



COMMITTEES

Regarded as a cornerstone of support within the organization, NASBA appoints more than 20 committees and task forces annually. Through the work of these groups, NASBA volunteers and staff address current and emerging issues affecting State Boards of Accountancy. Topics range from communications, ethics and diversity to legislative support and relations with member boards. On the following pages, the committees provide reports from their work during 2019-20.

Administration and Finance Committee

Audit Committee

Awards Committee

Bylaws Committee

CBT Administration Committee

Communications Committee

Compliance Assurance Committee

CPA Examination Review Board

Continuing Professional Education Committee

Diversity Committee

Education Committee

Enforcement Resources Committee

Ethics Committee

Executive Directors Committee

International Qualifications Appraisal Board

Legislative Support Committee

Nominating Committee

Past Chair Advisory Council

Regulatory Response Committee

Relations with Member Boards Committee

Standard-Setting and Professional Trends Advisory Committee

State Society Relations Committee

Uniform Accountancy Act Committee



ADMINISTRATION AND FINANCE COMMITTEE

Oversee and monitor the fiscal operations and investments of the Association.

Committee Members:

W. Michael Fritz (OH), Chair
A. Carlos Barrera (TX)
Frederick G. Briggs, Jr. (NH)
Jimmy E. Burkes (MS)
Lori J. Druse (NE)
Thomas G. Prothro (TX)

Staff Liaisons:

Michael R. Bryant
Troy A. Walker

The Administration and Finance Committee monitors and provides oversight of the fiscal operations of NASBA and its subsidiaries. The Board of Directors relies on the Administration and Finance Committee in fulfilling its fiduciary responsibility to oversee operating, investing and mission-focused fiscal activities. The Committee works with management and volunteer leadership to review financial policies, monitor financial performance and assess enterprise risk.

Operational and capital budgets, as approved by the Board of Directors for Fiscal 2020, were discussed with management at quarterly meetings and included financial statement presentations and analyses of the effects of the pandemic, as well as other budget variance drivers. Throughout the second half of the fiscal year, the Committee's oversight placed particular emphasis on cash flow and management's response to the negative financial impact, which occurred at the onset of the health crisis when testing centers were closed for a brief period.

The Investment Committee, a subcommittee of the Administration and Finance Committee, reviews the return and risk characteristics of NASBA's short-term and long-term investments, evaluates the investment advisors' performance in managing the long-term invested funds, and monitors compliance with the board-approved investment policy statement (IPS). During the current fiscal year, the Board of Directors approved the Committee's recommendations to combine long-term investments held by separate advisors into a single advisor-managed account, and to provide additional parameters within the fixed income segment of the portfolio.



AUDIT COMMITTEE

Committee Members:

Faye D. Miller (ND), Chair
Timothy Egan (CT)
C. Larry Elmore (TN)
Michael Schmitz (ND)
Randa Vernon (OK)
Lydia M. Washington (NY)
Judy C. Wetherbee (TN)

Staff Liaisons:

Michael R. Bryant
Troy A. Walker

Oversee the Association's annual financial statement audit and the internal controls, and recommend to the Board of Directors the firm to perform the audit.

The Committee's activities are summarized in the Report of the Audit Committee on page 54.

AWARDS COMMITTEE

The NASBA Awards Committee hosted its 2020 Call for Award Nominations April 20 through June 22, 2020. The Committee met on July 9, 2020, to review the nominations and make recommendations to the NASBA Board of Directors for the William H. Van Rensselaer Public Service Award, the NASBA Distinguished Service Award and the Lorraine P. Sachs Standard of Excellence Award.

NASBA's 2020 award recipients include: Carlos E. Johnson, CPA, of Oklahoma (William H. Van Rensselaer Public Service Award), Raymond N. Johnson, CPA, Ph.D., of Oregon (NASBA Distinguished Service Award) and Russ Friedewald of Illinois (Lorraine P. Sachs Standard of Excellence Award).

NASBA will recognize each of these recipients virtually during the 113th Annual Meeting, November 2-4, 2020.



Carlos E. Johnson



Raymond N. Johnson



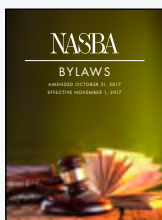
Russ Friedewald

Recommend to the Board of Directors recipients of the Distinguished Service Award, William H. Van Rensselaer Public Service Award, and Lorraine P. Sachs Standard of Excellence Award.

Committee Members:
Theodore W. Long, Jr. (OH), Chair
Frederick G. Briggs, Jr. (NH)
Dawn M. Carlson (IL)
James Corley (AR)
Bobby R. Creech, Jr. (SC)
Gaylen R. Hansen (CO)
Chandra Lalvani (PA)

Staff Liaison:
Cassandra A. Gray

BYLAWS COMMITTEE



The NASBA Bylaws Committee developed amendments concerning teleconferences and the Nominating Committee. The proposed amendments would make changes to Sections 4.11 and 7.1.8 to modernize the wording to reflect current teleconferencing practices and to clarify the extent to which teleconferences may substitute for in-person meetings. Changes to the Nominating Committee's procedures outlined in Section 7.2.2 clarifies the Committee may look beyond the initially proposed candidates to make their selection. The proposed amendments were approved by the NASBA Board of Directors for submission to the membership at the 2020 NASBA Annual Business Meeting.

