CPA Testing in Europe

Candidates for the Uniform CPA Examination can now test at Prometric centers in Germany, Ireland, Scotland and England without any specific country residency or citizenship requirements. The Examination application process is basically the same for US and international candidates. In order to qualify to take the Examination outside the US, the candidate must establish his or her eligibility through a jurisdiction participating in the international administration of the Examination, which includes verifying they met the jurisdiction's education requirements.

To begin the process, a candidate must first select a participating US jurisdiction, contact the Board of Accountancy (or its designee) in that jurisdiction to obtain application materials, and submit a completed application and required fees as instructed. After receiving the Notice to Schedule (NTS), they may then use the NTS to apply to take the Examination in an international location.

Besides the Prometric testing centers in the EU and UK, there are centers in other places where the Uniform CPA Examination can be taken by those who are residents of specific countries:

The testing centers in Bahrain, Lebanon, Kuwait and UAE are open to residents of the US, Bahrain, Egypt, India, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, UAE and Yemen.

The testing centers in Japan are open only to residents of the US and Japan.

The testing centers in Brazil are open to resident of the US, Antigua/Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, French Guiana, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Kitts/Nevis, St. Lucia, St. Vincent/Grenadines, Suriname, Trinidad & Tobago, Uruguay and Venezuela.

“We know the US CPA is a prestigious credential around the world, and we are pleased to provide a direct pathway for qualified individuals to obtain that designation under the jurisdiction of the State Boards,” NASBA President Ken L. Bishop stated.

NASBA BOD Opposes Staff Augmentation

The NASBA Board of Directors at their January 17 meeting reaffirmed their opposition to allowing a CPA firm’s staff to provide non-attest services to an attest client while under the client’s supervision as it compromises the firm’s independence. This practice, termed “staff augmentation” in an interpretation of ET 1.200.001 under consideration by the AICPA’s Professional Ethics Executive Committee, was opposed in NASBA’s February 25, 2019 letter to PEEC, but has continued to be discussed by PEEC at its recent meetings. The NASBA Board wrote to PEEC that it urges licensees who may be engaged in such practice to immediately stop and encourages the State Boards of Accountancy to enforce their current independence rules.

A major portion of the Board’s January meeting was devoted to updates on the progress of the CPA Evolution initiative (see stories on page 2). NASBA Chair Laurie J. Tish outlined how the project is being advanced and topics that need to be addressed at the AICPA/NASBA leadership summit on February 7. A tentative timeline for the project was presented that would call for an exposure draft to be released prior to NASBA’s June Regional Meetings.

Also discussed by the NASBA Board in January were the ongoing and anticipated projects of the AICPA/NASBA Uniform Accountancy Act Committee. UAA Committee Chair Coalter Baker (TX) reported the Committee is expected to focus in the weeks ahead on changes to the Act and the Model Rules that may be required to support the CPA Evolution initiative. Still under consideration are proposals related to NOCLAR (noncompliance with laws and regulations by clients) and adding experience for audit practices.

The testing centers in Japan are open only to residents of the US and Japan.

The testing centers in Brazil are open to resident of the US, Antigua/Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, French Guiana, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Kitts/Nevis, St. Lucia, St. Vincent/Grenadines, Suriname, Trinidad & Tobago, Uruguay and Venezuela.

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CPAOB Weighs Quality Control Measures

As promised by Public Company Accounting Oversight Board Chair William Duhnke at December’s Center for the Public Trust (CPT)/Baruch Conference, the PCAOB has issued a concept release on its quality control standards to reflect relevant developments affecting audit and assurance practices and firms’ quality control systems. NASBA’s Regulatory Response Committee, chaired by W. Michael Fritz (OH), is studying the document to make recommendations to NASBA Chair Laurie J. Tish and President Ken L. Bishop for NASBA’s response.

The PCAOB explained it is discussing using the International Auditing and Assurance Standards Board’s (IAASB) International Standard on Quality Management 1 (ISQM 1) “as a starting point for a future PCAOB QC standard. Information gathered through our oversight, outreach, and research activities persuades us that our QC standard should be built on an integrated risk-based framework, as Proposed ISQM 1 is.” The PCAOB stated that “it would not be practical to require firms to comply with fundamentally different QC standards.” The concept document asks respondents to identify potential reasons for differences with ISQM 1 that the PCAOB should consider. Many issues need to be determined, as the concept document poses 58 questions for respondents to address.

