

# NASBA STATE BOARD REPORT

A Digest of Current Developments Affecting State Accountancy Regulation

Volume XLVIII, Number 7

July 2019

## Regionals Ponder CPA Evolution

The "Guiding Principles" for transforming the CPA profession to meet constantly escalating technological advances were the primary focus of the June 2019 NASBA Regional Meetings. On June 11-12 the Eastern Regional Meeting was held in Washington, DC, with 184 participants, and on June 18-20 the Western Regional Meeting was held in Salt Lake City, Utah, with 161 participants. State Board members from around the country were asked to voice their views on the Principles and how the cooperative efforts of NASBA and the AICPA should implement them.

"The disruption of professional services is already here," Vice Chair Laurie Tish (WA) told the Western Regional Meeting, as she pointed to the IT-based services currently being offered by Legalzoom, TurboTax, Zelle and others. In the largest 100 US CPA firms, only 20 percent are CPAs, she noted. "We are trying to recognize technology is here and we need to bring it into the profession," Ms. Tish stated. "Examination, education and experience are in our purview as regulators and we have to be sure our licensees are prepared to meet the future."

NASBA Northeast Regional Director Catherine Allen (NY) reported on conclusions reached by the CPA Evolution Working Group, which she chaired. Its members were: Tom Broderick, Mark Dawkins, Clay Huffman (GA), Nancy Juron, Audrey Katcher, Rick Niswander, Todd Shapiro, Susan Somers (KS) and Michael Womble (NC). Their recommendations included staying with a single Uniform CPA Examination that would continue to be the same length as it is currently. As topics would be added to the Examination's blueprints, others would be deleted, but the core CPA competencies would be covered. Changing the Examination

will help to evolve required education. To do this, "We must become more nimble and look into new ways of conducting the practice analysis," Ms. Allen said. "Many schools align their programs with the Examination, and many with market demand but, either way, we will change."

To carry forward the Working Group's suggestions, Vice Chair Tish and AICPA Vice Chair Bill Reeb worked with staff to develop the Guiding Principles. These continue to be finetuned, but the following were presented to the Regional Meetings.

### Guiding Principles

1. The CPA profession must adapt quickly due to the technological disruptions in areas such as data analytics, robotics, artificial intelligence, and more. As such, the competencies, services and attitudes of CPAs need to continually evolve in order to protect the public interest.
2. The CPA profession and State Boards of Accountancy recognize that technological and analytical expertise are essential to performing assurance work, as well as the other services that are currently, or will be in the future, core to professional accounting.
3. The CPA profession and State Boards of Accountancy acknowledge that sustaining the profession and continued public protection require rethinking initial licensure requirements.
4. The profession, and therefore entry into the profession, must be redesigned to attract individuals with technological and analytical expertise. This includes non-CPA professionals whose technology and analytics skills are critical to the performance of assurance and other core services, as well as non-accounting major students. All must demonstrate minimum required competencies necessary to perform professional accounting services as a CPA.
5. The changes must be rapid, transformational and substantive without negatively impacting candidates in the pipeline.

(Continued on page 6)



The Western Regional Meeting gathered 161 participants plus their guests in Salt Lake City, UT.



The Eastern Regional Meeting gathered 184 participants plus their guests in Washington, DC.

## Contents

Regionals Ponder CPA Evolution .....	1
Nominating Committee Announces Slate .....	2
President's Memo .....	3
Gen Z Speaks at Regionals.....	4
Driving a Different Narrative.....	4
Useful Research Reported.....	5
Staying Abreast of Data Protection.....	5
Slow Start on Crypto Tax.....	6
CICPA, IMCP, AICPA and NASBA Meet.....	6
A Glimpse of NASBA's Regional Meetings.....	7
Change Comes to Exam Quarterly .....	8

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## Nominating Committee Announces Slate

On June 20, 2019, the NASBA Nominating Committee met in Salt Lake City, UT, and selected the following individuals as their nominees for Directors-at-Large and Regional Directors, as reported by Nominating Committee Chair, Theodore W. Long, Jr. (OH):

