

# Illinois BOARD OF EXAMINERS Bulletin

Summer Edition 2020



JB Pritzker, Governor



Photo courtesy of Gies College of Business at Illinois

## FRANK NEKRASZ, JR. “THE FRAUD EXPERT”

[Frank Nekrasz, Jr.](#) jokingly refers to himself as a “walking disruption.” He’s traded in the clean-cut, suit-and-tie look for a long goatee, sleeveless shirt, and biker vest that reveals multiple tattoos on each arm. He doesn’t look like anything you’d expect from an accountant. He admits he used to turn quite a few heads when he’d walk to the front of the room on the first day of class – but now he says his students in Fraud Examination (ACCY 518) have come to expect the unexpected.

“There are no surprises anymore. Everyone just knows me as Dr. Frank, and they know I don’t look like all their other professors,” said Nekrasz, who is also teaching a four-week course in the iMSA program for the first time this fall – exposing his unique look to a whole new set of students unfamiliar with the eccentricity.

But that unique persona makes Nekrasz, who is also a certified fraud examiner, good at his job. He’s different. And he trains his students to think differently. He teaches them to challenge assumptions, which can be a valuable quality to have when you’re sniffing out crime.

“I teach the dark side,” he said. “As a fraud guy, my perspective is that most people are bad, unless they

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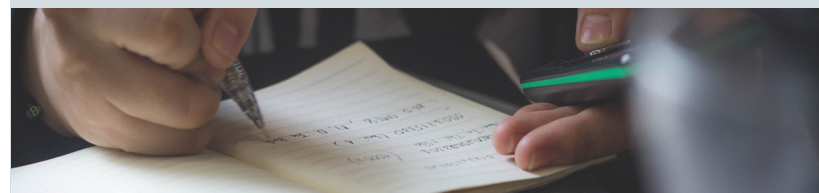
## EXECUTIVE DIRECTOR’S CORNER



Russ Friedewald  
Executive Director

What a year! We started out just like any other year with great expectations and suddenly appeared the ides of March! Our lives were put on hold and still somewhat remain that way. The Board had a great Educator Conference planned for late April which had to be postponed and testing came to a standstill. The Board office closed for a period of time, but staff worked remotely to keep the business of serving our candidates on track.

The Board office opened for good on July 6th and to date, no one has been afflicted with the Covid 19 virus. We are taking every precaution and maintaining social distancing as much as possible. Let’s hope the remainder of 2020 will improve and a vaccine can be provided soon to get us back to “normal”. Stay safe.



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# A LETTER FROM THE BOARD CHAIR

*Lawrence Wojcik, CPA, JD, Board Chair 2020-21*

## ILLINOIS BOARD OF EXAMINERS BULLETIN

### CONTACT US:

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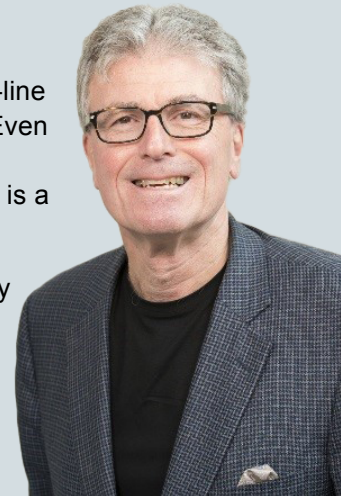
PH: 312-993-0407

As members of the Illinois Board of Examiners, my colleagues and I on the Board have had a unique position to view the challenges we all face and sacrifices that we make on a daily basis in this year of the pandemic. Initially, I want to acknowledge the leadership and hard work of our Executive Director, Russ Friedewald, and his amazing staff at our Board. Through their tireless efforts they made sure that the Board continued to function and not skip a beat in being faithful to its mission – protecting the public.

I also want to share with you my pride in the amazing work of CPAs in this trying time. From my vantage point in the private sector, I have been a witness to the women and men of the CPA profession that have spent countless hours in assisting their clients in confronting the multiple and complex issues brought by the pandemic and its economic impact. Whether it is assisting a small business in the application for much needed federal relief, providing financial advice to taxpayers in uncertain times, or helping not-for-profit organizations navigate these treacherous economic conditions – the CPA profession has been up to the task. Indeed, through quarantine and stay at home orders, CPAs continued to do the job so that financial reports were timely filed maintaining confidence in our public markets. Through countless telephone calls and Zoom conferences, these professionals were up to the challenge.