The Ethics Committee, chaired by Catherine Allen (NY), is working with the Regulatory Response Committee on developing comments on the Security and Exchange Commission’s amendments to Rule 2-01, Qualifications of Accountants. The SEC explains: “The proposed amendments would update select aspects of the nearly two-decade-old auditor independence rule set to more effectively structure the independence rules and analysis so that relationships and services that would not pose threats to an auditor’s objectivity and impartiality do not trigger non-substantive rule breaches or potentially time consuming audit committee review of non-substantive matters.”

Other exposure drafts now under consideration by the NASBA committees are: AICPA Professional Ethics Division’s Strategy and Work Plan, International Ethics Standards Board Proposed Revisions to the Non-Assurance Services Provisions of the Code, IESBA Proposed Revisions to the Fee-Related Provisions of the Code, and AICPA Maintaining the Relevance of the Uniform CPA Examination. NASBA’s submitted comment letters will be posted on www.nasba.org in the “publications” section.

CPA Evolution Exam Advisory Group

A seven-member CPA Evolution Exam Advisory Group was established in January by AICPA and NASBA leadership to provide initial reactions to conceptual design and implementation changes being considered for the Uniform CPA Examination in accord with the proposed CPA Evolution initiative. Members of the Advisory Group include:

- Barry Berkowitz (PA) – Vice Chair, Board of Examiners; Past Chair, Pennsylvania State Board of Accountancy
- Sherry Chesser (AR) – Chair, Arkansas State Board of Public Accountancy
- C. Jack Emmons (NM) – Chair, New Mexico Public Accountancy Board; NASBA Southwest Regional Director
- Audrey Katcher (MO) – Member, Board of Examiners
- Katrina Salazar (CA) – Member, Board of Examiners’ State Board Committee; Member, California Board of Accountancy; NASBA Pacific Regional Director
- Daniel Sweetwood (NE) – Executive Director, Nebraska State Board of Public Accountancy; Past Member, Board of Examiners
- Kenya Watts (OH) – Vice Chair, Accountancy Board of Ohio; NASBA Great Lakes Regional Director.

The new Group met on January 21 to provide feedback to aid discussions at the February 6-7 AICPA-NASBA Leadership Summit, prior to their making recommendations to the AICPA/NASBA Uniform Accountancy Act Committee.

Vaudt to Leave GASB

David A. Vaudt, NASBA Chair 2003-2004, will conclude his seven-year term as chair of the Governmental Accounting Standards Board on June 30, 2020. He will be succeeded as GASB chair by Joel Black, partner-in-charge of Mauldin & Jenkins LLC in Atlanta.
International Impact on NASBA

Living in an increasingly global economy, the daily world news reports present NASBA and the State Boards with several serious challenges and some promising opportunities:

- The coronavirus outbreak that started in the city of Wuhan, China, has now spread around the globe.
- After the election of Boris Johnson as Prime Minister and nearly four years of debate since the 2016 European Union Referendum in the United Kingdom, BREXIT has been formally adopted and the implementation of the UK’s departure from the EU begins.
- In India, Prime Minister Narendra Modi’s party won a significant majority in the Lok Sabha (the lower house of the Indian parliament), which should increase the opportunity for expansive strategic relationships with the US.
- The turmoil in the Middle East continues to impact US and global policies and relationships.
- Finally, the new trade agreements with China, Canada and Mexico significantly change the economic landscape.

So, how does all this impact NASBA and Boards of Accountancy?

Obviously, the threats resulting from the coronavirus are impacting us all. No matter how many assurances we hear regarding the danger in the US, we all need to remain vigilant. NASBA has staff and volunteers who travel to impacted countries and, with our testing center in Guam, we have visitors from across the Asian Pacific area including China. The health and safety of our NASBA staff in Guam, as well as the many Uniform CPA Examination candidates from throughout the region, are primary concerns as we consider how we respond to the threat. The restrictions on international travel in response to the coronavirus also have an economic and logistical impact, as NASBA and State Boards deal with affected candidates and their requests for flexibility of scheduling and eligibility.

