

Speeding Up MRA Renewals Approved

The NASBA/AICPA International Qualifications Appraisal Board's (IQAB) careful consideration of mutual recognition agreements (MRA) and renewals spans many months, but a step to hasten the process was approved at the July 21 Board of Directors meeting in Montana. In response to a recommendation from IQAB presented by its chair, Sharon Jensen (MN), the NASBA Board authorized the NASBA Chair and President to approve renewal of MRAs, leaving to the Board of Directors the authority to approve the initial MRAs. The AICPA had approved a similar resolution at their board's last meeting.

"This may not seem like a major change, but it is a very meaningful change in terms of how quickly IQAB can get through its work and keep its agreements up-to-date," IQAB Chair Jensen explained. "Instead of waiting to be calendared to bring a renewal issue to the NASBA Board and to the AICPA Board, we can send documents to the AICPA and NASBA Chairs and Presidents and get a

prompt response anytime during the year," Ms. Jensen pointed out.

Several agreements are up for renewal at the present time. IQAB is completing work on renewals with CPA Canada, Instituto Mexicano de Contadores Públicos and Chartered Accountants Ireland and signings are anticipated soon. Similarly, renewals of agreements with Chartered Accountants Australia/New Zealand and CPA Australia are being negotiated. The renewals are being formatted in a uniform fashion intended to clarify exactly what is required from U.S. CPAs and from the partner professional bodies to obtain international recognition.

NASBA Chair Telford Lodden (IA) congratulated IQAB on the progress they have been making this year to develop agreements that identify current procedures and also illuminate areas where gaps exist that need to be bridged. ♦



Sharon Jensen

CAC Task Force Considers PROC

A Peer Review Oversight Committee (PROC) that could be provided by NASBA is being mapped out by a task force of NASBA's Compliance Assurance Committee, the committee's chair, John F. Dailey, Jr. (NJ) reported to the NASBA Board of Directors. The task force has been asked to outline what a NASBA PROC should do, and then NASBA staff will work out what would be needed to operationalize that project, President and CEO Ken L. Bishop explained.



John Dailey

"We want to provide what the State Boards would expect from us. It is important for the task force to say here is the level of quality review that meets the standard of the best PROC in the country," President Bishop said.

A NASBA PROC was discussed during the Regional Meetings, as State Boards considered how the AICPA's proposal for revising the administration of its Peer Review Program would impact them. While some Boards believe their PROC works well with the current administering entity, frequently the State CPA Society, other Boards indicated they would welcome having the option of using a NASBA PROC. Boards are uncertain as to which CPA Societies will continue to administer the Peer Review Program, and which states will have to change administering entities.

Mr. Dailey observed: "Nobody knows where this is going to settle. The Compliance Assurance Committee is speaking with the Peer Review Board." Twenty-six Boards responded to the AICPA's peer review reorganization proposal by the June 30 deadline. This month AICPA is expected to release its plans for revising the administration of the program. Mr. Dailey said that he has reminded AICPA Vice President Jim Brackens of the importance of State Boards being involved in the oversight of the process, including the selection of their administering entity. ♦

Headquarters Improvements Continue

As NASBA has now taken occupancy of the entire eighth floor of its Nashville office building, demolition began this month kicking off the redesign plan. A section of the eighth floor had been redesigned last year, but with the tenant's moving out of the remainder of the floor, the remodeling can be completed. NASBA will now have space for a larger conference room, a video recording studio, additional staff meeting enclaves and desks. Plans have already been made for holding joint committee meetings in the new space in November.

NASBA Senior Vice President and Chief Financial Officer Michael Bryant also announced at the July Board of Directors meeting that NASBA's Guam testing and call answering center is being moved to another area on the island closer to the airport and hotels. NASBA is working with Prometric on the design of the new center. ♦



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Boards Weighing Title Language

State Boards and other interested parties are being asked to take a hard look at language that has been proposed for inclusion in the Uniform Accountancy Act that would allow management accountants to hold out their designations to the public without running afoul of state law. NASBA's Regional Directors at their meeting in July agreed to urge their states to submit written comments before the September 30 deadline.

The proposed language for Section 14(q) states:

- (q)(1) Notwithstanding any other provision of law to the contrary, an individual may use an accounting designation that includes the word "management", conferred by a bona fide nationally recognized accounting organization such as the American Institute of CPAs, the Chartered Institute of Management Accountants or the Institute of Management Accountants, provided the designation does not purport to confer the right to perform audit, attest or compilation services as defined by any state or foreign jurisdiction.
- (2) An individual using an accounting designation in accordance with the provisions in Section 14(q)(1), who does not also maintain a license or practice privilege, shall not:
- (A) offer or render audit, attest or compilation services for the public, except under the supervision of a licensee operating within a CPA firm that holds a permit issued in this state or another state.
 - (B) offer or render tax services to the public, while using such a designation, except within a CPA firm that holds a permit issued in this state or another state.
 - (C) establish, participate in, or promote a business that markets itself by reference to a designation in 14(q)(1) and is not also a CPA firm that holds a permit issued in this state or another state.
- (3) The Board may take such actions, as authorized in this Act, to prohibit the use of any accounting designation in this State that does not meet the criteria of this section.

