Director of Legislative and Governmental Affairs John Johnson, who joined the NASBA staff on June 1, how the Committee's efforts can be coordinated with his to offer assistance to those state boards that are facing structural change by the legislature.

COMMITTEE MEMBERS

Chair: Bucky Glover (NC); Members: Gregory L. Bailes (TX), Robert M. Baldwin (SC), J. Michael Barham (NC), A. Carlos Barrera (TX), Michael D. Bergeron (LA), Jennifer Brundidge (TN), Stephen H. Epstein (MI), Gary L. Fish (IL), James W. Goad (AR), Wanda W. Goodson (GA), Patrick Hearn (OR), Michael A. Henderson (LA), William E. Hunt, Jr. (VA), Wayne V. Jean (MO), Carlos E. Johnson (OK), Jeff Johnson (AK), Kenneth R. Odom (AL), Marshal A. Oldman (CA), Patricia Soltys (MO), Ray G. Stephens (OH), Richard C. Sweeney (WA), Patrick M. Thorne (NV), Cheryl S. Wilson (IL); Staff Liaison: Louise Dratler Haberman



"Many times, state boards have to be reactive, but we would like to be proactive. We want to try to make the boards more effective – and if we get to where the boards are independent, that would be a touchdown! We still need to do some marketing on what the boards' public protection activities are."

-Bucky Glover, State Board Relevance and Effectiveness Committee Chair

UNIFORM ACCOUNTANCY ACT (UAA) COMMITTEE

COMMITTEE CHARGE

Monitor the need for revisions to the UAA and the Model Rules, including proposals from other NASBA Committees, and suggest appropriate new revised provisions to the NASBA Board of Directors for approval and release for exposure and comment.

COMMITTEE SUMMARY

This year NASBA UAA Committee Chair Carlos E. Johnson and AICPA UAA Committee Chair Stephen McConnell appointed six task forces to study topics brought to the joint AICPA/NASBA Committee for possible inclusion in the UAA and/or the Model Rules, as listed below:

- Definition of “Independence” – NASBA Chair Barton Baldwin
- International Auditors – NASBA Chair Andrew L. DuBoff
- Definition of “Attest” – NASBA Chair Robert J. Hyde
- Acts Discreditable (Discrimination in Employment) – NASBA Chair J. Dwight Hadley
- Title for Retired CPAs/Retention of Certificate – NASBA Chair Robert A. Pearson
- Confidentiality/Whistleblowers – NASBA Chair Michael D. Weatherwax

After several months of task force conference calls, the joint Committee met as a whole on May 14-15 in Washington, DC. At that meeting, only half of the task forces had their conclusions approved by the Committee and sent on to the NASBA and AICPA Boards of Directors. The Acts Discreditable Task Force concluded, after studying existing professional standards and state laws, sufficient measures are already in place to prohibit discrimination

in employment in the CPA profession. The Title for Retired CPAs Task Force concluded that all such individuals should be referred to as “inactive” throughout the rules and statute. The NASBA Board of Directors asked the Committee to continue to study the issue and come back with more guidance on what services an “inactive CPA” may offer. The “Independence” Task Force’s recommendation was brought to the NASBA Board in July and sent back to the Committee for further study.

The Definition of “Attest” Task Force and the International Auditors Task Force continue to work on charges, gathering information from government and professional standards in the U.S. as well as international standards. In addition, guidance from AICPA and NASBA leadership has been required to continue their work.

It is anticipated the NASBA UAA Committee will submit proposals to amend either the UAA and/or the Model Rules related to Retired CPAs, Definition of “Independence,” and Confidentiality/Whistleblowers at the October Board of Directors and the that these will be approved for exposure to the state boards by the end of this year.