Review and consider best practices from various sources and recommend amendments to the Board of Directors for approval and subsequent vote by Member Boards.

Committee Members:
Katrina Salazar (CA), Chair
Jon W. Cain (WV)
Dawn M. Carlson (IL)
Bobby R. Creech, Jr. (SC)
Thomas J. Homer (IL)
David S. Pummel (SD)

Staff Liaison:
John W. Johnson

*Promote effective and efficient
administration and operation of the
Uniform CPA Examination.*

Committee Members:

Tyrone E. Dickerson (VA), Chair

Robert N. Brooks (NC)

Pamela Church (TN)

Russ Friedewald (IL)

James Gottfried (OH)

Sheldon P. Holzman (IL)

Michael R. Putich (SC)

David Sanford (GU)

Leslie Schmitz (AK)

David A. Skup (FL)

Craig F. Smith (GA)

Susan L. Somers (KS)

Staff Liaisons:

Patricia Hartman

James Polite

CBT ADMINISTRATION COMMITTEE

The Committee met virtually several times in conjunction with the Executive Directors Committee to address issues impacting the CPA Exam due to COVID-19, such as extensions for Notices to Schedule (NTS) or examination credit. The Committees met and reviewed initial demonstrations on remote proctoring of the Uniform CPA Exam.

The Committee oversaw the successful implementation of continuous testing in July 2020 as well as international expansion into India in June 2020 and the Republic of Korea in October 2020.

The Committee continues to address issues and challenges encountered during the administration of the Examination and ways to reduce said issues and challenges.

COMMUNICATIONS COMMITTEE

245+

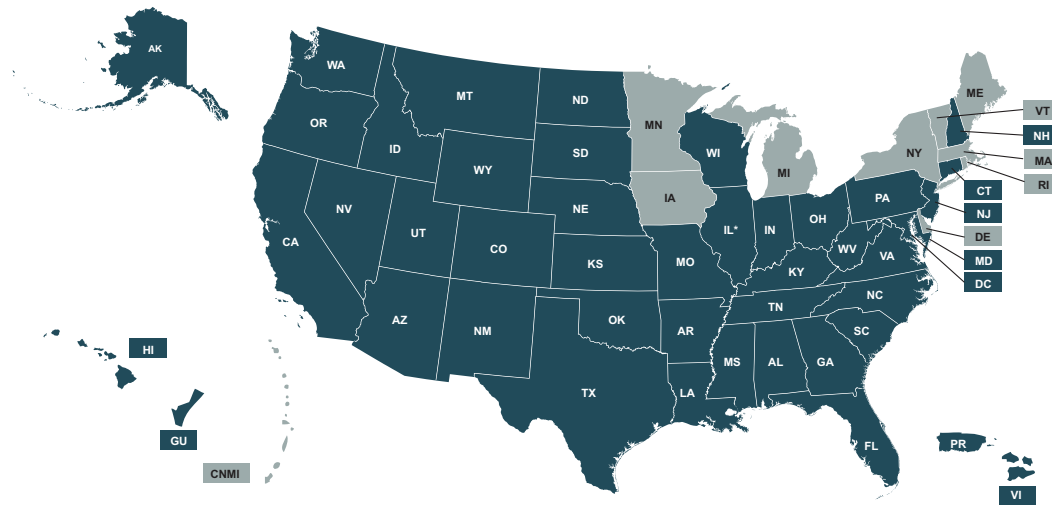
Total Number of Emails Sent
by NASBA on
Behalf of the State Boards

54%

Average Open
Rate Percentage for
Emails Sent on Behalf
of the State Boards

45

Total Number of State
Boards Participating
in NASBA's Communications
& Outreach Program



*Includes the Illinois Board of Examiners and the Illinois Department of Financial and Professional Regulation

The Communications Committee continued to educate member boards on emerging trends and communications best practices. In response to the sweeping effect of the COVID-19 pandemic, the Committee hosted a virtual webinar, “Communicating During a Pandemic: A Virtual Discussion for Boards of Accountancy,” specifically designed to assist state boards with the tools, techniques and strategies to optimize communications with their licensees, candidates, academia, legislators and members of the public during the COVID-19 pandemic. The event was well attended by executive directors, state board staff and board members throughout the country.

During the 2020 pandemic, there was a 32 percent increase in requests by Boards of Accountancy for communications support. In response, NASBA’s Communications Department produced creative collateral materials for 45 Boards of Accountancy including mass email communications, digital newsletters, infographics, social media communications and informational videos.