The departure of the UK from the EU provides both challenges and opportunities for NASBA, Boards of Accountancy and the US accounting profession. Just the fact that a final decision has been made provides potential improvement in reciprocal agreements that have been limited in scope and others where we struggled to reach agreements because of onerous and unbalanced requirements in EU rules and policies. We have been in recent discussions with the US Department of Commerce and US Trade Representative offices to coordinate our efforts. We will be closely monitoring the progress of new trade agreement negotiations between the US and the UK for opportunities to advance agreements that have been stalled for decades.

While our direct nexus to India has been somewhat limited, India-based CPA students and professionals have long been a material segment of the CPA candidate pipeline. With the increasing number of US accounting and information technology firms outsourcing work to India, the student population desiring to sit for the Uniform CPA Examination and for ultimate licensure continues to grow. Improved relationships between the US and India, both politically and in business dealings, can only augment our efforts to provide Indian students the opportunity to test and obtain a license. There are valid public protection reasons for ensuring that those individuals providing outsourced services meet the requirements of US accountancy statutes.

Canadians have traditionally been the largest source of international candidates interested in becoming US CPAs. You may not be aware that the fastest increasing source of candidates is from China. While much of the press attention on China deals with the adversarial challenges we face, the expansion of US companies into China continues to grow. From our discussions with the Chinese Financial Ministry, we know that there is a recognition of the value of the US CPA credential, of US GAAP and, with their growing middle class, the importance of reliable financial information. The new trade agreements may ultimately stabilize relations and only increase the need for US accounting and auditing expertise. We need to be prepared for that possibility.

Finally, we have made a significant effort to keep State Boards informed when international standard and policy changes have US implications. An example is the international interest in response to a client’s “non-compliance with laws and regulations” (NOCLAR). As international regulators become educated to the fact that in the US the State Boards of Accountancy are the only entities that issue, restrict or revoke a CPA credential, they are reaching out to NASBA to discuss international efforts at standardization, particularly with topics such as fees, NOCLAR, staff augmentation, etc., where the profession and others may differ on what is needed for public protection and good public policy.

NASBA’s staff and volunteers, particularly through the International Qualifications Appraisal Board, the Ethics Committee and the Regulatory Response Committee, will continue to closely monitor global events that may impact State Boards. In the meantime, when you are watching the evening news, you might want to consider the international impact on NASBA and the State Boards.

Semper ad meliora (Always toward better things).

— Ken L. Bishop
President & CEO
Interested in Being Vice Chair?

NASBA Nominating Committee Chair Janice L. Gray (OK) is asking individuals who have served as a NASBA Director-at-Large or Regional Director for a minimum of two years and would like to be considered by the Nominating Committee for NASBA Vice Chair 2020-2021 to submit a letter to her (janiceg@cpagray.com or aholt@nasba.com) by April 7, 2020 indicating their interest in the office. The individual does not need to be a current member of the NASBA Board.

The NASBA Nominating Committee will conduct interviews on May 1, 2020.

New Legislative Tracking Aid

NASBA is now using FiscalNote to identify and track legislation impacting the regulation of the accounting profession. Check out https://nasba.org/mc/legislativesupport/legislativetracking/ to see those bills currently being debated at the state and federal level that NASBA’s Director of Legislative and Governmental Affairs John Johnson follows daily. Using graphs and maps, plus descriptive text, the page clearly displays not only what issues are being raised in various states directly impacting the State Boards of Accountancy, but also spotlights trends in legislation that other professions are encountering. Users can filter bills to focus on specific topics such as: deregulation, marijuana, digital currencies and tax preparers.

“State Boards will find this a simple, clear and reliable source of information that provides important insights into the topics and trends about which we need to stay aware,” Mr. Johnson said.

NASBA BOD Opposes Staff Augmentation

(Continued from page 1)

Since the International Ethics Standards Board for Accountants revised its Code of Ethics in 2016 to address NOCLAR, how US standards could conform to the international standards has been under debate. Mr. Baker reported to the NASBA Board in January that the UAA Committee’s legal counsel is continuing to develop proposed changes to the UAA that would clear the way for NOCLAR measures to work with state law. These would be aligned with changes under consideration by the Auditing Standards Board. Over the last few months, the ASB has been addressing possible revisions to AU-C Section 210, Terms of Engagement, that would require communication to the successor auditor if the predecessor auditor withdraws from an engagement because of identified or suspected NOCLAR. No new exposure drafts on this issue have been released yet.