COMMITTEE MEMBERS

Chair: Carlos E. Johnson (OK); Members: Sally Anderson (CA), J. Coalter Baker (TX), Barton W. Baldwin (NC), Andrew L. DuBoff (NJ), Karen Garrett (AR), J. Dwight Hadley (NY), Robert J. Hyde (MN), Ronald E. Nielsen (IA), Ken Odom (AL), Robert A. Pearson (MO), Michael D. Weatherwax (CO); Staff Liaison: Louise Dratler Haberman; Legal Counsel: Noel L. Allen



“We are aiming to have well thought-out proposals ready for consideration by the state boards this fall. Care is being taken to develop needed regulations that avoid unintended consequences. The NASBA and AICPA Committee members have been diligently working on these thorny issues – and we’ll get them resolved.”

-Carlos E. Johnson, Uniform Accountancy Act Committee Chair

PRODUCTS & SERVICES

Providing outreach and assistance across every stage of the CPA lifecycle is yet another way NASBA accomplishes its mission. From CPA Examination administration, to licensure, to education, NASBA offers a menu of high-quality products and services, all designed with state board members, consumers and the CPA profession in mind.

Member services include, but are not limited to, association meetings, CPA Examination administration and assistance with licensing. NASBA's consumer products span across the spectrum from licensing application assistance to continuing professional education (CPE), compliance management services to a national registry of CPE sponsors.

Over the years, several additional products and services have been developed to meet the growing needs of the accounting profession. Clients include individual CPAs, CPE providers, state accounting societies and accounting firms of all sizes. These and other stakeholders can be assured that NASBA will continue to provide cutting-edge products and services to further business continuity and effectiveness. The following pages detail more about the various products, services and complementary offerings available through NASBA.

PRODUCTS AND SERVICES: EXAM

CPA EXAMINATION SERVICES

As NASBA's flagship program, CPA Examination Services (CPAES) provides a comprehensive array of services related to the Uniform CPA Examination. A few of these services include application processing, credential evaluations and score reporting. Outsourcing these services to the experienced and reliable professionals at NASBA enables state boards to provide candidates with a positive examination experience while remaining focused on other critical regulatory functions – like enforcement and auditing.

CPA
Examination
Services

CANDIDATE PERFORMANCE DATA PRODUCTS

Data from the Uniform CPA Exam allow us to gather targeted, reliable information about demand for the Certified Public Accountant (CPA) credential in the United States and abroad. This information is available to for your region and worldwide.

These statistics, available only from NASBA, give you the best indication of the market today AND tomorrow.



NATIONAL CANDIDATE DATABASE

The National Candidate Database is a database of CPA candidate information created to help NASBA, state boards, the AICPA and the testing centers protect the personal data provided by candidates during application and examination processes. As a central repository for all CPA Examination candidate information, the National Candidate Database is a global tracking system for CPA Examination candidates. With the ability to track a candidate's history, from initial application to grading of the examination, the National Candidate Database is a powerful tool for managing testing information.

NASBA INTERNATIONAL EVALUATION SERVICES

NASBA International Evaluation Services is dedicated to the professional evaluation of international coursework and credentials for candidates applying for CPA examination and licensure.

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on providing the best services for the CPA Examination

PRODUCTS AND SERVICES: LICENSURE

ACCOUNTANCY LICENSING LIBRARY

Given the ever-changing regulatory environment and recent adoption of Mobility legislation in most states, it is becoming increasingly difficult to remain up-to-date on the laws and rules governing CPAs. ALL helps remove the complexity from the CPA license and firm registration process for busy accounting professionals. This valuable resource contains comprehensive and accurate information for the different types of CPA licenses (initial, reciprocal, mobility/practice privilege and firm registration).



CPA MOBILITY

With statutes approved in almost all of the 55 U.S. jurisdictions, and pending in most of the rest, mobility has become a reality for CPAs and accounting firms from coast to coast. Mobility is a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of his/her principal place of business without obtaining another license. With CPAmobility.org, CPAs can learn whether mobility applies to their specific situation and whether firm registration or other paperwork is required – all within four simple clicks. Available via mobile phone, CPAmobility.org provides a wealth of information at your fingertips.