During NASBA's June Regional Meetings the proposed language was debated and many Board representatives indicated their Board would be submitting a comment letter. Several states have submitted responses; however, more are expected. Comments should be sent to lhaberman@nasba.org by September 30. ♦

Actively Pursuing Diversity

State Boards are being encouraged to reach out to minority group professional associations to increase diversity on the Boards. Diversity Committee Chair Tyrone Dickerson reported to the Board of Directors that NASBA has been discussing with the National Association of Black Accountants (NABA) ongoing ways the organizations can work to increase the number of African-American CPAs, and NASBA hosted a booth at NABA's convention in June. He urged State Boards to contact NABA for volunteers to become Accountancy Board members or to serve as advisers to the State Boards. Mr. Dickerson suggested contacting NABA Executive Director Jina Etienne (jetienne@nabainc.org) for appointment recommendations.

The Diversity Committee is also working to establish relationships with the Accounting and Financial Women's Alliance (AFWA), American Woman's Society of Certified Public Accountants (AWSCPA) and the Association of Latino Professionals For America (ALPFA).

Texas State Board of Public Accountancy Presiding Officer J. Coalter Baker said the Texas Board has been turning to others besides the State CPA Society for individuals to serve as the Board's advisers and committee members. NABA has been a "great source" of non-traditional volunteers, he stated.

This year NASBA staff has once again been joined by two interns from the Inroads Project, Darius Lewis in finance and Gus Surrano in data analytics. Ryan W. Hirsch, NASBA Center for the Public Trust Operations Director, began his career as an Inroads Project intern at NASBA.

NASBA continues to support the work of the Ph.D. Project, promoting business doctoral programs for minorities underrepresented on business faculties. Throughout August the Project will be holding informational sessions across the country. ♦



T. Dickerson

NIES Moves to Client Services

The operations of NASBA's International Evaluation Services (NIES) have been brought under the umbrella of the Client Services Department, led by Patricia L. Hartman. NASBA Executive Vice President and COO Colleen Conrad told the Board of Directors that international transcript evaluation services are a natural add-on to the candidate application process. "Combining these units is expected to provide greater continuity of service for the candidates, as well as add to the efficiency of operations," Ms. Conrad said.

NASBA's Client Services cover administration and operations of the National Candidate Database, CPA Examination Services, CPA Licensing Services, the Guam Testing Center and now NIES. ♦

Registry Summit in Nashville

The National Registry Summit, to be held September 26-27 in Nashville, will be focused on the "Tempo of Change." The revised CPE Standards will serve as the basis for the conference's discussions, delving into tips for applying nano and blended learning, as well as counseling how to avoid compliance problems. Speakers will include Dr. Art Kohn, who will advise attendees on how to master principles of developing training programs that engage participants, and Dr. Jennifer Kahnweiler, who will discuss how to balance audience members' energies so that programs make lasting impacts.

There will be opportunities to meet with NASBA CPE Sponsor Registry staff and to network with others in the continuing professional education field. Attendees are encouraged to come to the conference with their questions. Registration will be open until the maximum registration number is met. Go to www.nasba.org for details. ♦



PRESIDENT'S MEMO

An End of Year 'Thank You'

In late July, I was in Big Sky, Montana, attending the end of the fiscal year NASBA Board of Directors meeting. This is an important gathering in that it provides the opportunity to formally evaluate the year to ascertain how we measured up to expectations, as individuals and as an organization. As with any NASBA event, there were opportunities for socializing, building relationships and, of course, enjoying good food together. It was one of those occasions that served as the catalyst for this *President's Memo*.



From left to right: T. Lodden, K. VanDyke, K. Bishop, M. Huotte, L. Harris and R. Jones meet in Montana.

Typically we invite Board of Accountancy members to join us for an event or dinner when the Board meets in their state. In Montana, we met for an outdoor barbeque alongside the Gallatin River near Big Sky. I was very pleased that four members of the Montana Board were able to join us for dinner. As we were talking, I casually asked if they lived nearby. The response surprised me: Every member had driven literally for hours from different locations in the vast state of Montana to spend a brief time with us. I was so honored — and I immediately knew my topic for this month's *Memo*.



Ken L. Bishop
President & CEO

The gesture by the Montana Board members was certainly unique in terms of the distance travelled and time spent, but their welcoming camaraderie was not: We've experienced it throughout the country. Nearly six years ago we made the important decision to strive to build strong and trusting relationships with all our State Boards. What the Montana visit demonstrated is our outreach efforts have not been in vain, as we have benefitted from the reciprocal actions of State Board members.