Additional details on NASBA’s Communications & Outreach program, including a library and sample templates, are available on nasba.org/outreach.

***Promote effective and efficient
communication among Boards of
Accountancy, NASBA and their respective
stakeholders.***

Committee Members:
Kenya Y. Watts (OH), Chair
Barry M. Berkowitz (PA)
Robin L. Byford (OK)
Patty Faenger (MO)
Michael Huotte (MT)
Delbert Madison (AL)
Leslie A. Mostow (MD)
Bob Patterson (KY)
Robert W. Sinkewicz (VT)
Susan M. Strautmann (WI)
Gerald Weinstein (OH)

Staff Liaisons:
Cassandra A. Gray
Thomas G. Kenny

COMPLIANCE ASSURANCE COMMITTEE

*Promote effective oversight of practice
quality of CPAs and their firms.*

Committee Members:

Stephen F. Langowski (NY), Chair

Ellen K. Adkins (SC)

Sherry L. Chesser (AR)

Elizabeth Gantnier (NC)

Wendy S. Garvin (TN)

James P. Gero (OH)

Mark T. Hobbs (SC)

Michael S. McClure (NE)

Chas McElroy (MN)

Charles R. Prince (MS)

Arthur L. Sparks, Jr. (TN)

Jay Tolsma (SD)

Viki A. Windfeldt (NV)

Wade K. Watkins (UT)

Wendy Garvin (TN)

Staff Liaison:

Daniel J. Dustin

The Committee met virtually six times during the year, including one joint meeting with the Executive Directors Committee. At its initial meeting in December 2019, the Committee identified several initiatives to be undertaken, including continued monitoring of updates to Chapter 3 of the AICPA Oversight Handbook; consolidation of peer review administering entities; conducting a Board of Accountancy survey to obtain up-to-date information on peer review and peer review oversight committees (PROCs); and establishing committee task forces on website redesign and regional PROCs.

During the year, the Committee heard updates on the activities of the AICPA's National Peer Review Committee and the AICPA's Peer Review Board Oversight Task Force. The Committee also learned of changes made to the peer review program as a result of the COVID-19 pandemic, including peer review extensions and temporary changes to firm and reviewer fair procedures. Committee members participated in all Peer Review Board meetings during the year. The Committee also discussed the need for another PROC Summit. A subcommittee was established and tasked with assessing and developing a plan for revamping the Committee website. As an adjunct, the subcommittee will focus on the addition of best practices for regional PROCs.



CONTINUING PROFESSIONAL EDUCATION COMMITTEE

On December 19, 2019, NASBA and the AICPA announced approval of the proposed revisions to the Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) as well as the NASBA Fields of Study document.

Among the most significant changes to the *Standards* is allowing for adaptive learning self study programs within the self study standards. The 2019 *Standards* now permit the use of review questions or other content reinforcement tools in a nano learning program. Additional clarifications have been made with regard to awarding CPE credit in the different instructional delivery methods. Definitions and examples were also included to assist in the application of the 2019 *Standards*. The changes to the Fields of Study document focused on providing descriptions that are more current and relevant than the previous version. The 2019 Standards became effective December 31, 2019.

The Committee has developed a strategy to encourage adoption of the nano and blended learning delivery methods with remaining State Boards of Accountancy. Most recently, the Committee discussed the impact of COVID-19 on CPE: the impact to state boards and the CPE requirements and reporting periods; the impact to CPE providers and the flexibility required to provide necessary CPE opportunities to CPAs; and the impact to the operations of the National Registry of CPE Sponsors.

Develop and promote uniform rules and requirements for continuing professional education among the jurisdictions. Also, oversee the Standards for CPE Programs and the related CPE Standards Working Group.

Committee Members:

John F. Dailey, Jr. (NJ), Chair

Michael Barton (IN)

Jimmy Bell (ID)

Nancy J. Corrigan (CA)

Gerald E. Denor (WI)

Nicole Kasin (SD)

Marianne Mickelson (IA)

Vikki G. Nunn (WY)

Angela L. Pannell (MS)

Joshua W. Partlow (VT)

Willie B. Sims, Jr. (MS)

Brian R. Thomas (WA)

Staff Liaison:

Jessica Luttrull

CPA EXAMINATION REVIEW BOARD

Review, evaluate and report on the appropriateness of the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and other examinations in general use by Boards of Accountancy for the licensing of certified public accountants; examine such records, and make observations, inspections, and inquiries as it deems necessary; and report annually to the Boards of Accountancy.

