

NASBA Board of Directors 2015-16



NASBA BOARD OF DIRECTORS 2015-16 – Bottom row (left to right): Stephanie S. Saunders (VA) Middle Atlantic Regional Director; Benjamin C. Steele (NV) Mountain Regional Director; Maria E. Caldwell (FL) Southeast Regional Director; Walter C. Davenport (NC) Past Chair; Ken L. Bishop, President & CEO; Donald F. Burkett (SC) Chair; Telford A. Lodden (IA) Director-at-Large; Sharon A. Jensen (MN) Central Regional Director; John F. Dailey, Jr. (NJ) Northeast Regional Director; Colleen K. Conrad, Executive Vice President & COO; Jimmy E. Burkes (MS) Director-at-Large; **Top row (left to right):** Noel L. Allen (NC) Outside Legal Counsel; Richard N. Reisig (MT) Director-at-Large; Tyrone E. Dickerson (VA) Director-at-Large; Raymond N. Johnson (OR) Director-at-Large; Laurie J. Tish (WA) Director-at-Large; Kent E. Smoll (KS) Director-at-Large; W. Michael Fritz (OH) Great Lakes Regional Director; J. Coalter Baker (TX) Southwest Regional Director; Janice L. Gray (OK) Director-at-Large; A. Carlos Barrera (TX) Director-at-Large; James Corley (AR) Executive Directors' Liaison; Edwin G. Jolicoeur (WA) Pacific Regional Director; Harry O. Parsons (NV) Director-at-Large.

108th Annual Recognizes Diversity

Every region of the United States is in the midst of an unprecedented demographic change and the impact will be felt by the accountancy profession as well as the world market, Dr. James H. Johnson, Jr., told NASBA's 108th Annual Meeting in Dana Point, CA. Representatives from 50 Boards of Accountancy, including 120 Board members in the total attendance of 438, participated in the October 25-28, 2015 meeting, with the theme of "Embracing the Future." As part of that theme, Chair Walter C. Davenport told all they "need to have that uncomfortable conversation" about diversity.

Keynote speaker James Johnson, Distinguished Professor of Strategy and Entrepreneurship at the University of North Carolina's Business School, outlined six "disruptive trends" in the U.S.:

1. Large growth of population in the South;
2. Growth in non-white population;
3. Increase in inter-marriage;
4. Baby boomers reaching retirement age;
5. More women obtaining degrees in higher education and participating in the work force; and
6. More children living in households headed by grandparents.

There is enormous disparity in education within the U.S. population and unemployment among white collar workers is likely to last longer than it does for other workers, Dr. Johnson noted. He observed the U.S. is not having "an honest discussion of illegal immigration." He pointed to the number of "non-immigrants" from all over the world, who come to the United States on visas and then

overstay those visas. Dr. Johnson reported there are 45,000,000 people in the United States now who are foreign born, and an estimated 11,500,000 who are unauthorized immigrants.

The accounting profession needs to manage transition "from the graying to the browning of America," Dr. Johnson advised. There will be competition in a global economy calling for successful recruitment from a diverse population.

A panel moderated by Alfonzo Alexander, President of the NASBA Center for the Public Trust, highlighted what accounting bodies are doing to harness diversity. Susan M. Cosper, chairman

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NASBA Committed to CPA Pipeline

Part of NASBA's 2016-2019 strategic plan is to "promote the CPA license to ensure an adequate supply of CPAs to meet the needs of the public," NASBA President and CEO Ken Bishop pointed out at the Annual Business Meeting. Topics discussed during the 2015 Annual Meeting supported that goal. One breaking topic was the impact of the October vote of the American Institute of CPAs' Council to allow non-CPAs to obtain the CGMA credential and become members of the AICPA. President Bishop reported he has been in discussions with AICPA leadership over the potential threat to the CPA candidate pipeline as well as the potential public confusion over the use of a title similar to CPA granted by the AICPA to a non-CPA. As a result of those discussions, AICPA will emphasize that those obtaining the CGMA designation follow state laws and rules, including those related to the use of titles and credentials. Additionally, CGMAs who are not licensed CPAs will be required to use "non-CPA members of the AICPA" when referring to their AICPA membership to avoid public confusion. CGMAs will also be prohibited from practicing public accounting or creating CGMA firms, and will not be allowed to sign attest reports or use AICPA standard language.