And to all the accounting educators, we all owe you our thanks. The pandemic required you to pivot with little notice from in-person to on-line instruction to ensure your students could continue their education. Even now, you and your students face an uncertain school year. But your resilience to date in responding to these pandemic imposed hurdles, is a strong indicator that your students are in good hands.

Finally, we recognize that for our candidates these have been very difficult times. We at the Board will do all we can to help you in your efforts to take the CPA exam, and hopefully, one day to join a very dedicated and wonderful profession. Please stay healthy and safe.



## CONTINUOUS TESTING LAUNCHES

The National Association of State Boards of Accountancy (NASBA), American Institute of CPAs (AICPA) and Prometric have introduced year-round testing of the Uniform CPA Examination (Exam). The new continuous testing model provides greater candidate flexibility and convenience, with more than 75 additional testing dates available throughout the year.

The new model replaces quarterly testing windows that allowed candidates to sit for the Exam during specified dates. According to Prometric, 3,465 test events have already been scheduled between September 11-30, 2020, a previous blackout period, signifying increased flexibility and frequency in candidate testing. Under the continuous testing model, scores will be released on a rolling basis. For more information, watch this [short informational video](#).



# FRANK NEKRASZ, JR. “A CPA FOR TODAY”

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can show me they're not. Being cynical makes you aware and alert and ultimately more prepared to catch criminals.”

Nekrasz admits crime hasn't changed all that much over the years. Employees are still stealing from their company. Management makes promises they can't keep, and then they try to “cook the books” toward the end of a fiscal period to cover their tracks. What has changed are the tools forensic accountants use to catch the bad guys. Disruptive forces like big data and artificial intelligence allow fraud examiners to analyze full data sets instead of just sampling certain transactions, as they've done for many decades. According to the Association for Certified Fraud Examiners (ACFE), 64% of organizations say the increased volume of transactions they can review with data analytics will be very beneficial to their anti-fraud programs.

Nekrasz knows that, soon, sophisticated criminals will adjust back, developing techniques to outsmart these big data and AI tools. The ACFE reported that occupational fraud cost businesses more than \$7 billion in 2018 alone – and it could get much worse. Looking into his crystal ball, Nekrasz sees a future where human oversight to these technological advancements will be more critical than ever.

“Even in big data analysis, human expertise is so important. At first glance the raw data may look okay, but the trained human eye can see irregularities that even machines cannot,” said Nekrasz, who is developing a case study for his iMSA course that uses the data analysis technique, Benford's Law. “What I do in the case is I show students that while big data is a powerful tool, if you don't truly understand what you're analyzing, you can be fooled by the data.”

This outside-the-box thinking makes Nekrasz a great teacher, and it helps develop great students. So don't ask Dr. Frank to conform to industry standards. That's not him. And 'industry standard' isn't the benchmark for students at Gies College of Business. Just like Frank Nekrasz, Jr., we are disruptive. We are forward thinking, and we are committed to developing the next generation of business leaders.

Watch the TV coverage of Dr. Nekrasz by clicking on the image below.



<https://www.wcia.com/news/local-news/accounting-professor-keeps-students-on-their-toes/>

# AICPA LAUNCHING .CPA DOMAIN NAME

Beginning September 1, 2020, licensed CPA firms and licensed individual CPAs can apply to place the restricted domain name .cpa on their web address. It took the AICPA almost seven years to win the rights to control the custom domain .cpa from the Internet Corporation for Assigned Names and Numbers (ICANN) as other groups were anxious to have authority over the domain. The AICPA also plans to make the domain extension available to other global CPA organizations.

Anyone using the .cpa extension will be vetted by the AICPA to ensure they are a proven CPA entity.

“We want the public to have confidence that someone using a .cpa domain address for email or a website is affiliated with the CPA profession,” AICPA President Barry Melancon said. More information about the domain is available through <https://domains.cpa.com>.

NASBA leaders have been assured that AICPA will verify that a firm is registered and, if it loses its registration, then it would also be denied the domain’s service until that is rectified. Where there is no firm registration, then AICPA would be ensuring the firm’s principals are licensed. This might not be an entity’s primary address, but one to which a user is redirected.

If a non-CPA employee of a CPA firm uses an e-mail address with CPA in it, will that confuse the public? “We are always concerned about public confusion, particularly in matters of reliance,” NASBA President Ken Bishop said. “However, for years such employees have been using their firm names in their e-mail addresses and I am not aware of any cases where it was a problem.”



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**DEPARTMENT OF FINANCIAL  
& PROFESSIONAL  
REGULATION**

The Department of Financial and Professional Regulation is the licensing and enforcement agency for approximately 70 professions including public accountants.