### Directors-at-Large (three-year term)



**Richard N. Reisig (MT)**



**Tyrone E. Dickerson (VA)**



**Catherine R. Allen (NY)**

### Regional Directors (one-year term)



**Central**  
**Faye D. Miller (ND)**



**Great Lakes**  
**Kenya Y. Watts (OH)**



**Middle Atlantic**  
**Alison L. Houck (DE)**



**Mountain**  
**Jason D. Peery (ID)**



**Northeast**  
**Stephen F. Langowski (NY)**



**Pacific**  
**Katrina Salazar (CA)**



**Southeast**  
**Jack Anderson Bonner, Jr. (TN)**



**Southwest**  
**C. Jack Emmons (NM)**

### 2019-21 Nominating Committee Selection

At the 2019 Regional Meetings, half of the Nominating Committee's members and alternate members were selected by four Regions, in accordance with Article 7.2.2 of the Bylaws, with the other half having been selected at the 2018 Regional Meetings. The newly elected members to the 2019-2021 Nominating Committee are:



### Nominating Committee

#### Mountain

- Member - Harry Parsons (NV)
- Alternate - Dan Vuckovich (MT)

#### Southwest

- Member - Thomas G. Prothro (TX)
- Alternate - Manual Cavazos (TX)

#### Northeast

- Member - Frederick G. Briggs (NH)
- Alternate - Richard Silverman (NH)

#### Great Lakes

- Member - James P. Gero (OH)
- Alternate - Dolly M. Lalvani (PA)

Continuing on the Nominating Committee for the second year of their two-year term are:

#### Central

- Member - Michelle M. Stromp (NE)
- Alternate - Holly Brunick (SD)

#### Middle Atlantic

- Member - Marc Moyers (VA)
- Alternate - Barton W. Baldwin (NC)

#### Pacific

- Member - Raymond N. Johnson (OR)
- Alternate - Thomas T. Ueno (HI)

#### Southeast

- Member - Willie B. Sims, Jr. (MS)
- Alternate - David L. Dennis (FL)

As announced in May, the Committee selected A. Carlos Barrera (Delegate – TX) as their Vice Chair nominee, who will accede to the office of NASBA Chair 2020-21 should he be elected by the member Boards at the Annual Business Meeting, on October 29, 2019.

Nominations may also be made by any five member Boards if filed with NASBA Chair Janice L. Gray at least 10 days prior to the Annual Business Meeting. No nominations from the floor will be recognized. A majority vote of the designated voting representatives of the member Boards attending the Annual Meeting shall constitute an election provided a quorum is present.

Under the provisions of NASBA's Bylaws, at the 2019 Annual Meeting, Laurie J. Tish (Associate – WA) will accede to the office of NASBA Chair and Ms. Gray (Associate – OK) will accede to the office of Past Chair. Continuing to serve for the balance of their unexpired terms: Directors-at-Large (third year of a three-year term) – J. Coalter Baker (Associate -TX), Maria E. Caldwell (Associate – FL) and W. Michael Fritz (Associate – OH); Directors-at-Large (second year of a three-year term) – Sharon A. Jensen (Delegate – MN) and Stephanie M. Saunders (Associate - VA). Should Mr. Barrera be elected Vice Chair, the Board of Directors will select an individual to fill the remaining two years of his term. ♦

### IESBA Thanks NASBA



International Ethics Standards Board for Accountants (IESBA) Chair Stavros Thomadakis (left) presents NASBA Senior Vice President and CFO Michael Bryant with a plaque expressing IESBA's appreciation for NASBA's hospitality in providing IESBA meeting space in its Nashville headquarters.

# PRESIDENT'S MEMO

## It Was Only CPE

At the 2019 NASBA Regional Meetings, Chair Janice Gray and I spoke about the importance of ethics and, specifically, the importance of NASBA's ethics arm, the Center for the Public Trust (CPT). Ethics is the cornerstone of the U.S. CPA profession, so it is appropriate that NASBA invests in the recognition of ethics and provides ethics training and certification to students, business professionals and Certified Public Accountants. CPT has also recognized leaders in the profession, business and industry who have exhibited strong ethical behavior. Regrettably, this *Memo* is not about that, but about the occasional failures that tarnish the image of the profession.