President Bishop advised the Boards to look at how their own state law is modeled after Uniform Accountancy Act Sections 14 (c) Unlawful Acts, 14(g) Other Misleading Titles, and 14 (h)(2) Use of Titles in Reports to determine if the use of CGMA would be problematic. Meaningful conversations with the AICPA will continue regarding the promotion of CGMA and how it will impact the CPA pipeline, President Bishop reported. He expressed his gratitude to AICPA leadership for their willingness to work to mitigate NASBA's concerns.

NASBA is increasingly strong and relevant, President Bishop assured the Annual Meeting. Mission spending in support of the



NASBA President and CEO Ken Bishop speaks to the 108th Annual Meeting.

member Boards totaled \$8.5 million this past year, up from \$7.7 million the previous year. Thirty-two states are using NASBA's CPA Examination Services; the NASBA International Evaluation Service is being used by 52 Boards; and the National Registry of CPE sponsors includes approximately 2,150 CPE providers. Significant investment is being made in IT to ensure NASBA's systems remain intuitive, reliable and secure. Work has recently begun on completely updating the National Candidate Database. Remodeling of NASBA's headquarters in Nashville has started and will feature consecutive floors, high-speed wifi and more spaces for collaboration.

NASBA Center for the Public Trust President Alfonzo Alexander announced the "proactive ethics arm of NASBA" has reached its tenth year of operation. It has 27 student CPT chapters and expects to have 30 by the end of 2015. Other CPT activities outlined by Mr. Alexander included the Ethics in Action Video Competition, Ethical Leadership Student Certification Program, CPE Resources Program, Professional Training and Certification, Being a Difference Awards and numerous presentations and conferences. ♦

Christen Explains Standalone CGMA

The need for objective and trusted financial advisers has never been greater, AICPA 2015-2016 Chair Timothy L. Christen told the NASBA Annual Meeting, and the need for collaboration and specialization is critical. He explained the AICPA was opening the standalone CGMA credential "for professionals in business and industry who will never go down the CPA pathway. It is not, nor is it intended to be, a public accounting designation." Mr. Christen assured the Accountancy Boards, that acting upon feedback from NASBA President Ken Bishop: "We will be requiring non-CPA CGMAs to specifically identify they are non-CPA members of the AICPA." He added: "While the gold standard for management accountants is a CPA who also holds the CGMA designation, some professionals are choosing not to go down this path."

He urged the Boards to adopt the 2014 changes to the Uniform Accountancy Act: "In response to the reality of today's marketplace in which firms practice across borders, it's time for states to look at offering the mobility privilege to CPA firms." While the firm he leads, Baker Tilly Virchow Krause, has its offices in multiple states registered with the State Boards, Mr. Christen said, "CPA firm mobility would enable smaller- and medium-sized firms without in-state offices to



AICPA Chair Timothy Christen

offer their services to clients across state lines without the burden of registration, while retaining appropriate public protections. It gives these firms new opportunities to compete for business, keeping them competitive in a world where boundaries don't have to be barriers."

Fourteen states already have firm mobility, he noted, and individual CPA mobility is now in 52 jurisdictions.

The revised comprehensive definition of "attest" has been adopted in 30 states. He encouraged the remaining Boards to adopt it in 2016, as well as the AICPA Code of Professional Conduct, as 19 states have already done.

"I know that we can continue to keep the profession vibrant and relevant by working together, and I look forward to our continued efforts to promote the CPA as the world's premier accounting credential," Mr. Christen stated. ♦

CHAIR'S MEMO

Securing the Ladder

When I envision the ladder of success for Boards and NASBA, I know we have a solid foundation upon which it rests. My Dad, a career power company linemen, taught his children proper safety procedures and how to work together when climbing ladders. First, you must put the ladder on solid and level ground. Next, you need someone there to hold the ladder for extra support. The only time anyone in my family was ever injured on a ladder was when Dad decided to go it alone, fell off and broke his heel. Without the proper assistance and teamwork, even the most skilled will come tumbling down.

My point is to tell the members of the Boards of Accountancy: You are not alone in your efforts to effectively regulate the accounting profession. NASBA has the tools, programs and staff talent to assist you on the ladder of success. As Chair, I will lead this effort to help you in your role as regulators and protectors of the public. NASBA wants to continue to hold your ladder for success. Our mission is to: "Enhance the effectiveness and advance the common interests of the Boards of Accountancy." By achieving this mission together, we will all be successful.