CPA MERCHANDISE

Once you have added the CPA designation to your title, you are proud to tell your colleagues, friends and family that you are "official." All of the hard work and studying paid off, and the exams are out of the way. As you move to the next level and become a practicing CPA, you may want something in addition to your Wall Certificate to display and celebrate your achievement. NASBA's CPA Merchandise allows you to do exactly that. Choose from high-quality products such as CPA-branded cufflinks, mugs, mouse pads and pens that take your level of practicing professional to an entirely different level. These items also make great gifts for bosses, family members, coworkers or friends who are also CPAs.

NASBA LICENSING SERVICES

NASBA has provided licensing services to state boards for more than 25 years. NASBA has the capability and resources to help make the licensing process more efficient for state boards and candidates. NASBA licensing services include application processing, eligibility determination, score reporting and education evaluation. NASBA also provides excellent and reliable customer service to candidates throughout the licensing process.

CREDENTIALNET

NASBA's concierge service, CredentialNet assists with completing the application process for licenses/permits. NASBA manages this process from start to finish allowing licensees and firms the opportunity to focus on day-to-day business.



PRODUCTS AND SERVICES: LICENSURE

WALL CERTIFICATE SERVICE

Passing the CPA Exam and getting a CPA license is a significant achievement. What better way to showcase the hard work and effort put into this accomplishment than with a professional wall certificate? NASBA's Wall Certificate Service is designed to enhance the quality of licensing certificates of professional by offering creative and professional design options. Offering superior custom design, production and processing, this service efficiently produces professional wall certificates licensees can be proud to display. In addition to state-of-the-art printing of the certificates, other offerings include custom framing and distribution.

CPAVERIFY

Free and open to the public, CPAverify.org is a CPA lookup tool populated by official state regulatory data sent from State Boards of Accountancy to a central database and is a huge first step in offering a single-source national database of licensed CPAs. Whether sourcing talent to fill open positions or searching for the ideal CPA to assist with an income tax return, CPAverify.org provides individuals and organizations alike a convenient and credible way to research whether a CPA is officially licensed in a particular state without having to search each state board website individually.



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on providing high quality, effective programs and services

PRODUCTS AND SERVICES: EDUCATION

LEARNING MARKET

Looking for CPE to meet your requirements? Find CPE courses anywhere in the country! Visit Learning Market to search through more than 14,000 CPE courses to find just what you need. You can even narrow your search by date, location, subject area, number of credit hours, CPE provider, delivery method and more! With all of the different continuing education options out there, Learning Market makes finding the exact CPE credit faster and easier.



NATIONAL REGISTRY OF CPE SPONSORS

The National Registry of CPE Sponsors was created to help recognize CPE program sponsors who make a commitment to meeting the highest CPE program standards. Only learning providers who are committed to offering high-quality continuing education programs, that improve a CPA's professional competence, are listed on the Registry. The National Registry of CPE Sponsors logo is the seal of approval for CPE. When you see that logo, you can trust that the continuing education you receive will be of the highest quality.



PRODUCTS AND SERVICES: ADDITIONAL

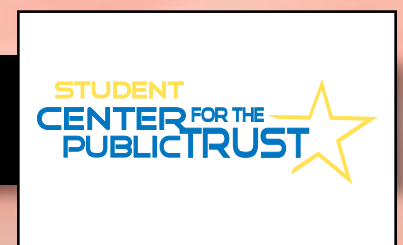
MEETINGS DIVISION

The NASBA Meetings Division was created to plan and execute conferences for outside organizations and supply them with a one-stop shop for all meeting related planning, communications, marketing, graphics, print and video needs. NASBA has built a solid reputation for planning and hosting effective, professional meetings, along with all of the services that enhance those meetings. Led by an experienced team of meetings experts, NASBA currently plans and manages over 100 meetings and conferences a year.