Nearly 20 years ago, after I retired from my first career in law enforcement and had just become the Executive Director of the Missouri State Board of Accountancy, I saw my first instance of disappointing behavior. For context, my duties as an Assistant Director of the Missouri Department of Public Safety included oversight of our law-enforcement academies and compliance, including professional education and training. In many ways, the rules and regulations for Continuing Professional Education (CPE) were similar to what I found when I began regulating CPAs.

While trying to learn the ropes of my new State Board position, I decided to visit a CPE course that was being delivered in St. Louis. As I was new to the job, no one had any idea who the guy standing at the back of the room was. While observing the sign-in process at a table set up in the back of the classroom, I watched a young lady approach the table and sign in. I noticed that she appeared to sign in multiple times, so when she sat down, I went over to the sign-in sheet and saw that she had signed several different names in slightly different handwriting. Being an old cop and somewhat suspicious by nature, I continued to observe.

At the end of what I thought was a very well-done course, I watched the same young lady dutifully sign out -- five times. My curiosity was peaked, so I approached and asked her about the multiple sign-ins. After enduring the "who are you" and "what is the Board of Accountancy" questions, it became apparent that she knew things were not good. She explained that she was told to sign in for several partners. I asked her to please introduce me to them as I would like to see how they enjoyed the course. After a brief hesitation, she replied that the partners were not present. I began to understand that, just as with some experienced police officers, some experienced CPAs sometimes do bad things.

If you are curious as to how the matter ended, I had the young lady tell the less than diligent CPE table staff that she needed to remove the errant names. I then advised her to call her boss (one of the forged names and the managing partner of a sizeable firm) and tell him I would like to stop by and visit. She timidly replied that she was told that I would have to make an appointment. I responded, "Never mind: I will just have him to Jefferson City [Missouri's capital]." Amazingly his calendar suddenly opened up and we had the opportunity to have a serious discussion. In cop terms, I ended up giving him and his fellow conspirators a "warning" based on their promise it would never happen again. I later got to know several of these gentlemen during my years at the Missouri Board and never saw another instance of misconduct, but I never forgot their troublesome, and frankly dumb, behavior.

At the Regional Meetings there was some discussion about a big firm being fined \$50,000,000 because of cheating on CPE, or as one attendee remarked "about \$20,000 per partner." I heard a range of feedback, some of which was disappointing. One State Board member, with nexus to the impacted firm, made the comment, "It was only CPE." I thought back to my reaction to hearing a similar excuse 20 years ago. It may "only" be CPE, but it is cheating, pure and simple, and it's a culpable violation of law.

NASBA's members, the U.S. State Boards of Accountancy, have a tremendous responsibility in protecting the public. Regrettably, most Board members will see multiple instances of failed ethical behavior of various degrees during their terms. CPE violations, although arguably less serious than cases of fraud and malpractice, may be indicative of more systemic problematic cultures that may exist. According to the SEC's settled order in the recent case, the cheating activity was extensive. The SEC concluded: "A number of lead audit engagement partners not only sent exam answers to other partners, but also solicited answers from and sent answers to their subordinates."

I often have the opportunity to speak to newly certified CPAs. In my recent remarks to such an audience in New Hampshire, I advised the students of the importance of ethics and the reality that in their careers they will see ethical failures, and they may be asked to join in with that behavior. My advice to them, "Don't do it the first time as it is a slippery slope." Imagine the impact on the careers of the subordinates of the firm being fed answers to CPE tests (ironically in ethics training mandated by the SEC) by senior partners who they may well consider to be mentors.

CPAs have a reputation for integrity and trust. By far, the majority of them do the right things, but we, and the State Boards, exist for a reason. Not only do we protect the public, but we also protect the important public trust in this great profession.

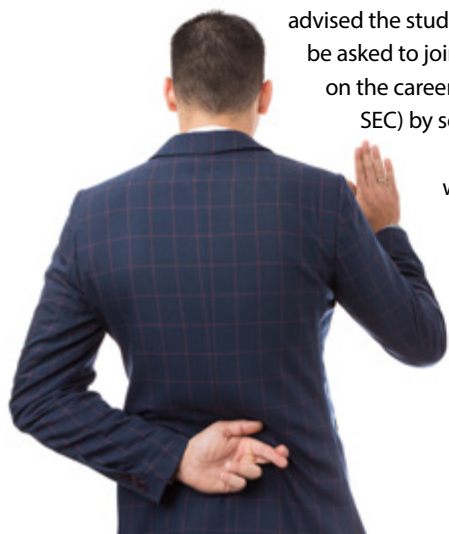
*Semper ad meliora (Always toward better things).*



— Ken L. Bishop  
President & CEO



Ken L. Bishop  
President & CEO





## Gen Z Speaks at Regionals

Four members of the Center for the Public Trust Student Chapters joined CPT President Alfonzo Alexander to give Regional Meeting attendees some insights into what students in “Generation Z” (the demographic group born from the mid-1990s to the early 2000s, which now composes 25 percent of the U.S. population) think about entering the accounting profession.