This past year, I have put a lot of thought into where my focus should be as chair of NASBA. The steps that I have concluded will lead us all to a successful place are to: (1) Build trust; (2) Be forward thinking; (3) Use all tools available for success.

The first of my three objectives is to build trust by creating new and strengthening existing relationships. We can always accomplish more when we collaborate and communicate effectively. NASBA will continue to invest in positive and beneficial relationships with the Boards of Accountancy. Since being hired in 2012, Dan Dustin, NASBA Vice President of State Board Relations, has made 75 visits to 48 of the 55 Boards of Accountancy. While on his visits, Dan listens to Boards' needs, informs them of the available resources from NASBA, highlights current trends and topics, and advises them during times of legislative and regulatory change. Coordinating efforts with Dan are NASBA's Regional Directors. They are there to listen to the Boards' needs and provide trusted communication between the Boards and NASBA's leadership. At NASBA meetings, they moderate regional breakout sessions to provide another forum to address their Regions' questions and concerns and allow for the exchange of ideas within the Regions. Please remember, each Board's participation and direction for these meetings is of the utmost importance. Without that input, NASBA will not be successful.

A recent success story is the State Society Relations Committee. This committee has allowed State Society CEOs to work directly with NASBA to open lines of communication and foster better working relationships. The collaborative work of the recently formed Committee resulted in a joint conference attended by both State Society Executives and Board Executive Directors. Based on the positive feedback from that conference, they will be meeting together again in 2016 in Tucson. This is a great example of new and strengthened relationships.

Relationships are a two-way street, but one side always has to initiate the conversation. Many Boards have taken steps to do just that. NASBA's Communications and Outreach program has had tremendous success over the last couple of years in assisting Boards with newsletters, videos, annual reports, professionally designed email communications and social media outreach.

NASBA will continue to be an advocate for the Boards of Accountancy with crucial stakeholders. We will extend the hand of partnership and strengthen our relationships with the federal regulators, AICPA and State Societies, accounting educators, and national and international accounting bodies. NASBA will be positive, transparent and trusting on the Boards' behalf. We will be open and willing to compromise, but we will never hesitate to disagree when it is in the best interest of the Boards of Accountancy. We will endeavor to represent the Boards and proactively advocate against the potential use of misleading credentials which can be used by non-CPAs. One of NASBA's major roles in enhancing the effectiveness of State Boards of Accountancy is to guard against confusing and misleading titles. The U.S. CPA designation must continue to be the first and foremost credential for quality, credibility and ethics.

My second initiative on the ladder of success will be forward thinking. Accepting the status quo will never get anyone to the top of the ladder. NASBA will continue to devote significant resources to develop strategies for diversity in the CPA profession, and specifically, at the State Board level, in order to reflect the demographic changes of our country. We are also going to allocate additional resources to implement a leadership development program at both the Board and NASBA levels in order to be forward thinking and help develop our future leaders.

The last of my objectives is to use all tools available for our success. NASBA's Legislative Support Committee ensures that Boards have the tools to protect the public. The legislative bill-tracking program enables Boards to become more readily aware of key pieces of legislation and regulatory issues that will impact their role as regulators. There are additional tools to help Board members as regulators; for example: Currently, 50 jurisdictions are providing data to the Accountancy Licensee Database which contains information on more than 98 percent of CPA licensees. Our newest service, the CPE Audit Services platform, is working directly with Boards to provide 100 percent compliance audit samples of CPA licensees.

As a fellow regulator, I want to share some words with you from Frank Outlaw, creator of Bi-Lo Stores, that I have followed my entire career: "Watch your thoughts; they become words. Watch your words; they become actions. Watch your actions; they become habits. Watch your habits; they become character. Watch your character; for it becomes your destiny."

I give you my word as Chair of NASBA: We will proactively listen. We will be open to criticism. We will respond with honest and truthful dialog. We will continue to be financially sound. And, as NASBA President and CEO Ken Bishop always says, "We will not write checks that we can't cash."



Donald H. Burkett, CPA
Chair

Sincerely,

A handwritten signature in black ink that reads "Donny H Burkett". The signature is written in a cursive, slightly informal style.

— Donald H. Burkett, CPA
Chair

Educators and Accreditors See Change

From 2005 until 2014 there was a 250 percent increase in the number of for-profit institutions from which candidates for the Uniform CPA Examination came, James Suh, Director of the NASBA International Evaluation Services reported. Mr. Suh questioned panelists at the Annual Meeting about the new formats of courses, the standards accreditors apply for granting credit to courses and the rigor of the accrediting programs.