Committee Members:

Doug Skiles (NE), Chair
Barbara A. Ley (OK), Past Chair
Janet Booker-Davis (TN)
Ruben A. Davila (CA)
Marianne DeVries (AZ)

Consultants:

Michael W. Harnish
Suzanne Lane

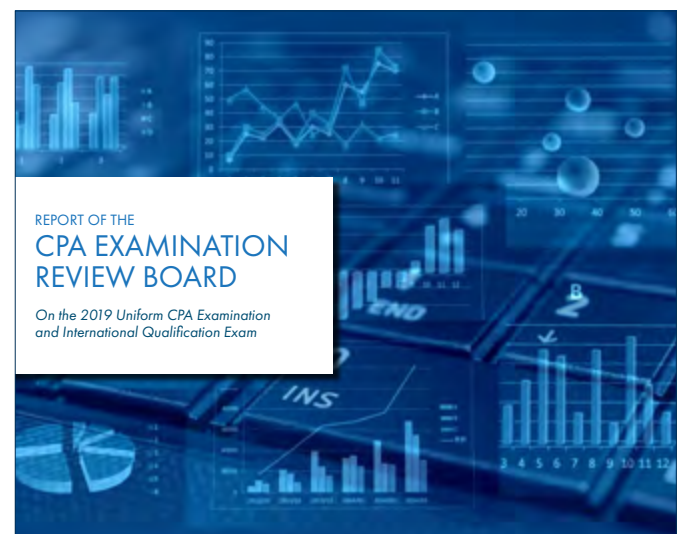
Staff Liaison:

Sheena Murphy

The ERB reviewed and evaluated the policies and procedures utilized in the preparation, grading and administration of the Uniform CPA Examination and the International Qualification Examination for the year ended December 31, 2019. The ERB's review and evaluations were conducted for the purpose of determining

the appropriateness of those policies and procedures for reliance by the Boards of Accountancy of the 55 U.S. jurisdictions in discharging their responsibility to test the qualifications of candidates for licensure as Certified Public Accountants.

The ERB issued its Annual Report to the Boards of Accountancy of the 55 U.S. jurisdictions at the NASBA Regional Meetings in June 2020 for the work performed during the 2019 calendar year. The ERB stated the results of the 2019 review in its report: "Based on our review and evaluations, we believe that the Boards of Accountancy may rely on the Uniform CPA Examination and the International Qualification Examination in carrying out their licensing responsibilities for the year ended December 31, 2019." Additionally, the ERB presented a comprehensive management letter to the chairman and Board of Directors of NASBA and the management of NASBA, AICPA and Prometric, which included recommendations that could enhance future examinations.





DIVERSITY COMMITTEE

The NASBA Diversity Committee had an interesting year. During its initial meeting, the Committee reaffirmed its objectives and focus areas, based on the Committee’s charge, and laid out plans for the remainder of the year. The Committee prioritized its efforts to focus first on the diversity of Boards of Accountancy (BOA) and secondly on the pipeline of diverse candidates entering the profession. Although much of the Committee’s work was interrupted by the challenges faced across the world, some of its work is highlighted in this report.

The Committee reviewed information obtained at the end of the previous committee year from State Board of Accountancy staff and State CPA Society executives to assist with understanding the demographics of the state boards. In doing so, the Committee confirmed the list of jurisdictions with the most opportunity to grow diversity.

Continuing a program it started three years ago to encourage diverse involvement in NASBA committees, the Committee reached out to new Board of Accountancy members from across the country to encourage their involvement in NASBA. The Committee also recommended select CPAs from across the nation to be featured in the upcoming program, the Diverse BOA Member Profiles. This program is a series of video interviews with diverse state board members telling their stories and encouraging others to consider board service to help protect the public. The videos were to be produced this year, but were deferred to next year, due to the pandemic.

Other activities of the Committee included supporting the PhD Project and other initiatives focused on building the pipeline of diverse talent entering the CPA profession.

Develop a diversity program that ensures that NASBA provides opportunities, encouragement and support to people of color (African Americans and Hispanics/Latinos) and women to participate in NASBA service and leadership roles.

- Committee Members:
- Alison L. Houck (DE), Chair
 - Johnnie Bejarano (CO)
 - Manuel Cavazos (TX)
 - Scott Dockins (ID)
 - Kerry Eaton (NV)
 - Rhonda Kodjayan (IL)
 - Chandra Lalvani (PA)
 - Godson Sowah (MN)

State Society Liaison:
Ralph Albert Thomas (NJ)

Staff Liaison:
Alfonzo Alexander





EDUCATION COMMITTEE

Support the Boards of Accountancy by representing NASBA in the academic community and serving as an advisory resource on education matters related to the accounting profession.

Committee Members:

Stephanie M. Saunders (VA), Chair
Charles Alvis (SC)
Margaret Combs (KY)
Steve Grice (AL)
Raymond N. Johnson (OR)
Carlos E. Johnson (OK)
Walter F. D'Olive, III (AL)
Jason D. Peery (ID)
Simon Petravick (IL)
Joe Shoemaker (NH)
Richard Silverman (NH)
Sandra A. Suran (OR)
Michael M. Watts (AR)

Staff Liaison:

Daniel J. Dustin

The Education Committee met virtually several times throughout the year to discuss the Accounting Education Research Grants process and the joint AICPA-NASBA CPA Evolution Initiative.