“How do you learn?” Mr. Alexander asked the candidates:

“I like more traditional learning. You learn better in the classroom,” replied Dakota Cannoy of Marshall University, in Huntington, WV.

“I prefer hardcopy textbooks with an electronic addition to my study habits. On-line courses are not very friendly for asking a lot of questions,” MaKayleigh Lackey of Lipscomb University, in Nashville, TN, responded.

“I do not like on-line courses. I know they can be beneficial for those students without time, but you can learn from peers’ asking questions,” Fernando Cervantes Alatorre of the University of Utah, in Salt Lake City, UT, stated.

“I am taking two on-line courses this summer because no face-to-face were offered. You have to be extremely motivated to take a course on-line,” Amber Elston of East Central University, in Ada, OK, observed.

Asked about public accounting as a future career, two of the four students said they had heard public accounting “really burns you out.” Mr. Alexander also asked about their expectations related to technology. Ms. Lackey reported her school is now requiring all business majors to take data analytics. Mr. Cannoy said technology is available in on-line courses.

Mr. Alexander asked if the students could recommend a way to encourage their peers to become interested in a career in accounting. “Professors and conferences,” Mr. Cervantes replied, “I think they can make a change in what you are studying in college. They can transfer their passion to you.” Ms. Elston reported that she did not know what accounting was when she started college. “My professor told me that anything I could do with a business degree, I could do with an accounting degree - but not visa versa,” she recalled. Ms. Lackey and Mr. Cannoy both recommended having representatives of the profession participate in conferences for high school students. Ms. Lackey recalled seeing KPMG at a conference she attended.

The CPT now has more than 40 Student Chapters across the country. Its Student CPT Leadership Conference was held in Washington, DC, in June, in conjunction with NASBA’s Eastern Regional Meeting. Sixty-one students were in attendance. ♦



MaKayleigh Lackey



Dakota Cannoy



Fernando Cervantes Alatorre



Amber Elston

## Driving a Different Narrative

There are major players currently dedicated to reducing the regulation of occupations and professions, NASBA Director of Legislative and Governmental Affairs John W. Johnson once more told the Regional Meetings. These include the American Legislative Exchange Council (ALEC), Institute for Justice, Cato Institute, Americans for Prosperity, Mercatus Center and Goldwater Institute. In 2019, anti-regulatory legislation was filed in 27 states, Mr. Johnson reported. To get out the story of the benefits professionals provide for the public, NASBA has joined with the AICPA and associations of architects and engineers in the Alliance for Responsible Professional Licensing (ARPL), which has engaged Craft Media/Digital to assist them. Mr. Johnson introduced Craft Senior Vice President Layle Nelson to the Regional Meetings.

Ms. Nelson told the D.C. and Salt Lake City meetings that there is a need to bring to the legislative table a “countervailing voice” to what these anti-regulation groups are saying. A national alliance of professions is needed to “create a unified voice and presence; drive a proactive, consistent message; condition the environment to support state efforts; and ultimately to change the narrative” that legislators are hearing. Ms. Nelson reported the National Council of Architectural Registration Boards (NCARB) commissioned a study that found the public recognizes government regulation has



Layle Nelson explains the need to introduce a “countervailing voice” to anti-regulation groups.

an important purpose in helping to protect the public. They also learned the public does see a distinction between an “occupation” and a “profession.” In addition, the study noted “there are a fair amount of voters who believe licensure helps level the playing field, giving anyone an opportunity to enter the field.”