There is blurring between the education and experience candidates receive, American Accounting Association President Bruce K. Behn said, but that is not new: Most schools have been awarding credit for internships. Competency-based education has been around for a long time and the Western Governors University has set a model for it. The question is: How do you measure the quality of the experience?

David E. Leasure, Provost of Western Governors University (WGU), said they measure learning by assessment, not on the basis of time spent to complete a course. WGU worked with Brigham Young University to determine what competencies must be obtained in order to be awarded a Master's of Accounting degree. Objectives were set for each competency and students must achieve those objectives, however long it takes them. Mr. Suh noted the CPA candidates who come from WGU tend to be much older than other candidates and have a 49 percent CPA Examination pass rate.

The AACSB has been in operation for almost 100 years, noted Robert D. Reid, AACSB Executive Vice President and Chief Accreditation Officer, and for the first 80 of those years it was focused only on U.S. schools. It uses peers to do its accreditation of programs, with almost 700 deans from around the world being used to judge schools. AACSB focuses on how schools set learning goals and use the results to make changes in their programs. Dr. Reid said the AACSB has not yet evaluated a school that gives credit completely on the basis of competency-based education, but he believes in the future it will.

Dr. Behn observed that just as there is variation in the quality of CPA firm peer reviews, there is variation in the quality of accreditation reviews. "For me, the AACSB peer review practice is a wonderful way to see what works and what doesn't help your school. This is a way to force the university to make changes in its



From Left to Right: David Leasure, Robert Reid, Bruce Behn and James Suh.

accounting program," he commented. It's valuable when an entity like the AACSB includes in its standards that a school has to address issues or not be accredited.

The panelists discussed how courses are being "flipped," with the nuts and bolts of accounting being learned outside the classroom and teachers coming to the class to add value. The University of North Carolina put its master's in accounting program on line and found no empirical difference between their students' performance, Professor Behn said.

Corinthian Colleges were fully accredited until they closed in April in the midst of investigations for fraud. Mr. Suh said a small number of candidates for the CPA Examination have come from those colleges. He asked if the Education Department's criticism damned all accrediting organizations. Dr. Reid said the AACSB follows up and investigates schools when complaints are received. They pursue schools when they receive information which is not in line with their standards and would not accredit bad actors.

Mr. Suh asked the panelists, "Is competency-based education a fad?" Dr. Reid said CBE has been around for 30 years and he thought it was better for older, less traditional students, but the campus experience is valuable for younger students. Dr. Behn felt educators have to purposely integrate practice, research and education, and he thought CBE would be part of that. There are 38,000,000 people with some college education and no degree, Dr. Leasure noted, and he maintains CBE is a student-paced learning model that can work for those who are independent learners and have faculty support. ♦

108th Annual Recognizes Diversity (Continued from page 1)

of the Financial Accounting Standards Board's diversity program, said they are determining what the FASB's part should be in furthering inclusion in the profession. They are developing an internal action plan that will expand their recruiting network, implement staff sensitivity programs and provide coaching and mentoring. The FASB is reaching out to the National Association of Black Accountants and the large CPA firms for suggestions.

The American Institute of CPAs established the National Commission on Diversity and Inclusion three years ago. Kim Drumgo, the AICPA's Director of Diversity and Inclusion Initiatives, explained the AICPA is seeking to have a seamless handoff from the CPA pipeline into the profession. They have increased scholarships, increased communications and awareness in diverse communities, supported school-based programs for students pursuing accounting and initiated an advertising campaign to retain licensees with the slogan: "I am present and accounted for."

The Ph.D. Project, founded in 1994, has seen its efforts

quadruple the number of minority professors, Bernard J. Milano reported. Every minority doctoral student in an AACSB program is a member of the Ph.D. Project, explained Mr. Milano, who is the Project's president. The goal is not to get Ph.Ds., but to get professors, and 97 percent of those involved in the Ph.D. Project have remained to teach in the universities. NASBA is the newest sponsor of the Ph.D. Project.