NASBA CENTER FOR PUBLIC TRUST

The NASBA Center for the Public Trust (CPT) provides a platform for corporate America and the accounting profession to explore, promote and advance ethical practices in organizations. To achieve this goal, the NASBA CPT hosts seminars and conferences on ethics-related topics and promotes positive ethical behavior with its *Being a Difference Awards*. The NASBA Center for the Public Trust is a non-profit organization that seeks contributions from individuals and corporations interested in positively impacting business ethics and ethical leadership.



Student Center for the Public Trust

The NASBA Center for the Public Trust created Student Center for the Public Trust chapters to focus on educating and engaging future business leaders on ethics, accountability and integrity. StudentCPT chapters are based on college campuses and are inter-disciplinary, student-run organizations committed to understanding, addressing and promoting ethics. StudentCPT events are also great opportunities to network with business leaders throughout NASBA, State Boards of Accountancy and beyond.

YEAR IN REVIEW

This past year has been an historic one for NASBA. Not only did NASBA transition to a new President and CEO for the first time in nearly two decades and for the third time in its history, the organization also undertook to rethink its priorities, to reorganize and restructure, to revisit its strategic planning process, and to ultimately refocus on our primary stakeholders, the State Boards of Accountancy.

This year's Year In Review features snapshots of state board members — our dedicated volunteers that represent the diversity of our profession, a timeline of events that occurred during the past year and highlights from NASBA's ethics organization, the Center for the Public Trust.

FOCUS ON OUR MEMBERS



WILLIE B. SIMS, JR., CPA
MEMBER, MISSISSIPPI STATE BOARD
OF PUBLIC ACCOUNTANCY
Owner, Willie B. Sims, Jr., CPA PLLC

Willie B. Sims, Jr.'s interest in accounting sparked as a high school student enrolled in a bookkeeping class. Following college, Sims, a Mississippi native, experienced the corporate sector and realized he wanted to establish a business of his own. This realization prompted him to venture outside of corporate America to establish Willie B. Sims, Jr. CPA PLLC, based in Hattiesburg, MS.

Sims, a 30+ year veteran of the accounting profession, has served on the the Mississippi State Board of Public Accountancy since December 2008. He is an advocate for state boards and NASBA as he believes the core value of both entities is to protect the public's interest. As a part of his Board responsibilities, he is actively involved with NASBA by serving as a member of the CPE Committee.

Sims credits the vast amount of learning and networking opportunities made available through NASBA meetings and committees as the greatest benefits of his involvement with NASBA. Over the years, he has witnessed first-hand how various accounting organizations work in collaboration toward a common goal. To that end, Sims is proud of the progress the Mississippi Board has made in recent years. Among these milestones include the Board's adoption of Mobility and joining the Accountancy Licensee Database (ALD).

When Sims isn't busy assisting clients, attending state board meetings, or volunteering with NASBA and local civic organizations, he dedicates his time and talents to his family, his church and his cattle ranch and commercial cow-calf operation, a unique past time for a CPA.

Just as he discovered his love of accounting at an early age, Sims encourages students considering careers in accounting to conduct research and talk with as many current practitioners as possible. Together, these tasks, along with a sound education, can strengthen ones passion for the profession.



KATE KING WU, CPA
MEMBER, NEBRASKA STATE BOARD
OF PUBLIC ACCOUNTANCY
Managing Director, Kate King Wu,
CPA

Kate King Wu, CPA, is no stranger to NASBA as she has become a familiar face at NASBA Regional and Annual meetings. Wu has served on the Nebraska State Board of Public Accountancy for the past eight years, and finds great value in state boards and NASBA namely due to their focus on public service and meaningful volunteer work.

Wu attributes several driving forces behind her decision to serve, some of which include: being afforded the opportunity to practice public service, protecting the welfare of her fellow citizens and assuring the competency of licensed accountants.

