Burkett Nominating Committee’s Choice

Donald (“Donny”) H. Burkett, CPA, was selected on March 31 as the Nominating Committee’s candidate for NASBA Vice President 2014-2015, to accede to NASBA Chair 2015-2016 if elected Vice Chair by the Member Boards at the Annual Business Meeting in November. Mr. Burkett is Chair of the South Carolina Board of Accountancy, having served as a Board member since 2003, and is a NASBA Director-at-Large, having served on the NASBA Board since 2009. He is a founding partner and executive vice president of Burkett Burkett & Burkett, Certified Public Accountants, P.A., which has three offices in South Carolina. In addition, he is a partner of ResourceOne Health Management Service, LLC, and a partner of Burkett Financial Services, LLC. Money Magazine recognized Mr. Burkett in its article on “The Best Tax Practitioners.” He is a past chairman of the South Carolina Association of Certified Public Accountants and was a member of the American Institute of Certified Public Accountants’ Vision Project Team.

Elections of NASBA officers will be held at the Annual Business Meeting on November 4, 2014 in Washington, D.C. Nominating Committee Chair Gaylen R. Hansen has requested that all State Boards submit to him their recommendations for NASBA Regional Directors and Directors-at-Large for the 2014-2015 Board of Directors by May 19, 2014. Recommendations with bios or resumes can be e-mailed to aholt@nasba.org or mailed to Gaylen R. Hansen, CPA, Nominating Committee Chair, NASBA, 150 Fourth Avenue North – Suite 700, Nashville, TN 37219-2417. Nominations for any elected Board position, including the office of Vice Chair, may also be made by at least five Boards if filed with NASBA Chair Carlos E. Johnson at least 10 days prior to the Annual Business Meeting. No nominations from the floor will be recognized.

State Boards in the Pacific, Central, Southeast and Middle Atlantic Regions are asked to submit their nominations for their Nominating Committee representatives by May 23, 2014. These nominations with bios or resumes should be sent to aholt@nasba.org. Questions about the elections should be directed to Anita Holt (615) 880-4202.

Hansen Addresses PCAOB

The first panelist addressing the Public Company Accounting Oversight Board’s April 2-3 panel on the “Auditor’s Reporting Model” was NASBA Past Chair Gaylen R. Hansen. He provided the historical background for the PCAOB’s current project, reminding all of the 2008 recommendations from the Department of the Treasury’s Advisory Committee on the Auditing Profession (ACAP), as he had served on ACAP’s Subcommittee on Firm Structure and Finance. The ACAP did its work in the midst of the economic meltdown, he recalled, and while the auditors were not blamed for the meltdown, “This was a chance to do something meaningful… We were interested in a substantive fix, increased accountability and transparency with real teeth, which is why we are here today.”

Looking at the standard auditor’s report, which has not changed in more than 70 years, Mr. Hansen said, “We can do better – and doing it is long overdue.”

Mr. Hansen stated that “overall, I’m comfortable with the changes proposed” in the PCAOB’s Auditor’s Reporting Model, as the proposal “fixes several glaring shortcomings in the current model.” In his background paper he explained these changes include: 1. Reporting critical audit matters (CAM); 2. Reference explicit to the auditor’s responsibility to detect material error or fraud; 3. Disclosure of audit firm tenure; 4. Assurance on other information accompanying the financial statements; 5. Identification of the audit engagement partner; 6. Reference to independence in the body of the proposed report.

“While client confidentiality has a long-standing and respected place in the accounting profession, …it doesn’t serve investors well when it is parlayed to obfuscate the important obligation to call things as they are seen,” Mr. Hansen said. He pointed out: “Other major players on the international scene are moving rapidly to require more informative auditor reports – with or without the U.S. in tow.” Mr. Hansen’s presentation to the PCAOB can be found on www.nasba.org.

The two-day PCAOB conference included many speakers whose presentations can be found on www.pcaobus.org.
NASBA School Performance Book Out

The NASBA 2013 Uniform CPA Examination School Performance Book, covering the four 2013 testing windows, is now available in both softback and eBook versions. Compiled to meet the needs of educational institutions, the Book is intended to serve as a companion publication to NASBA’s 2013 Uniform CPA Examination: Candidate Performance, which was released in late January. By having a narrower focus on the performance of first-time candidates who take Examination sections within one year of graduation, the Performance Book more closely associates an individual’s performance with his or her most recent education experience.