In the next few weeks and months, State Boards of Accountancy will begin to get materials from ARPL. “In our messaging, we are pushing back on assumptions the opposition is pushing out,” Ms. Nelson explained. “The top of this always is that professional licensing matters.” She emphasized that those in the states need to bring this message forward to their public. “We want to build out the role of the Boards and of what CPAs do.” Her firm will be providing support to coordinate the effort. ♦

## Useful Research Reported

Updates from four ongoing educational research projects, all having been awarded NASBA grants, were presented at the 2019 Regional Meetings. Selected by the NASBA Education Committee and then approved by the NASBA Board of Directors, the results reported from these 2018 award recipients proved of interest to many of the Regional Meetings' participants.

Understanding why less than 3 percent of the CPAs in the United States are Hispanic, although Hispanic Americans comprise over 17.4 percent of the U.S. population, is the focus of the research of Dr. Akinloye Akindayomi at the University of Texas – Rio Grande Valley. His preliminary findings were that 32 percent of the accounting students his study surveyed intend to take the Uniform CPA Examination within two years after their graduation. Half of them say they are motivated to become CPAs by money or job security. Less than 10 percent said they were motivated by their professors or job recruitment activities. Dr. Akindayomi recommended the profession encourage the development of Hispanic accounting professors, who might be more successful in motivating Hispanic students. NASBA is currently a supporter of The PhD Project, which works to support the efforts of minority group members to become academics.

Giving accounting a second chance is the theme of the research being conducted by Dr. Amy Tegeler and her team at the University of Wisconsin - Lubar School of Business, in Milwaukee. Her initial interviews, with 15 students who had come to accounting as a second career, found that many discovered accounting through their previous work experience. Dr. Tegeler observed: "These converts are looking for improvement over their present situation, but not looking to get rich. They recognize how their previous work experience will help them in accounting." Reasons they gave for pursuing accounting included: helping people, serving society and doing fulfilling work. As these "converts" were older than the traditional accounting majors, the research found them to be less

interested in travel and more interested in maintaining work/life balance than traditional students. Dr. Tegeler is developing a broader survey to confirm these initial interview findings.

Reading comprehension of accounting materials may be a stronger indicator of future success in accounting courses than math SAT scores, Dr. Helen Choy and her colleagues at Drexel University are discovering. The researchers differentiated reading to learn between "global" reading, which identifies the main idea of the document and summarizes, and "local" reading which involves understanding details and paraphrasing. For accounting reading, the local skills seem more important than the global skills, the researchers have found, but they believe more analysis is required before a definite conclusion can be drawn. Dr. Choy was asked how this research could be applied to current students, and she responded: "Encourage students to read the textbook."

How students meet the 150-hour requirement is being explored by Dr. Linda Matuszewski and her team at Northern Illinois University's College of Business. Their study of 141 auditors with 1-3 years of experience found: 53 percent had a baccalaureate with additional credits for the 150, and 46 percent had completed a graduate degree. In their sample, those with a graduate degree had obtained a higher pass rate on all sections of the Uniform CPA Examination. The NIU team found a high percentage of those who completed their first two years of education in a community college and then went to Northern Illinois University for their baccalaureate, went back to the community college to complete the 150.

All of the researchers are continuing with their work and anticipate presenting their final conclusions in academic journals. ♦



Dr. Helen Choy explains her research.

## Staying Abreast of Data Protection

Data protection laws are constantly evolving with new standards being released every year, Brie Allen, Esq., told the Eastern and Western Regional Meetings. Laws are changing on both the federal and state level. At the federal level there is a patchwork of requirements coming from the Federal Trade Commission, Department of Commerce, Department of Justice and the Federal Privacy Council. At the state level, all states have data breach notification requirements covering when a person's data is released to third parties. Potentially a CPA firm doing business in multiple states would need to pay attention to all of those states' laws, which include in the case of a breach providing notice to the state's attorney general and other remedial steps. Ms. Allen pointed out that California has a new law that sets the "strictest requirements on the books," covering when a firm processes personal information and shares it with a third party.

To give a very recent example of potential data breach, Barry Berkowitz (PA) reminded the Eastern Regional Meeting of the service outage from May 6-9, 2019 of Wolters Kluwer CCH, caused by malware. Wolters Kluwer, a Dutch company, claims 93 percent of the Fortune 500 companies are its customers, according to Bloomberg. The IRS gave taxpayers affected by the service interruption an

additional seven days, until May 22, to file certain returns that had May 15 filing deadlines.