With over 20 years of teaching experience on the college level, she describes NASBA's meetings and committees as educational forums where members are well-equipped not only to protect the welfare of citizens in their jurisdictions; but also, well-equipped to better serve the needs of the public accountancy membership by assisting them in complying with state law and board-promulgated rules and regulations. She also regards NASBA as an organization that promotes the exchange of discussion on emerging issues in accounting, new regulatory changes/updates and advancements in accounting education.

Understanding the similarities and differences in regulatory systems throughout the world, educating standard setters on the significance of Boards of Accountancy and the role of NASBA, and facing the shortage of full-time tenure track accounting faculty and /Ph.D. candidates tops Wu's list of important issues impacting the accounting profession, now and in the future.

When she's not inspiring her students or volunteering on various advisory boards, Wu enjoys traveling with her husband to Asia, Europe and Canada. Her peers may be surprised to learn that she is also skilled in cartoon-drawing, fashion-design and gemstone-identification.



DAVID J. DESILVA, CPA
MEMBER, NEW YORK STATE BOARD
FOR PUBLIC ACCOUNTANCY
Partner, Dermody, Burke & Brown,
CPAs, LLC

David J. deSilva, CPA, brings over 32 years of experience in the areas of accounting, auditing and consulting to the New York State Board of Public Accountancy, where he currently serves as Vice Chair. deSilva places state boards in high regard confirming that they are essential to public protection. He places NASBA in high regard, noting how essential NASBA's menu of products and resources are to state boards.

His participation in NASBA began in his first year serving on the New York Board. As a new member, he was encouraged to participate in NASBA's New Board Member Orientation. He rated the orientation with one word — excellent! Soon after, he was appointed to the Education Committee. deSilva challenges all state board members to get involved by attending meetings, volunteering on committees that interest them and sharing information learned with their respective state boards.

Reflecting on the major issues facing the profession, deSilva notes one of significance is the Pathways Commission report, "Charting a National Strategy for the Next Generation of Accountants." According to deSilva, "There aren't many issues more important to the profession than addressing the Commission's recommendations that are intended to help 'to engage and retain the strongest possible community of students, academics, practitioners, and other knowledgeable leaders in the practice and study of accounting'."

deSilva is a passionate community leader and currently sits on a number of not-for-profit boards. As an Eagle Scout, he founded and led a Boy Scout troop for boys with developmental disabilities. His most significant charitable work involved serving as treasurer and trustee of Laubach Literacy International and later as a founding board member of ProLiteracy Worldwide—the preeminent adult literacy organization in the world.

NASBA YEAR IN

OCTOBER 2011

NASBA launches its Uniform CPA Examination Online Application System that allows candidates to apply online to take the Examination, access application information including status and payment history, import application data and view scores.

NASBA inaugurates CPAverify.org which allows the public to check on the license status of certified public accountants in multiple states free of charge.

Financial Accounting Foundation releases its proposal for the creation of the Private Company Standards Improvement Council (later to become the Private Company Council).

Daniel J. Dustin joins NASBA as Vice President, State Board Relations.



Ken L. Bishop becomes NASBA's President and the fourth full-time NASBA Chief Executive Officer in NASBA's history.

New process for vetting NASBA's written responses to exposure drafts implemented, as Regional Directors become part of the final approval process.

FEBRUARY 2012



First edition of *EDigital*, the State Board Executive Directors' newsletter, is released.

Uniform CPA Examination is administered in testing centers in Brazil. The centers are open to U.S. citizens living abroad as well as citizens and long-term residents of Argentina, Brazil, Colombia and Venezuela.

Education Committee sends out request for proposals for NASBA accounting research grants.

MARCH 2012

NASBA strategic planning process begins under the leadership of NASBA Vice President, Strategic Planning & Program Management Ed Barnicott. A 14-member group, including NASBA volunteer leaders and staff, will be involved to establish a foundation for NASBA's goals for the next 3-5 years.



State Board Executive Directors and Legal Counsel hold conferences in San Antonio, TX.