The Committee selected the 2020 recipients for NASBA's Accounting Education Research Grants. This year's recipients include the team of Tristan B. Johnson and J. Russell Hardin from the University of South Alabama (Mobile, AL) and D. Shawn Mauldin from Mississippi State University (Starkville, MS), for their research entitled, "Options for Meeting the 150-Hour Requirement to Maximize Students' Demand as Public Accounting Recruits: Establishing New Benchmarks in the Age of Data Analytics."; and M. Pamela Neely and Timothy Hungerford of State University New York – Brockport (Brockport, NY) for their project titled, "Rejuvenating the Accounting Curricula: How Can We Bring Accounting Students Into the 21st Century?"

The Committee heard updates and discussed the activities and outcomes of the CPA Evolution Initiative Education Work Group. The Work Group included members of the NASBA Education Committee. The Committee also participated in virtual meetings to discuss the proposed amendments to the Uniform Accountancy Act Model Rules for education and to hear an overview of CPA Evolution initiatives to develop model curricula and a model internship program.



ENFORCEMENT RESOURCES COMMITTEE

Chair Maria E. Caldwell, CPA, led the Enforcement Resources Committee in realizing its charge to promote effective, efficient and uniform enforcement of professional standards by Boards of Accountancy.

The Enforcement Resources Committee, like many other committees, has been concerned this year with how the pandemic is affecting state board operations. The Committee worked diligently with NASBA's Legal team to track COVID-19 changes specific to disciplinary concerns across its member boards the past several months. The changes have been gathered from board websites, board rulemaking publications, state registers and executive orders.

The Committee is working on releasing a series of short Enforcement Surveys. The first short survey in the series was released mid-September 2020. The Committee plans to use the survey responses to update the Enforcement Resources Guide and the *Enforcement Newsletter* with a more accurate picture of how boards are handling COVID-19 changes and to better recognize the commonality and differences of disciplinary practices among the boards. The Committee plans to combine the input from these survey responses and any disciplinary matrixes submitted as an update to the Enforcement Resource Guide, so that board members and executive directors will have additional guidance available with respect to disciplinary penalties and procedures.

The Committee is revamping the *Enforcement Newsletter*, which is scheduled to relaunch in Fall of 2020 with a major emphasis on COVID-19 issues and board responses. The newsletter will feature an update on the Delaware and Utah Accountancy Licensing Database (ALD) Implementations as well as articles about state(s) using CPAVerify in place of Interstate Exchange Forms; the benefits of Accountancy Licensing Database (ALD)/testimonial from an executive director; and COVID-19 changes to board rules/policy (including modified penalties, delayed hearings, extensions for responding to disciplinary correspondence, etc.). Future editions of the newsletter will include articles regarding rulemaking and legislative updates and board members' use of the ALD.

NASBA continues to actively promote the Investigator and Expert Witness Pools through state board newsletters and through NASBA publications. Timely distribution of the Quarterly Enforcement Report also continued, with positive reception by boards seeking a consolidated source of agency enforcement actions for board consideration. The additional benefit of increased transparency across jurisdictions continues to support the Committee's goals of consumer protection and efficient enforcement of professional standards.

Promote effective, efficient, and, where appropriate, uniform enforcement of professional standards by Boards of Accountancy.

Committee Members:

Maria E. Caldwell (FL), Chair

Jose R. Barreras (PR)

Louis J. Costanzo (WV)

John R. Helms (KS)

Carol A. Morgan (WA)

Roselyn E. Morris (TX)

Nicola Neilon (NV)

Eileen L. Poiani (NJ)

John W. Roberts (HI)

Emily R. Rollins (TX)

Patrick P. Stewart (NM)

Patrick M. Thorne (NV)

Staff Liaison:

Elizabeth Wolfe



ETHICS COMMITTEE

Promote the development and maintenance of high-quality standards of ethical practice to protect the public interest. Provide input related to changes or developments in ethics-related standards.

Committee Members:

Catherine R. Allen (NY), Chair

Paul Balas (MI)

David I. Bridgers, Jr. (MS)

Donald H. Burkett (SC)

Wm. Hunter Cook (NC)

Robert F. Fay (OH)

Susan Quaintance Ferguson (VA)

Robert L. Goldfarb (NY)

Larry Hunter (ID)

James G. Kelley (IL)

Thomas G. Neill (WA)

Michael L. Nickerson (ME)

Steven M. Platau (FL)

Lydia M. Washington (NY)

Lawrence A. Wojcik (IL)

Staff Liaison:

Daniel J. Dustin

The Ethics Committee met in person in January 2020, and several times virtually, to discuss exposure drafts issued by the International Ethics Standards Board for Accountants (IESBA), AICPA Professional Ethics Executive Committee (PEEC), and the U.S. Securities and Exchange Commission (SEC). Subjects covered included:

Source	Exposure Draft	Received	Comments Due
PEEC	PEEC Strategy and Work Plan	11/15/19	2/28/20
SEC	Amendments to Rule 2-01, Qualifications of Accountants (File Number S7-26-19)	1/15/19	3/11/19
IESBA	Proposed Revisions to the Fee-related Provisions of the Code	1/21/20	5/4/20
IESBA	Proposed Revisions to the Non-Assurance Services Provisions of the Code	1/21/20	5/4/20
IESBA	Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers	1/30/20	2/28/20
PEEC	Proposed Revised Interpretation Records Requests	5/1/20	9/30/20
PEEC	Proposed Interpretation Staff Augmentation Arrangements	9/8/20	12/8/20

EXECUTIVE DIRECTORS COMMITTEE

Support Executive Directors in their roles with Boards of Accountancy.

Committee Members:

Grace Berger (MT), Chair
Kent Absec (ID)
Jovonna Bennett (RI)
John E. Patterson (OH)
Randall A. Ross (OK)
Charles Satterlund (WA)
Dan Sweetwood (NE)
Brenda Turley (WV)

Staff Liaisons:

Daniel J. Dustin
Patricia Hartman

The Executive Directors Committee represents the executive directors of the 55 U.S. Boards of Accountancy and serves as a means of outreach to the executive directors. The Committee was responsible for coordinating the 38th Annual Conference for the Executive Directors and Board Staff, which was held virtually in March 2020. This was NASBA's first virtual conference and was very well received. In continuing efforts to build relationships and in conjunction with the State Society Relations Committee, joint sessions were held with the State Society CEOs and presidents. The conference held discussion on topics covering UAA, Cyber Security, Legal Cases and Other Developments Impacting the Profession, Peer Review, Contingency Planning and the Uniform CPA Examination.

The Committee met virtually several times in conjunction with the CBT Administration Committee to address issues impacting the CPA Exam due to COVID-19, such as extensions for Notices to Schedule (NTS) or examination credit. The Committees met and reviewed initial demonstrations on remote proctoring of the Exam.



INTERNATIONAL QUALIFICATIONS APPRAISAL BOARD

The renewal of the mutual recognition agreement with the Hong Kong Institute of CPAs (HKICPA) was signed and agreed to for a three-year period as of July 1, 2020. The agreement is not for a full five-year period, as others are, as HKICPA is in the process of changing its qualification program and their new final examination will not be available for review for some time. The renewal covers members of HKICPA who completed the program currently in place. The IQAB evaluation task force was led by Telford A. Lodden.

Chair Sharon Jensen held a virtual IQAB meeting on May 8, 2020. Among the issues discussed was the AICPA's invitation to comment on the blueprint for the 2021 Uniform CPA Examination. Led by Dr. Bud Fennema, the task force reviewing the Examination asked IQAB to consider requiring CPE to cover topics not included in the REG section of the Examination. The task force will be monitoring the changes proposed to the Examination in conjunction with the CPA Evolution project. Whether or not IQEX (the material in the current REG section) continues to meet IQAB's needs will have to be evaluated.

A review of the qualifications of CPA Ireland credential holders is underway, led by Wendy S. Perez. Only those CPA Ireland members who hold at least a baccalaureate degree are being considered for coverage under a mutual recognition agreement.

Talks with the Institute of Chartered Accountants of England and Wales have been postponed due to the coronavirus. NASBA President Ken L. Bishop plans to speak with Financial Reporting Council (FRC) Chief Executive Sir Jon Thompson. The FRC has been undergoing some significant changes and the UK is still working through BREXIT details.

As directed by the Executive Committee, survey and assess professional practice standards and qualifications in specified countries and recommend the feasibility of recognition of credentialed non-U.S. professionals to the Board of Directors.

Committee Members:

Sharon A. Jensen (MN) , Chair
Martin G. Fennema (FL)
Telford A. Lodden (IA)
Wendy S. Perez (CA)
William Treacy (TX)
Thomas R. Weirich (MI)

Staff Liaisons:

Louise Dratler Haberman
Patricia Hartman



LEGISLATIVE SUPPORT COMMITTEE

Develop legislative support strategies and tactics to assist the Director of Legislative and Governmental Affairs in supporting Boards of Accountancy on legislative matters.

Committee Members:

J. Andy Bonner, Jr. (TN), Chair
Marja Beltrami (AK)
D. Boyd Busby (AL)
Julian I. Deal (GA)
Joseph S. Drew (DC)
Brendan P. Fitzgerald (OH)
Margaret Ann Gilmore (OH)
Brian L. Johnson (SC)
Nick Myers (MO)
Darla Saux (LA)
Andy L. Wright (MS)

Staff Liaison:

John W. Johnson

NASBA's Department of Legislative and Governmental Affairs identifies and monitors legislation through NASBA's Legislative Tracking System. This system allows boards and NASBA to become more readily aware of key pieces of legislation and executive orders around the country, which could greatly impact their regulatory capacity. During the 2020 legislative session, of the 3,431 bills monitored, 847 of those bills had a direct impact on the regulation of the accounting profession.