Minority students have to be encouraged to become CPAs while still in high school, NASBA Diversity Committee Chair Tyrone Dickerson stated. Teachers need to provide the encouragement to seek the CPA designation, as many times minority students do not have the benefit of family members being in business. Promoting diversity among NASBA leadership, volunteers and the Boards is now part of NASBA's strategic plan, Mr. Dickerson pointed out. He noted that change to bring more diversity into the profession has been slow, but cautioned the State Boards not to become complacent. ♦

Utilizing NASBA Enforcement Guidelines

The NASBA “Guiding Principles of Enforcement” are going to be used to determine whether Boards’ enforcement practices are substantially equivalent, Stacey L. Grooms, NASBA Manager of Regulatory Affairs, reported to the Annual Meeting. In addition to promoting confidence in enforcement practices by Boards across the country, the substantial equivalency evaluation is necessary to assist the California Board of Accountancy in meeting the provisions of its mobility law (Code 5096.21) that require other jurisdictions’ enforcement practices be substantially equivalent to either California’s enforcement practices or the NASBA Guiding Principles in order to continue offering “no notice/no fee/no escape” mobility to CPAs in those jurisdictions. The Guiding Principles were developed based on information collected by NASBA from the State Boards regarding their current enforcement practices.

In January 2016 NASBA will submit to the California Board its initial determinations, with the final determinations being submitted in September 2016. Then in March 2017, the California Board will review the information to determine whether those jurisdictions which are not substantially equivalent should be removed from mobility in California. NASBA will continue to work with Boards to meet the objectives of the Guiding Principles before the California Board initiates rulemaking in July 2017 to remove non-substantially equivalent jurisdictions from mobility. Ms. Grooms said rulemaking typically takes 12-18 months.

The California law also requires that a Board’s disciplinary data be available on-line, either via the Board’s licensee look-up tool or through CPAverify, with a “flag” indicating disciplinary history. Maria L. Caldwell, NASBA’s Chief Legal Officer and Director of Compliance Services, assured the Annual Meeting that NASBA would be reaching out to those Boards that do not currently have such indicators.

NASBA has opened up lines of communication to increase referrals to the State Boards from other Boards and state and federal agencies, Ms. Grooms explained. Coordination efforts with the Department of Labor (DOL) have increased the referrals being sent directly to the Boards. NASBA is also distributing the IRS issued Preparer Tax Identification Number listings, Employee Benefit Plan audit listing, and Federal Clearinghouse listings. Quarterly Enforcement Reports are compiled by NASBA and distributed to notify Boards of actions by other agencies that may require enforcement action by their Board. The Quarterly Enforcement



Enforcement Panelists: Stacey Grooms, Randall Ross and Lisa Snyder

Reports reflect publicly available discipline reported by the IRS, SEC, PCAOB and AICPA.

NASBA’s research into the audit deficiency referrals made by the DOL in the past showed that of 145 audit quality referrals made by the DOL, 132 went to the AICPA and only 13 were sent to the Boards of Accountancy. Over 65 percent of those handled by the AICPA were concluded with the issuance of confidential required corrective action (RCA) letters, Oklahoma Accountancy Board Executive Director Randall A. Ross pointed out. Going forward, all DOL referrals are to be made jointly to the Boards and the AICPA, and NASBA has asked the Boards to identify the appropriate Board contacts to receive those referrals. This past quarter (July-September 2015) the DOL sent 19 referrals to the Boards and NASBA is checking with the Boards to confirm that the matters were received, Ms. Grooms said, and to discuss the availability of the DOL audit review file (including DOL findings) if a DOL approved consent form is obtained.

The AICPA/Board of Accountancy Cooperative Enforcement program was described by AICPA Professional Ethics Division Director Lisa A. Snyder as a “win-win situation for all,” allowing the AICPA, Boards of Accountancy and NASBA to demonstrate their commitment to audit quality and providing efficiency, by sharing the AICPA’s investigative files and conclusions with the Boards. Boards should send a letter to the licensee notifying him or her of receipt of the referral and request the licensee provide consent for the AICPA to share its information with the Board. Ms. Snyder explained that the Board would defer its investigation until the completion of the AICPA investigation, and would need to reach its own conclusions and determine sanctions following receipt of the investigation file and findings. ♦

UAA CPA-Retired Proposal Released

It has taken a couple of years of discussion, but the AICPA/NASBA Uniform Accountancy Act Committee has developed changes to the UAA and Model Rules that the Committee hopes will allow CPAs over 55 to qualify for a retired/inactive status recognized throughout the country. On October 23 the NASBA Board approved a 90-day comment period on the proposal as presented by UAA Committee Chair J. Coalter Baker (TX), and approved for exposure by the AICPA Board of Directors a week earlier.