NOVEMBER 2011

European Commission adopts proposals that mandate the rotation of audit firms after a maximum of six years and seeks to create a single market for statutory audit services in Europe by introducing a European passport for the audit profession.



New York becomes the 48th state to have mobility legislation go into effect.

DECEMBER 2011

Chair Mark P. Harris and former President David A. Costello write to the Public Company Accounting Oversight Board (PCAOB) to encourage them to explore other measures to address professional skepticism rather than requiring audit firm rotation after a fixed period of time.

JANUARY 2012

David A. Costello retires as NASBA President and CEO.

APRIL 2012

NASBA/AICPA International Qualifications Appraisal Board and the Canadian Institute of Chartered Accountants International Qualifications Appraisal Board meet to discuss Canada's plans to merge its professional accounting bodies, and how that may impact the mutual recognition agreement developed by the Canadian and U.S. groups.

NASBA Board approves enforcement resource guide to be available to State Boards of Accountancy.

MAY 2012

Financial Accounting Foundation's Board of Trustees votes to establish the Private Company Council to improve the process of setting accounting standards for private companies.



Work to renovate Nashville and New York City NASBA offices were completed. A new conference space is added to the New York facility.

JUNE 2012

John W. Johnson becomes NASBA's Director of Legislative Affairs.



Participants at the June 2012 Regional Meetings hear from Financial Accounting Foundation Board of Trustees Chairman John H. Brennan (in Philadelphia, PA) and Chief Executive Officer Teresa Polley (in Anchorage, AK) about the formation of the Private Company Council.

Center for the Public Trust holds its 2012 Student Leadership Conference in Philadelphia, PA.

JULY 2012

NASBA launches International Evaluation Services. NASBA Director of Continuous Improvement & Analysis James Suh heads the service.

The revised Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) become effective on July 1, 2012, with the exception of self study programs already in existence as of December 31, 2011, whose effective date is March 2014.

American Accounting Association Pathways Commission releases its findings. NASBA leaders request that it be involved in Phase 2 of the Pathways Commission's work, which will be focused on providing a mechanism for implementing the changes recommended in Phase 1 of the work.

Securities and Exchange Commission releases staff report on incorporating International Financial Reporting Standards, which does not contain a recommendation for incorporating IFRS into U.S. reporting standards.

AUGUST 2012

NASBA leaders hold joint summit meeting with AICPA and CICA to consider how Canada's new CPA program will impact the U.S.



NASBA and AICPA mark a successful first year since the launch of the U.S. CPA Examination at test sites outside the United States.

SEPTEMBER 2012

Chair Mark P. Harris and President Ken L. Bishop respond to proposals from the AICPA Accounting and Review Services Committee and the Professional Ethics Executive Committee recommending changes to proposed standards on unaudited financial statements.

Strategic Planning Group meets to work on document for October Board of Directors' meeting.

California becomes the 49th state to pass mobility legislation.

Ken L. Bishop named to *Accounting Today's* "Top 100 in Accounting" listing.

NASBA CENTER FOR THE PUBLIC TRUST

Fiscal year 2012 was an exciting and successful year for the NASBA Center for the Public Trust (CPT). CPT board members, staff and supporters are excited about what has been established, excited about what has been accomplished in 2012, and even more excited about the CPT's vision for future success.

The CPT's agenda for 2012 has been aggressive. To hit its targets, the CPT has improved its communications to all stakeholders through electronic and traditional media platforms. The CPT is also committed to collaborating with organizations who share similar values related to ethical business leadership and promoting individuals who lead with integrity and trust.

The CPT's current programming has grown and been enhanced in several ways this year, starting with the Student Center for the Public Trust (StudentCPT) chapters, the *Being a Difference Award* and the Ethics Network. Multiple activities and programs catering to individuals ranging from the college student up through experienced professional leaders have been offered over the course of this year.



The University of New Mexico is one of the many student chapters established in 2012.