In addition to remaining current on legislation, executive orders and other regulatory activity impacting the accounting profession, it is equally important to establish a strong internal network program that can proactively and positively influence governmental affairs, in general and when important legislation/executive orders are identified. To accomplish this task, NASBA's Department of Legislative and Governmental Affairs established a Key Person Contact (KPC) Program, which serves as a nexus for transmitting information to government officials and reporting information about proposed or pending legislation/regulatory changes to NASBA.

The Legislative Support Committee believes awareness is pivotal to regularly inform boards on issues impacting the profession, through conferences, NASBA's *Legislative E-News* publication and content provided on the Legislative Support page at [nasba.org](https://www.nasba.org).

Anti-regulatory organizations continue to develop and promote federal and state legislation designed to eliminate occupational licensing or, at minimum, significantly reduce regulations and oversight. Such efforts, if successful, could be severely detrimental to the protection of the public as they include the accounting profession.

To help push back against anti-regulatory efforts, NASBA and the AICPA helped form the Alliance for Responsible Professional Licensing (ARPL) – a new coalition of advanced professions focused on educating policymakers and the public about the importance of rigorous professional licensing standards.

NASBA will work with other ARPL members to inform lawmakers of the need to maintain standards for highly complex and technical professions, like accounting, that have a clear impact on the public's fiscal health and welfare. The coalition was formed to ensure the voices and concerns of the advanced professions are heard by lawmakers amid the growing debate around licensing.



NOMINATING COMMITTEE

The work of the Nominating Committee has been carried out in accordance with Article VII, Sections 7.2 and 7.3, and Article IV, Section 4.5, of NASBA's Bylaws.

The 2019-2020 Nominating Committee has nominated the following officers and directors to be voted on by the member boards at the 113th NASBA Annual Business Meeting on November 3, 2020. In the midst of coronavirus (COVID-19) and quarantine mandates, the meeting will be held via Zoom.

Vice Chair: W. Michael Fritz (OH)
Directors-at-Large (three-year term):
J. Coalter Baker
Jimmy E. Burkes
Nicola Neilon
Regional Directors (one-year term), a Regional Director may serve three one-year terms:
Faye D. Miller (ND – Central Region)
Kenya Y. Watts (OH – Great Lakes Region)
Alison D. Houck (DE – Middle Atlantic Region)
Jason D. Peery (ID – Mountain Region)
Stephen F. Langowski (NY – Northeast Region)
Katrina L. Salazar (CA – Pacific Region)
Jack Anderson Bonner, Jr. (TN – Southeast Region)
Lynn V. Hutchinson (LA – Southwest Region)

The following Board members will continue to serve for the balance of their unexpired terms. At-large directors may serve two three-year terms.

Directors-at-Large (third year of three-year term):
John F. Dailey (NJ)
Sharon A. Jensen (MN)
Stephanie M. Saunders (VA)
Directors-at-Large (second year of three-year term)
Catherine R. Allen (NY)
Tyrone E. Dickerson (VA)
Richard N. Reisig (MT)
A Carlos Barrera (TX) – Mr. Barrera, 2019-20 Vice Chair, will accede to office of chair.
Laurie J. Tish (WA) – Ms. Tish, 2019-20 Chair, will accede to office of past chair upon the installation of Mr. Barrera as chair.

Nominate officers and directors, in accordance with NASBA's Bylaws.

Committee Members:
Janice L. Gray (OK), Chair

Michele M. Stomp (NE)
Central Region

James P. Gero (OH)
Great Lakes Region

Marc Moyers (VA)
Middle-Atlantic Region

Harry O. Parsons (NV)
Mountain Region

Frederick G. Briggs, Jr. (NH)
Northeast Region

Raymond N. Johnson (OR),
Pacific Region

Willie B. Sims, Jr. (MS)
Southeast Region

Thomas G. Prothro (TX)
Southwest Region

Holly Brunick (SD)
Alternate Central Region

Chandra Lalvani (PA)
Alternate Great Lakes Region

Barton W. Baldwin (NC)
Alternate Middle-Atlantic Region

Dan Vuckovich (MT)
Alternate Mountain Region

Richard Silverman, (NH)
Alternate NE Region

Thomas T. Ueno (HI)
Alternate Pacific Region

David L. Dennis (FL)
Alternate SE Region

Manuel Cavazos, IV (TX)
Alternate SW Region

Staff Liaisons:
Ken L. Bishop
Anita Holt



PAST CHAIR ADVISORY COUNCIL

Provide background and counsel on current issues framed with a historical perspective.