The NASBA publications report that during 2013, the jurisdictions with the most candidates were: California (14,315), New York (9,859) and Texas (5,661). Those with the highest pass rate during 2013 were: Utah (61.3 percent), Wisconsin (59.1 percent) and Oregon (58.5 percent). According to NASBA’s figures, there were 94,154 candidates who took the exam (of which 41,629 were new candidates) with 26,998 passing their fourth section of the Uniform CPA Examination.

James Suh, NASBA Director of Continuous Improvement & Analytics, explained that the Performance Book takes a closer look at the specific performance of a school’s accounting program for each of the four testing windows: “Accounting program faculty and administrators will greatly benefit from the publication’s statistics on first-time Examination takers and students that have taken the Uniform CPA Examination within one year of graduation.” The publication can help track variables such as changes to the curriculum and admission criteria. It also clearly shows a school’s comparative performance by region and program size. There are detailed school reports which contain four-year trending for several key data points for the 100 top institutions. Schools that seek custom reporting beyond what is found in the publication can contact CPB@nasba.org for additional information.

Background data for these publications was obtained directly from the State Boards of Accountancy’s submission of eligible candidates’ information into NASBA’s Gateway System and then analyzed and assembled by Editor Matthew Wilkins and Associate Editors Tim Wright and Brentni Henderson—King.

Soft cover copies are priced at $150 each for 2013 Uniform CPA Examination: Candidate Performance and $250 for 2013 Uniform CPA Examination School Performance Book. They are also available in eBook format at $100 for Candidate Performance and $200 for School Performance. Orders may be placed through www.nasbareport.com.

10th Anniversary of Guam Center

April 4, 2014 marked the 10th anniversary of the opening of NASBA’s Guam Computer Testing Center. NASBA Chair Carlos E. Johnson and Continuous Improvements & Analytics Director James Suh joined the Guam Center’s staff to celebrate the occasion. In 2013 the Center’s staff answered 7,402 e-mails, and 14,809 candidate phone queries. Since the Center’s inception it is estimated that the Center has received well over 40,000 inquiries. Average handling time per agent is 2.58 minutes.

“During the first year of the Uniform CPA Examination’s computerization, more CPA candidates sat for their Exam on Guam than at any other Prometric Test Center,” reported Dave Sanford, executive director of the Guam Board of Accountancy, which partnered with NASBA to open the Guam Computer Testing Center. Guam is the closest part of the U.S. to candidates in East Asia. More than 24,600 CPA candidates have taken examinations administered in the Guam Center. In addition, the Center has administered other examinations to nearly 16,000 individuals.

The Guam center has effectively expanded NASBA’s phone and e-mail support for candidates to 16 hours per day. ♦

Register for June Regionals

Now is the time to make plans to attend NASBA’s 2014 Regional Meeting: The Eastern Regional Meeting will be held June 4-6 in Louisville, KY, and the Western Regional will be June 11-13 in St. Louis, MO. The meetings are forums for Boards of Accountancy to exchange views on common issues and to help formulate NASBA’s policies for the months ahead.

Details about the Meetings’ agenda, including social programs, can be found on www.nasba.org. New members of Boards of Accountancy are encouraged to take advantage of NASBA’s scholarship program to attend. ♦
What have you done?

In his inaugural address, NASBA Chair Carlos E. Johnson laid out some recommendations and challenges for strengthening NASBA’s relevance and, more importantly, the relevance of the brand of our Boards of Accountancy. This was not a call for a big budget item or any razzle dazzle, just a sincere effort to shine a light on what your Board is doing. The end of April marks the halfway point of what we describe as the “Chair’s year.” It is a good time to take stock of how we are doing. In my recent “President’s Memos,” I have described many of the actions taken by NASBA. My question to you, the Boards of Accountancy, is: What have you done?

In his address, as excerpted in the “Chair’s Memo” in the November, 2013, State Board Report, Dr. Johnson discussed the importance of relationships and listed several ideas and recommendations for enhancing your brand as a Board of Accountancy, including:

- Volunteer to speak to local civic organizations, groups and schools
- Work with secondary education schools and students to develop opportunities for mentoring to increase awareness of the accounting profession
- Consider having a Board meeting at a college or university
- Take time to meet with your Governor, state representatives and senators, and their key staffers (let them know of the important role of the Board of Accountancy -- before you need something from them)
- Leverage opportunities to visit with your federal Congressman and Senator if you are in Washington, D.C.
- Build a strong and trusting relationship with your State Society
- Take advantage of the free products and services offered to you by NASBA.