Student Chapters

Student programming has been a primary focus this year as the StudentCPT chapters provide an interactive environment where ethical behaviors and ideas can flourish. The chapters also create opportunities for students to network with the business community and develop professional leadership skills. As a result of CPT staff outreach, the number of StudentCPT chapters across the country is on the rise.

Over the past year, new student chapters were established at the University of Tennessee, Rutgers University, University of New Mexico, Ohio University, University of Colorado Colorado Springs, Middle Tennessee State University and the University of Wyoming. By the end of 2012, the CPT expects to have as many

as 10 chapters recognized on additional campuses in Colorado, Kentucky, New Mexico, New York, Ohio, Oklahoma, Tennessee and Utah. Through the CPT's support and guidance, the student chapters offer events for all students, which provide a forum for ethics education blended with real-life events.



The winning videos represented the University of New Mexico, Rutgers University and Lipscomb University.

Ethics In Action Student Video Competition

In its third year, the Ethics in Action Student Video Competition drew participants from colleges and universities nationwide. Sponsored by Lipscomb University's Dean Institute for Corporate Governance and Integrity, the Competition allows students to use their creativity while focusing on ethics and accountability in the business world. This year's video submissions were extremely impressive and will ultimately help the CPT further spread the news about the importance of ethical behavior in business. The winning teams represented the University of New Mexico, Rutgers University and Lipscomb University.



The Second Annual Student Leadership Conference hosted 37 students representing 18 colleges and universities.

Second Annual Student Leadership Conference

The annual Conference serves as a foundation for many new StudentCPT chapters, as attendees who will serve in leadership roles in their chapter are able to learn about the importance of ethical leadership firsthand from CPT founders, board members and staff. The Conference plays a significant role

THE EXCITEMENT OF 2012

in the development and support of the student chapter program. In addition to the interactive ethical leadership training sessions, students have the opportunity to network to discuss chapter best practices, as well as interact with the professionals attending NASBA-sponsored meetings.

In its second year, the 2012 Student Leadership Conference (held in Philadelphia, PA) saw significant growth in attendance with 37 students representing 18 colleges and universities. Many of the students attended with plans of starting a StudentCPT chapter, while others looked to enhance their existing chapter.



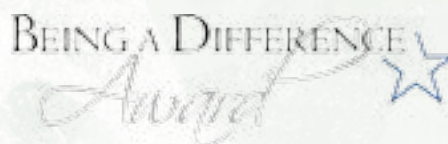
The *Campus Being a Difference Award* at Lipscomb University honored Elizabeth Hayes (pictured-center) and Dr. Ray Eldridge.

Campus Being a Difference Award

Since 2006, the CPT has honored professionals who positively impact business with strong, ethical leadership through the *Being a Difference Award* program. The CPT recognizes these individuals practicing high standards of ethical, business leadership by traveling to their hometown to formally present the award in front of their respective peers and family.

This spring, the CPT launched a parallel program, the *Campus Being a Difference Award*, for college and university campuses where StudentCPT chapters are established. Lipscomb University was the first campus to establish a StudentCPT chapter, and has embraced the new award program by once again serving as the pilot campus. Under this program, students are encouraged to submit nominations in two categories: students and

faculty. An honoree is then selected from each category by the StudentCPT chapter leadership with the guidance of the faculty advisor and CPT national office. Over the next year, the *Campus Being a Difference Award* program will be carried out on the numerous campuses where StudentCPT chapters are established.



Being a Difference Award

Continuing to acknowledge and celebrate ethical business leaders across the country also remains a major focus area for the CPT. Through the *Being a Difference Awards*, the CPT identifies and honors outstanding leaders who are doing more than making a difference, but actually living in a way that demonstrates how they are *Being a Difference* in their respective environments and endeavors.

Ethics Network

This year, the CPT has been working toward adding membership benefits that make the Ethics Network community one that is a great resource for ethical leadership and related activities. Expect to see more active conversations in the community, additional access to publications and information and experiential learning opportunities in the years to come.