“The way the current UAA is written, Joe the plumber could serve in the IRS Volunteer Income Tax Assistance program, but an experienced CPA-inactive could not. Is that benefitting the public?”

UAA Chair Baker asked. “The exposed changes would allow for those who are at least 55 years of age to serve without compensation on some government-sponsored programs and non-profit boards, and to affirm to State Boards that they understand the limitations on what services they can offer. We’ve been talking about this for years, but now with the Baby Boomers retiring from practice, it’s time to get the states handling retirees in a uniform fashion that does not threaten interstate mobility.”

The UAA exposure draft can be found on: <https://nasba.org/media-resources/publications/>. All comments are due by February 2, 2016. ♦

FSBA Offers Boards More Info

Nine Boards of Accountancy now require firms to participate in the AICPA's Facilitated State Board Access (FSBA) program as part of their license renewal process. This gives State Boards access to the firms' peer review results. Plus there are 36 other Boards that require peer review for license renewal and are not prohibited from accessing the results, said AICPA Vice President Susan S. Coffey, leaving only 10 Boards that are unable to use the information available from the AICPA's peer review program. A firm can "opt out" and not volunteer to make their peer review results available, but Ms. Coffey commented that should be a "red flag" for a Board to ask why that firm made that decision.

Under the FSBA program, the Board can get the firm's peer review report, letter of response, corrective action letter and then, once complied with, all the corrective action. Since February 2015, AICPA has been posting the information for the most recent peer review and the prior one, Ms. Coffey said. If a firm is in a state that does not require peer review or that can't review the results, the firm may still expand the FSBA so that other states can have access.

Oklahoma is one of the nine states where firms cannot opt out

of the program, Janice L. Gray (OK), chair of the NASBA Compliance Assurance Committee stated, and it "streamlines the renewal process." It enables the Board to see if a firm has done audits before, and it lets the Board focus on those firms that either fail or pass with deficiencies. The Oklahoma Board will send a letter to a firm to let them know the Board is monitoring the steps the firm is taking to remedy concerns. E-mail notification is sent to the Board to allow them to know that a peer review report was recalled, and within 15 days the reports are pulled down from the AICPA site, Ms. Gray said. She advised Boards to check with their Attorney General to see if they can access or download information from FSBA.

The Compliance Assurance Committee has been encouraging all Boards to develop a Peer Review Oversight Committee (PROC) to have a vehicle to review the reports. PROC members have access to all the information given to the Report Acceptance Body (RAB) meetings they attend.

Ms. Coffey said the AICPA would work with Boards in states that have open records laws to enable them to have access to the peer review information without breaking its confidentiality. ♦

Cotterell, Odom and Sweetwood Honored

NASBA's 2015 awards for promotion of effective regulation of the accounting profession were presented by Awards Committee Chair Gaylen R. Hansen (CO) and NASBA Executive Vice Chair Emerita Lorraine P. Sachs at the Annual Business Meeting to:

- Samuel K. Cotterell, CPA (ID) – William H. Van Rensselaer Public Service Award
- Kenneth R. Odom, CPA (AL) – NASBA Distinguished Service Award
- Daniel R. Sweetwood (NE) – Lorraine P. Sachs Standard of Excellence Award.

Mr. Cotterell, NASBA Chair 2007-2008, said he always felt like "an impostor," because his undergraduate degree was in Spanish and he turned to accounting when he decided he needed to find a way to make a living. He thanked NASBA for giving him personal and professional opportunity: "It was opportunity when you take someone from Idaho to rub shoulders with those in D.C. to contribute to the establishment of the PCAOB." He recalled his involvement in the development of the computer-based Uniform CPA Examination and in the internationalization of the Examination. Mr. Cotterell said when he was studying auditing standards in college, he never thought he would one day sit in a room discussing every comma and parsing every portion of those standards to make sure they said what they meant. "My motto for life has been: Work hard; Be kind to others; And do what is right," he explained.