As you look through the list, either individually or as a Board of Accountancy, have you considered or done any of these important activities? We know of many Boards that can answer that question affirmatively.

More states have reached out to NASBA to assist them in developing high quality newsletters, including Arkansas, Kentucky, Mississippi, Montana, Ohio, Oklahoma, Nevada, New Mexico, Washington and Wyoming. This is such a great way for Boards of Accountancy to keep licensees and stakeholders aware of the activities of the Board and to illustrate topics of importance to accounting professionals. Providing a quality source of information to elected officials and their staffs is an effective and inexpensive way of building recognition and relevance.

Through our new legislative office, enhanced by its bill-tracking capability, we have been in states and territories across the country, at Boards’ behest, promoting good legislation and fighting off harmful legislation. In this endeavor we have witnessed, firsthand, the nexus of branding, relevance and positive relationships in successful legislative efforts. In the states where Board members have familiarity with their legislators, and the Board and Society have a good working relationship, the dividends are evident and the likelihood of legislative success is significantly improved.

On occasion I am asked how “promoting the profession” by speaking to schools, colleges and universities affects “public protection.” I personally believe that continuing to attract the best and brightest into the profession only solidifies the ability of the profession to provide the highest level of service and protection of our country’s financial well-being. As importantly, it insures that both faculty and students better understand the U.S. regulatory system and the important role played by Boards of Accountancy.

The second half of the “Chair’s year” is about to begin and the “busy season” is about over. This would be a great time to consider strategies and actions to better brand and enhance the relevancy of your Board of Accountancy. NASBA is willing and able to provide you the tools to be successful. We look forward to calling on you at the Annual Meeting, at the end of the Chair’s year, and hearing positive responses when we ask you: What have you done?

Semper ad meliora (Always toward better things)

-- Ken L. Bishop
President & CEO
IQAB Ponders Future Agreements

With representatives from Canada, Mexico and the U.S. Trade Representative’s office, the NASBA/AICPA International Qualifications Appraisal Board (IQAB) met on March 28 and continued to consider how best to move forward with recognition in this country of non-U.S. accounting professionals. Six mutual recognition agreements developed by IQAB continue to be in place but progress on additional agreements has spanned years and some international accounting regulators have not shown any interest in entering into this type of agreement.

One idea that has been posed is developing recognition standards that would only cover those non-U.S. professionals who are licensed to audit public companies in their own countries and who have met entry-level requirements that are substantially equivalent to those of a U.S. CPA’s. Proponents of the idea say this would enable additional, well-qualified auditors to sign financial reports in the U.S. By the State Boards’ recognition of those professionals, it would also bring them under the Boards’ authority.

Those who support mutual, rather than unilateral, recognition, believe permitting those who have other designations to be considered substantially equivalent to the CPA without reciprocal recognition from the other country would undermine the value of the CPA. IQAB is discussing how to get to an equitable solution that provides for public protection and does not unintentionally undermine the value of the CPA. Monitoring IQAB’s discussions, NASBA and AICPA leadership and staff are working to come up with a plan that maintains the high quality standards on which to recognize additional non-U.S. professionals. Mutual recognition agreements with four additional international designations remain on the table, but no new evaluations are being conducted until a course is determined by NASBA and AICPA leaders.

NASBA Best Nonprofit Business in Nashville

The Nashville Business Journal on March 27 presented its 2014 Best in Business Award for a nonprofit to the National Association of State Boards of Accountancy. The award program recognizes companies that “set the standard for growth, service, quality, innovation and execution of superb business strategy.”

President Ken L. Bishop wrote to the NASBA staff: “I just wanted to take a moment to tell you how honored I was to accept the award on everyone’s behalf, and to let you know how proud I am of each and every one of you. This year the Nashville Business Journal asked all the CEO finalists: ‘If your company was a billboard hit, what song would you be and why?’ My response was easy: ‘We Are Family’ by Sister Sledge, because we truly are the NASBA family.”