Student Business Ethics Certification Program

Perhaps one of the largest and most impactful endeavors the CPT has entered into this year is the development of the Ethics Certification Program. Funded through a grant awarded by the Daniel's Fund, the CPT is on its way to launch an online Ethics Certification Program for college students. This program allows the CPT to reach students nationwide with interactive online modules, offering an Ethics Training Certification upon completion.

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FOCUS ON OUR MEMBERS



ANDREA M. KILMER, CPA, CFF, CGMA
MEMBER, VIRGINIA BOARD OF PUBLIC ACCOUNTANCY
CFO / Vice President, The ESG Companies

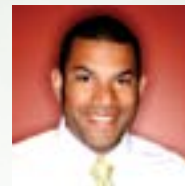
Andrea Kilmer, CPA, is a firm believer in servant leadership. She demonstrates this belief through her service to the Virginia Board of Accountancy. As the Board's first industry CPA to fill a seat on the Board, she proudly represents her profession and the Commonwealth of Virginia.

Kilmer recognizes that state boards are critical to the financial integrity of our nation and its businesses, and that NASBA plays an invaluable role in supporting boards by providing resources to assist them in performing their duties.

During her tenure on the Virginia Board, the Board has succeeded in rewriting statutes and regulations, an arduous process at best. While Kilmer was not involved at the outset of this process, she saw firsthand the dedication of a great group of individuals that were determined to make the documents clear, concise, yet not over burdensome in nature. She and fellow Board members are hopeful that the evergreen nature of these documents will serve their Board for many years to come.

As the Enforcement Chair of the Virginia Board, Kilmer has seen an increase in the number of individuals that are capitalizing on electronic media and the ease of advertisement via internet, email, and social media. Over the next five years, she believes it is critical that the profession explore ways to ascertain that those 'non-CPAs' claiming to be CPAs—preying on the public trust—are not only stopped, but thwarted in their attempts.

Kilmer strives for success in all of her endeavors. In 2009, she was named as Virginia's CFO of the Year, an accomplishment she describes as an honor and humbling experience. Her civic outreach includes serving as secretary of the Old Dominion University Board of Visitors, initial director of Citizens for Clean Energy, Inc. and The Healing Place of Hampton Roads, Inc., an organization focused on ending homelessness in the Hampton Roads area of Virginia.



ANDRE C. HORTON, MBA
ALASKA STATE BOARD OF PUBLIC ACCOUNTANCY
Director of Business Development, Sockeye Business Solutions

As a public member on the Alaska Board of Public Accountancy, Andre Horton is confident that while he is not a CPA, the value and necessity of the public member is ever growing among state boards.

Horton first attended a NASBA Annual Meeting on scholarship. Through this program, he learned the critical part NASBA plays in educating new members on their roles and responsibilities as well as the importance of networking with public members hailing from other states.

When asked to address emerging issues impacting the profession, Horton coined the financial crisis and the increased scrutiny over the use of biometrics for security to testing sites (particularly in Alaska) as key issues.

In the two year's Horton has served on the Alaska Board, the Board successfully countered a strong legislative initiative to do away with biometric scanning at test sites. Also, after six years of work, the Board, under the leadership of Chair Carla Bassler, solidified the budgetary requirements to hire an executive director.

According to Horton, since the hiring of Executive Director Cori Honderlero, investigations have been expedited and state board stakeholders have been served more efficiently.

Horton, holding an MBA in finance and entrepreneurialism, is a proponent of students pursuing careers in accounting, especially since the financial services industry has grown to represent more than 20% of the Gross Domestic Product.

In his spare time, Horton serves on the American Marketing Association and the Anchorage (Alaska) Chamber of Commerce. He also takes full advantage of the Alaska Backcountry as a professional photographer and as an avid skier. In fact, one of his greatest accomplishments was becoming the first black American in the United States to be named to the U.S. Olympic Ski Team. Horton is a walking illustration that life vision never exceeds life experience.