Mr. Berkowitz commented on June 12: "As recently as June 7, they were still confirming that no client data was breached...Just imagine what would have happened if this had occurred on April 6 and not May 6."

Rick Reisig (MT) at the Western Regional reviewed the risk management steps his firm takes in respect to threats of data breach. These include: insurance coverage; employee training; backup procedures in the event of cyberattack; periodic third-party assessment and/or penetration testing; establishing information systems security policies and procedures; safeguarding physical information; and reviewing vendor due diligence procedures. He suggested the Boards point their licensees to the AICPA cybersecurity resource center as a starting point for learning vital information.

The American Bar Association has released model guidance for attorneys experiencing a data breach, Ms. Allen reported. It covers how to consult standards, prevent future breaches, notify clients and meet all 50 states' requirements. The ABA has also approved a privacy law specialization. ♦

## Slow Start on Crypto Tax

So far, Ohio has not seen many corporations pay their state taxes in digital currency (see *sbr* 12/18), but the state has not eliminated that option yet, NASBA Director-at-Large W. Michael Fritz (OH) reported to the Regional Meetings. Mr. Fritz pointed out that cryptocurrency legislation is being filed in an increasing number of states. While in 2018, cryptocurrency legislation was introduced in 17 states and signed into law in seven; in the first five months of 2019 there had been legislation introduced in 38 states and signed into law in a dozen.



Mike Fritz relates the inroads of digital currency.

Mr. Fritz pointed to a survey released by Deloitte in May 2019 that found 83 percent of the 1,386 senior executives polled in a dozen different countries see a "compelling business case for using blockchain technology." Forty percent of the respondents said they plan to invest \$5,000,000 or more in blockchain in the coming year.

How will all this impact State Boards? Mr. Fritz offered three examples:

1. State laws are being enacted that will allow payments to be made with cryptocurrency.
2. States will be allowing business reporting by blockchain.
3. Boards will need to consider what resource they will need to investigate attestation matters such as valuation, existence and completeness.

"If you look at blockchain today, it is where the internet was 20 years ago," Mr. Fritz observed. "It is going to expand and require auditors and State Boards to know what they have." ♦

## CICPA, IMCP, AICPA and NASBA Meet

Leaders of the Canadian, Mexican and US accounting profession met in Toronto, Canada, June 24-25 to discuss issues of mutual concern. Representatives from CPA Canada, the Instituto Mexicano de Contadores Públicos, American Institute of CPAs and NASBA were in attendance. The US representatives brought forward ideas on embracing the evolution of the CPA profession. The Canadian leaders reported on the completion of the merger of their three professional organizations into CPA Canada. All reported on the status of their mutual recognition agreements and how the tri-party agreement bridging recognition of professionals in Mexico, Canada and the US can be promoted. NASBA President and CEO Ken Bishop observed this annual summit serves as an important event for maintaining the relationships built with the profession in Canada and Mexico. ♦



## Regionals Ponder CPA Evolution (Continued from page 1)

NASBA's Regional Directors reported their Regional Breakout Sessions were in agreement with most of the Principles; however, the State Boards' representatives had some issues with the fourth Principle (as shown on page 1). Similar comments were raised at the Eastern Region's Presidents' Breakfast. NASBA President Ken Bishop explained: "We clearly hear that you do not want two pathways, but there are two distinct groups....What we are trying to get to is a process that not only attracts those in school but also those people who are already in firms. We have to think about how we get people with degrees in IT to become CPAs."

A new website [EvolutionOfCPA.org](http://EvolutionOfCPA.org) has been created with the AICPA to receive feedback on the Evolution project, as well as provide information on what is under consideration and address frequently asked questions.

At the Regional Meetings, Vice Chair Tish also reported on the task force reviewing the 150-hour education requirement, which she had led. The 120/150 Task Force members were: Jimmy Burkes (MS), Carlos Johnson (OK), Diane Medley (KY), Rick Reisig (MT), Dan Sweetwood (NE) and Kenya Watts (OH). Their recommendations included: The 150-hour education model should be maintained and supported,

and its benefits need to be clearly articulated. Boards of Accountancy should focus on covering course content as described in the Uniform Accountancy Act, rather than on specific course work, to lead to greater consistency among the states' requirements. Consideration needs to be given to adding content, such as technology, to the Uniform Accountancy Act's education requirements.