Candidates seeking licensure as a Certified Public Accountant must meet educational and examination requirements as well as one year of relevant professional experience prior to applying to the Department for licensure. The Department is also responsible for the enforcement of the profession and the act that it regulates.



# PROPOSED REVISIONS TO UAA MODEL RULES RELEASED FOR COMMENT

## PUBLIC COMMENTS SOUGHT BY AUGUST 31 ON REVISIONS PERTAINING TO EDUCATION

The National Association of State Boards of Accountancy (NASBA) announces the start of a comment period for proposed revisions to the Uniform Accountancy Act (UAA) Model Rules. Comments will be accepted through August 31, 2020.

Developed by the AICPA/NASBA CPA Evolution Initiative, the proposed revisions were reviewed by NASBA’s Uniform Accountancy Act (UAA) Committee and recommended to the NASBA Board of Directors for exposure for public comment. The NASBA Board approved the proposed rules for exposure during its April 24, 2020 meeting.

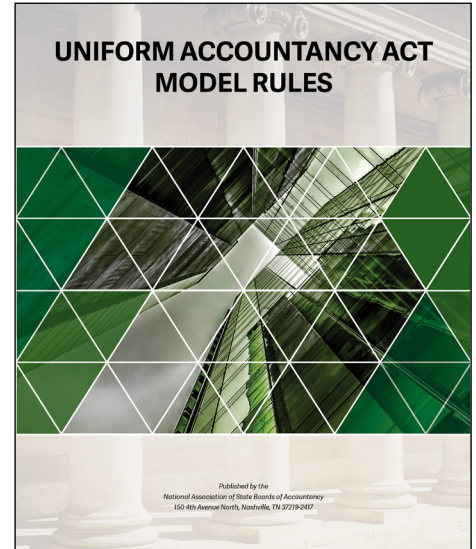
The proposed changes, which are relevant to the CPA Evolution Initiative’s charge, pertain to educational requirements for individuals wishing to enter the CPA profession, and are aligned to encourage uniformity among the 55 U.S. Jurisdictions.

“This is an important milestone in our CPA Evolution journey,” shared NASBA Chair Laurie Tish, CPA. “Not only will these proposed revisions give us the platform we need to achieve the goals we outlined in the CPA Evolution Initiative, but they will result in more relevant and uniform education requirements.”

Among the proposed revisions are provisions for the addition of course content in the areas of digital acumen and data analytics, courses that can be taken outside a school of business, recognition of accrediting organizations by Boards of Accountancy, and new requirements for internships and independent study.

UAA Model Rules, which serve as the baseline standard for use by Boards of Accountancy in state rules and laws, were last updated in 2018 with the release of the UAA-Eighth Edition. NASBA’s UAA Committee, under the leadership of chair J. Coalter Baker, CPA, especially welcomes comments from Boards of Accountancy, academia, accounting bodies and members of the accounting profession through August 31, 2020. Comments should be submitted to [uaacomment@nasba.org](mailto:uaacomment@nasba.org).

For more information on the UAA and to read the proposed revisions to the Model Rules in their entirety, download the document at <https://nasba.org/app/uploads/2020/05/UAA-May-Draft-Web.pdf>.





## SUPPORT FOR THE ADVANCEMENT OF THE CPA EVOLUTION INITIATIVE

### NASBA BOARD OF DIRECTORS MAKES DECISION ON CPA EVOLUTION

The National Association of State Boards of Accountancy (NASBA) Board of Directors has announced its unanimous vote of support for the advancement of the CPA Evolution initiative to design and implement a new approach to CPA licensure. CPA Evolution is a joint initiative between NASBA and the American Institute of CPAs (AICPA). In recent years, NASBA and the AICPA have monitored trends impacting the skillsets required of newly licensed CPAs and believe the CPA Evolution initiative will aid in positioning the CPA license for the future as well as continue to protect the public interest.

“The CPA profession is too important to our society and to our economy to not be 100% prepared and ready to respond to changing demands,” shared NASBA Chair Laurie Tish, CPA. “CPAs entering the profession must be prepared with the skills and knowledge necessary to serve in this trusted role. The new licensure model will be more attractive to the best and the brightest, which will enhance the CPA pipeline.”

The CPA Evolution initiative aims to ensure newly licensed CPAs have the required knowledge and skills best suited to serve clients, businesses and the public-at-large. As the profession and the world navigate a new normal, education required of CPA candidates, as well as the CPA Exam, itself, will adapt to address the emerging skills and competencies necessary in today’s marketplace. The new core plus discipline model will allow candidates to show enhanced competency in a chosen discipline within the profession.