"It is a difficult job to navigate state government, and with the assistance of NASBA we are able to work together," Mr. Sweetwood said upon accepting his award. He compared his early work as a police officer with his current position of Executive Director of the Nebraska State Board of Public Accountancy: "Both are really about public service and removing those who shouldn't be in the profession." ♦

Boards Need to Consider Next Exam

In response to the Board of Examiners' Exposure Draft on the next version of the Uniform CPA Examination, the CBT Administration Committee, working with other NASBA Committees, developed a comment letter which can be found on <https://nasba.org/news/>. While generally supportive of the overall proposal, the NASBA letter includes concerns regarding the diminished emphasis on accounting and review services, as well as attestation engagements in the proposed next version of the Examination. It also mentions concern about the deletion of a separate not-for-profit accounting and reporting topic area in FAR, and requests the BOE reconsider the times allocated for covering business law and standard setting. Suggested additions include coverage of the Board of Accountancy's licensing and regulation of CPAs, and data analytics and data mining. The comment deadline on the Exposure Draft is November 30, 2015. Speaking at the Annual Meeting, CBT Administration Committee Chair Richard N. Reisig (MT) encouraged all State Boards to consider responding with their own comments to the Exposure Draft. Comments received on the Exposure Draft will be posted on the AICPA's Website.

The Uniform CPA Examination has assessed a candidate's content knowledge well, but the practice analysis told the Board of Examiners that, due to the evolving practice requirements of newly licensed CPAs, the next version of the Examination needs to do more to assess higher order skills, AICPA Vice President-Examinations Michael A. Decker reported at NASBA's Annual Meeting.

"The testing of critical thinking skills underlies a lot of the changes proposed for the CPA Examination," Board of Examiners Chair 2013-2015 Frederick Niswander commented. It is recommended in the Exposure Draft that simulations be added to BEC, and the number of simulations be increased across all parts of the Examination. At the same time, the number of multiple-choice questions would be

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A Glimpse of the 108th Annual Meeting



Representatives from 50 Boards of Accountancy, including 120 Board members with a total attendance of 438, at the October 25-28, 2015 Annual Meeting.



Syndicated columnist Donna Brazile describes presidential race.



Walter Davenport reflects on the past year and serving as NASBA Chair 2014-15.



NASBA CPT honors many sponsors, including Milton Brown and David Costello.



From Left to Right: Lorraine P. Sachs, Daniel Sweetwood, Samuel Cotterell and Gaylen Hansen at awards presentation.



Janice Gray discusses peer review's value, limitations and challenges.

2015-16 NASBA Committee Chairs

2015-16 Committee/Task Force Name	Chair
Accountancy License Database/CPAverify	Laurie J. Tish
Administration and Finance	E. Kent Smoll
Audit Committee	Jimmy E. Burkes
Awards Committee	Carlos E. Johnson
Bylaws Committee	Edwin G. Jolicoeur
CBT Administration Committee	Richard N. Reisig
Communications Committee	Benjamin C. Steele
Compliance Assurance Committee	John F. Dailey, Jr.
CPA Examination Review Board	Douglas E. Warren
CPE Committee	Maria E. Caldwell
Diversity Task Force	Tyrone E. Dickerson
Education Committee	Raymond N. Johnson
Enforcement Resources Committee	Harry O. Parsons
Ethics Committee	Janice L. Gray
Executive Directors Committee	James Corley
International Qualifications Appraisal Board	Telford A. Lodden
Legislative Support Committee	Sharon A. Jensen
Nominating Committee	Walter C. Davenport
Past Chair Advisory Council	Walter C. Davenport
Regulatory Response Committee	W. Michael Fritz
Relations with Member Boards Committee	John F. Dailey, Jr.
Standard Setting Advisory Committee	A. Carlos Barrera
State Society Relations Committee	Ralph Albert Thomas
Uniform Accountancy Act Committee	J. Coalter Baker

Email Anita Holt (aholt@nasba.org) for additional contact information.

Next Exam (Continued from page 5)

reduced. Also new question types could be used. For example, a document review simulation was introduced in the Exposure Draft, to demonstrate the candidate knows how to pull pertinent information from documents and properly apply it. The AICPA is recommending lengthening the Examination from 14 to 16 hours by making both the BEC and REG sections four hours. This would make all four sections each four hours long. "We want you to help us prepare for the future," Dr. Niswander said. "We are thinking of the next exam -- and the next exam. We need to be continually innovative."

Michael T. Daggett (AZ), NASBA Chair 2010-2011, will be the 2015-2017 Board of Examiners Chair. ♦

Staff and Legal Meetings

NASBA is looking ahead to the State Board Legal Counsel Conference and the 33rd Annual Conference for Executive Directors and State Board Staff, both to be held March 15-17 in Tucson, AZ. We hope your Board will be represented at these events. ♦