Ms. Tish was asked how long it would take for the Evolution to be completed. She explained that there would need to be a "delicate balancing act" to layer technology into the education requirements but not to impact those candidates already in the pipeline.

"We don't want it to take 7-10 years," Vice Chair Tish said.

Forty years ago the profession and Boards considered how to bring liberal arts majors into the profession, Daniel Dustin, NASBA Vice President-State Board Relations, reminded the Eastern Regional Meeting. Some of the arguments for change that applied then could be applied now. He told the Boards NASBA is now in the phase of gathering and analyzing feedback on a similar project, and encouraged them to submit their comments on the Guidelines by August 9, 2019. ♦



## A Glimpse of NASBA's Regional Meetings



Randy Ross and Jim Corley at Communications Breakfast.



Faye Miller addresses Western Regional.



New Board Member Orientation introduces newbies to NASBA.



Eastern Regional Meeting joins the CPT Student Leadership Conference to share dinner and conversations. CPT Board Chair Donald Burkett praises students.



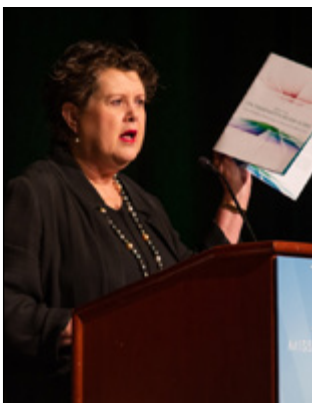
Regional breakout session discusses Guiding Principles.



Members at the Eastern Regional Meeting enjoy speaker.



Ken Bishop welcomes all to Regionals.



Barbara Ley describes ERB Report.



Board Representatives at the Western Regional Meeting.



Members of the Virgin Islands Board participate at the Eastern.

# State Board Report

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## Change Comes to Exam Quarterly

The importance of having the Uniform CPA Examination testing the right topics was underscored by several of the groups looking to the future of the CPA profession, and AICPA Vice President Michael Decker told the Regional Meetings: “We heard about how change needs to come to the Exam. The Exam is updated every quarter, with technical reviews, new items coming into play .... The blueprints are updated every six months.” He acknowledged: “We have to do a practice analysis more often than every seven years.” The practice analysis which is currently underway is going to be completed in one year, he stated, and it is focusing on the impact of technology, as the technology a newly licensed CPA needs to understand is changing. Thirteen firms have already met with the AICPA Examinations Team and the call for volunteers for the CPA Exam Content Ranking Panels has gone out.

“Where does the one-two year person play a role? Nobody said the new CPA is doing a SOC [service organization control] audit, but they have to know what it is,” Mr. Decker said. “They better know Excel and a bit of Tableau – and more will be coming.” There is no appetite to increase the Uniform CPA Examination beyond 16 hours, and what subjects will be added or deleted from the Examination will be based on what the AICPA hears from the profession on how technology is changing the role of the one-two year person, he explained. Students should be reading the blueprints to see what is being tested now, Mr. Decker advised.

A research draft with an implementation plan will be released in December 2019, and will be out for comment until April 2020. Implementation of enhancements will begin in 2020 and the latest



Colleen Conrad explains how NASBA will assist boards in bringing continuous testing into place.

will be in place in 2021, Mr. Decker predicted. A new Excel-type item is scheduled to be in place in 2020.

Twenty-four states have started the process needed to change their rules and/or act to allow for continuous testing for the Uniform CPA Examination, NASBA Vice President and COO Colleen Conrad told the Regional Meetings. Thirty-eight states have indicated they expect to be ready for continuous testing by 2020.

“NASBA’s legal counsel will work with your State Board’s counsel to get the necessary changes in place,” Ms. Conrad stated. She reported that Ed Barnicott, NASBA Vice President – Strategic Planning and Program Management, will be reaching out to the Boards to help get what is needed passed, as having all the State Boards ready is key to making the switch from testing windows to continuous testing. Ms. Conrad said NASBA is also recommending that the State Boards adopt a uniform definition of when the 18-month testing period begins for all candidates. ♦