NASBA and AICPA sought input from State Boards

of Accountancy, State CPA Societies and many other stakeholders to work through the tough issues to develop a model that has widespread support. “NASBA and AICPA will maintain continuing engagement with state boards, state CPA societies, academia, CPA firms and others to identify gaps, and develop new resources to aid in transition to the new licensure model,” says Tish.

The AICPA’s Governing Council also acknowledged its support of CPA Evolution by overwhelmingly voting in favor of advancing the initiative at its May 2020 meeting. The AICPA and NASBA will work closely with universities to create model curriculum and internship programs. They will also now move forward with a significant effort to revise the Uniform CPA Exam’s content and skills blueprint, which is anticipated to culminate in the launch a new CPA Exam in January of 2024.

In May 2020, NASBA released the Uniform Accountancy Act (UAA) Model Rules exposure draft related to education requirements for licensure. The proposed changes, which are relevant to the CPA Evolution initiative’s charge, pertain to educational requirements for individuals seeking to enter the CPA profession, and are aligned to encourage uniformity among the 55 U.S. jurisdictions. Pending support from Boards of Accountancy for the UAA Model Rules exposure draft, NASBA will begin encouraging boards to implement model statutory and rule changes in education, beginning as early as Fall 2020.

For more information about the CPA Evolution initiative, please visit [evolutionofcpa.org](http://evolutionofcpa.org).

# CPA Exam Performance Summary: 2020 Q-2

## Illinois

### Overall Performance

Unique Candidates	1,088
New Candidates	310
Total Sections	1,230
Passing 4th Section	153
Sections / Candidates	1.13
Pass Rate	70.81%
Average Score	78.30

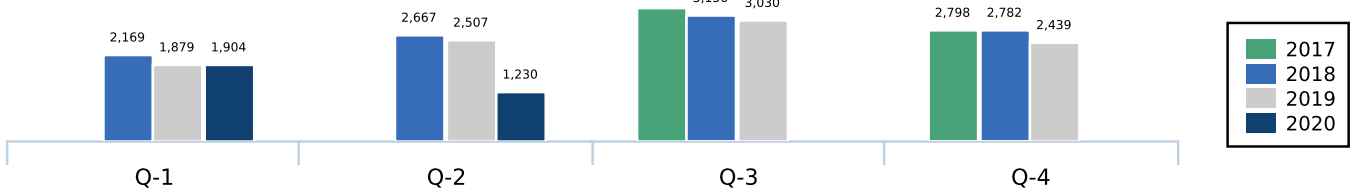
### Section Performance

	Sections	Score	% Pass
First-Time	525	79.94	77.14%
Re-Exam	704	77.06	66.05%
AUD	390	77.30	69.49%
BEC	209	83.63	84.69%
FAR	325	75.83	63.08%
REG	306	78.54	71.24%