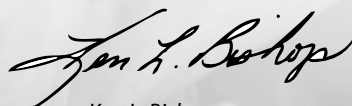
It occurred to me when developing this *Memo* that I spend a significant amount of time talking and writing about things NASBA does for you, our State Board members, but not nearly enough talking about what you do for us. Almost every week I hear a story from one of our staff about the courtesies and support they were shown when visiting a State Board. I can think of so many personal examples when I too have shared their experience. So many times, I have reached out to a Board Chair or Executive Director advising that I would be coming to their state for a quick business trip and asking if there might be an opportunity to get together. I know that folks are adjusting their calendars and manipulating their busy schedules to enable us to meet. This is my opportunity to express my gratitude for the gracious hospitality.

It should come as no surprise to you that we find it rewarding when a Board of Accountancy reaches out to us for some type of assistance. We constantly beat the drum proclaiming that supporting and enhancing State Boards is why we exist as an organization. Just this week we have received requests ranging from providing information to an emergency call to come to a state to help fight off threats to the Board's ability to maintain staffing required to perform their public protection mandate. As is almost always the case, we were able to say "yes" to each of the requests, and we will expend the resources necessary to work toward a positive outcome. Effectively fighting these battles as they occur helps preserve the credibility of our national State Board system of accounting regulation. Again, we thank you for the trust you put in us when you make these important requests.

Finally, I want to thank you for the patience and indulgence you give us when we appear to be overly persuasive. While NASBA always strives to support individual state's rights, occasionally challenges arise that are deemed to potentially threaten other states and the system that allows the states to effectively regulate individual CPA mobility. Usually it is related to licensure, education, or examination requirements. In these cases, we often take strong positions and aggressively attempt to persuade states to change or reconsider the issue at hand. Regrettably, these types of issues pop up almost every year including this year. Once again, I am extremely grateful for how State Boards typically respond to these types of matters and their thoughtful approach to resolving them.

I am very proud of where NASBA is today in financial soundness, national and international relevance, and in our increasing capacity and capabilities. This message is to acknowledge that it is because of the great support we receive from you that we are able to be successful. So, please accept my end of year, "Thank you!"

Semper ad meliora (Always toward better things).



— Ken L. Bishop
President & CEO

MO Adds CPT Course to Discipline

The Missouri State Board of Accountancy has made the Center for the Public Trust's Ethics Certification program a requirement for licensees disciplined by the State Board for ethics infractions. As other Boards heard from CPT President Alfonzo Alexander during the NASBA Regional Meetings in June, this on-line program can be tailored to a Board's requirements for reinforcing ethics rules in their jurisdiction.

The program is designed to help participants recognize ethical issues, resolve ethical dilemmas and enhance ethical decision-making. Missouri customized the program with an introduction from its leadership added to three one-hour modules. Those individuals who were assigned to complete the course by the Missouri Board do not receive continuing professional education credit.

Following the Regional Meetings, several Boards expressed interest in the program and the Kansas Board of Accountancy has become the latest to sign on to use it for its discipline cases as well. A fourth module specific to Kansas is being developed in cooperation with the Board. The Board's Executive Director Susan L. Somers explained that the Board is hoping to be able to use the fourth module not just for those who must complete the program as a result of discipline, but also to offer it to other Kansas licensees who would be able to receive CPE credit.

Boards interested in seeing a demo of the program and finding out more about how it can be used to fit their needs should contact Sydney Shearer at info@thecpt.org. ♦

Call for FASB to Address Digital Currency

The Chamber of Digital Commerce (CDC), which characterizes itself as "the world's largest trade association representing the blockchain industry," on July 11 hosted a "Congressional Blockchain Education Day" in Washington, D.C. Members of the CDC met with elected officials and their staff to underscore the importance of blockchain technology. Blockchain involves an open, distributed ledger and will be one of the technology trends discussed at NASBA's Annual Meeting in October. The CDC has requested the Financial Accounting Standards Board to add to their agenda a project to address accounting for digital currencies, which rely on blockchain technology.

In her June 8 letter to the FASB, Chamber President Perianne Boring wrote: "Blockchain technology uses a peer-to-peer decentralized and distributed network that allows parties that do not know each other to transact securely without the use of an intermediary. Transactions are recorded on a public digital ledger which is shared with all other computers connected to the network."

The CDC President asked the FASB to develop a subtopic to address recognition, measurement, presentation and disclosure for digital currencies. ♦

MRA with HKICPA Extended

The mutual recognition agreement with the Hong Kong Institute of CPAs has been extended until December 31, 2018. The NASBA/AICPA International Qualifications Appraisal Board will be working on renewal of the agreement in the coming months. ♦