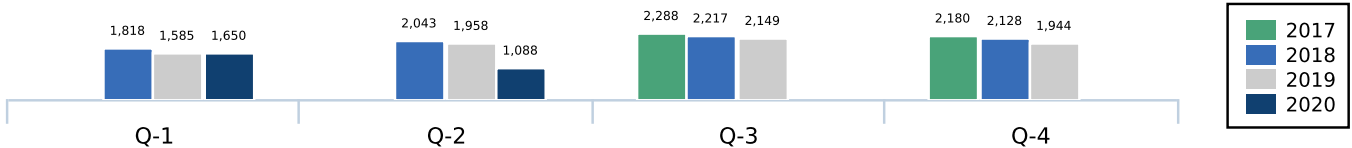
### Jurisdiction Ranking

Candidates	Sections
4	4
Pass Rate	Avg Score
21	19

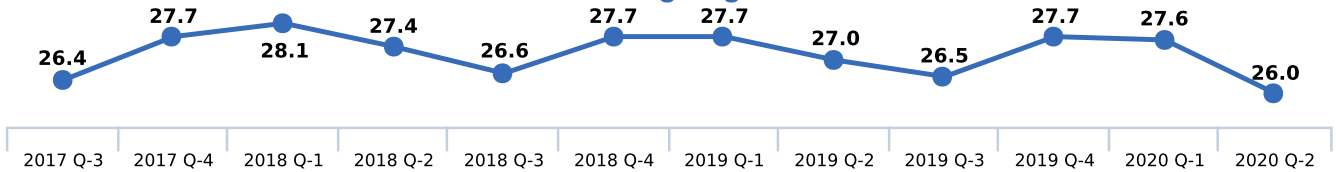
### Sections



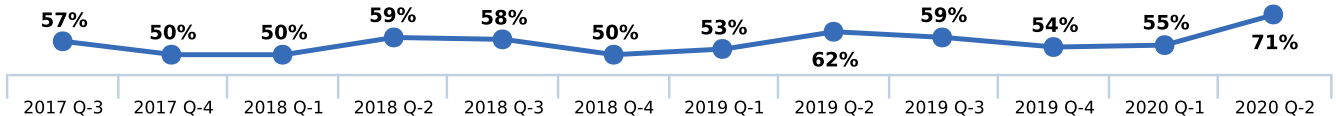
### Candidates



### Average Age



### % Pass



# CPA Exam Performance Summary: 2020 Q-2

## Illinois

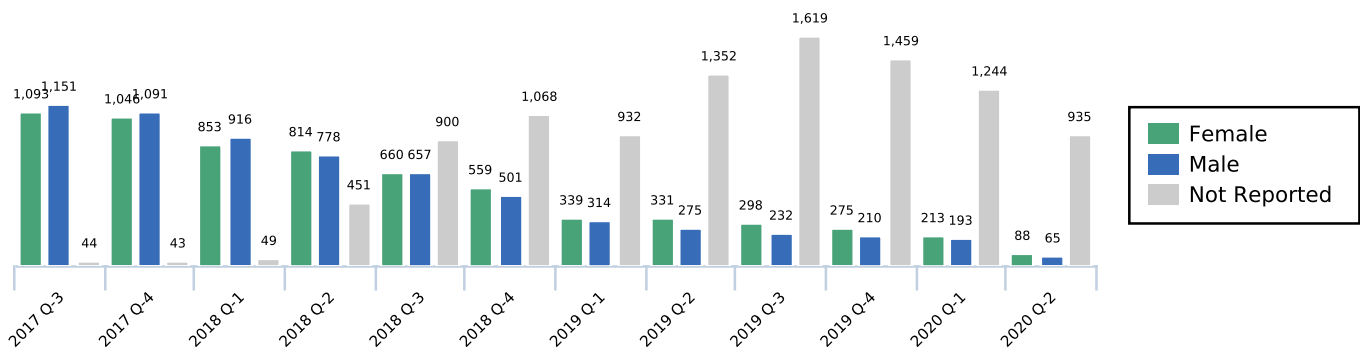
### Degree Type

	Candidates	% Total
Bachelor's Degree	788	72.4%
Advanced Degree	300	27.6%
Enrolled / Other	0	0.0%

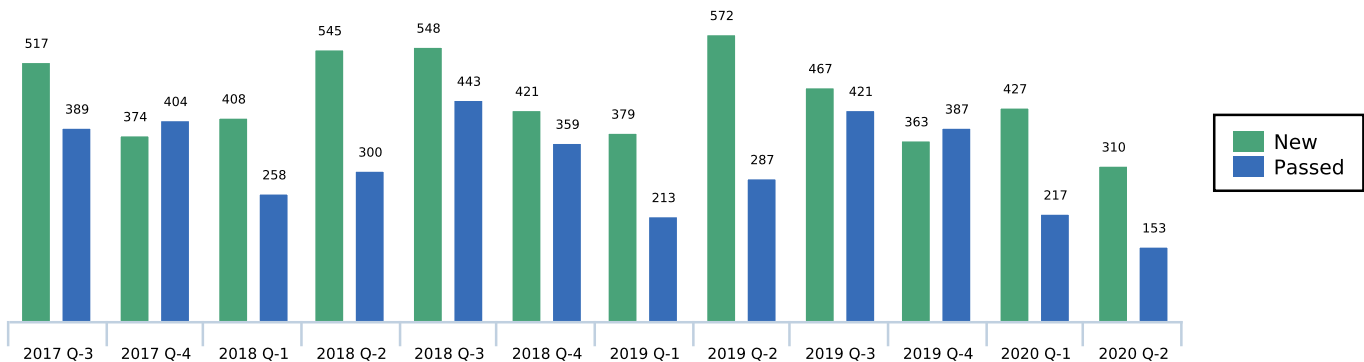
### Residency

	Candidates	% Total
In-State Address	885	81.34%
Out-of-State Address	200	18.38%
Foreign Address	3	0.28%

### Gender



### New Candidates vs Candidates Passing 4th Section



**Notes:**

1. The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
  2. The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
  3. Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
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