Committee Members:

Janice L. Gray (OK), Chair
Billy M. Atkinson (TX)
Barton W. Baldwin (NC)
Milton Brown (NJ)
Donald H. Burkett (SC)
K. Michael Conaway (TX)
Samuel K. Cotterell (ID)
Michael T. Daggett (AZ)
Walter C. Davenport (NC)
Albert J. Derbes, III (LA)
Robert C. Ellyson (FL)
Welling W. Fruehauf (PA)
Nathan T. Garrett (NC)
John M. Greene (SC)
Gaylen R. Hansen (CO)
Mark P. Harris (LA)
Thomas Iino (CA)
Carlos E. Johnson (OK)
Wesley P. Johnson (MD)
Telford A. Lodden (IA)
Theodore W. Long, Jr. (OH)
Andrew P. Marincovich (CA)
John B. Peace (AR)
Diane M. Rubin (CA)
Ronnie Rudd (TX)*
Thomas J. Sadler (WA)
Jerome A. Schine (FL)*
Dennis P. Spackman (UT)
Sandra A. Suran (OR)
David A. Vaudt (CT)
Michael D. Weatherwax (CO)

Staff Liaison:
Colleen K. Conrad

*Deceased FY2020

The Past Chair Advisory Council met in Boston, MA, in conjunction with NASBA's 2019 Annual Meeting and discussed domestic and international initiatives and activities of interest. Topics included international mutual recognition agreement efforts with South Africa, Ireland, Hong Kong, England and Wales, as well as past chair involvement with international standard setters. An update was also provided on multiple CPA Examination initiatives such as progress toward the goal of continuous testing and further international expansion.

The formation and efforts of the Alliance for Responsible Professional Licensing (ARPL) were discussed as an initiative in coalition with other professions to present a unified voice against harmful antiregulatory legislative threats. Further updates were shared regarding legislative efforts during the year pertaining to extension of firm mobility, uniform definitions of attest, and other Uniform Accountancy Act provisions. Past Chair and Congressman K. Michael Conaway (TX) provided a Hill update and Past Chair David A. Vaudt shared an update as chair of the Government Accounting Standards Board.

The Council received a financial update and learned details and reasoning behind NASBA's decision to shift to a managed services platform for the organization's information technology infrastructure and software development operations. Past Chair Donald H. Burkett shared recent activities and efforts of NASBA's Center for the Public Trust.

The Council closed the meeting with a deep dive discussion regarding the CPA Evolution initiative as well as other trending topics.

REGULATORY RESPONSE COMMITTEE

Working with other NASBA Committees, including the Standard Setting and Professional Trends Advisory Committee, the Ethics Committee and the Education Committee, the Regulatory Response Committee drafted, reviewed and/or vetted comment letters on the following exposure drafts:

Source	Topic	Date Replied
SEC	Amendments to Rule 2-01, Qualifications of Accountants	2/25/20
PEEC	Strategy and Workplan Consultation Paper	2/25/20
PCAOB	Potential Approach to Revisions to PCAOB Quality Control Standards	3/11/20
BOE	Maintaining Relevance of the Uniform CPA Examination	4/30/20
IESBA	Proposed Revisions to Non-Assurance Services Provisions of the Code	5/6/20
IESBA	Proposed Revisions to the Fee-Related Provisions of the Code	5/13/20
IAASB	Proposed ISA 600 (Revised) – Special Consideration – Audits of Groups Financial Statements (Including the Work of Component Auditors)	8/12/20
PEEC	Proposed Revised Interpretation – Records Requests	8/28/20

Committee Chair Mike Fritz convened multiple conference calls and Zoom meetings, followed by requests for careful reviews of the Committee's work in progress. The regional directors were invited to participate in the Committee's meetings, and the NASBA Board was given the opportunity for a fatal flaw review of all letters signed by Chair Laurie Tish and President and CEO Ken L. Bishop prior to the letters' submission to the originating organizations. The responses can be found on NASBA's website.

Provide timely proposed responses on professional practice developments by either developing responses or reviewing the suggested responses from other NASBA committees.

Committee Members:
W. Michael Fritz (OH), Chair
Alan R. Augenstein (AZ)
Richard L. Bell (AR)
Kevin Collins (CO)
David D. Duree (TX)
Gaylen R. Hansen (CO)
Tracy Harding (ME)
Matthew J. Howell (MI)
Richard Isserman (NY)
Frederick R. Kostecki (MO)
L. Samuel Williams, Jr. (NC)
Carleton L. Williams (HI)

Staff Liaisons:
Louise Dratler Haberman
Jessica Luttrull



RELATIONS WITH MEMBER BOARDS COMMITTEE

***Provide reciprocal communication
between Boards of Accountancy and NASBA
Board of Directors.***

Committee Members:
C. Jack Emmons (NM), Chair
Southwest Regional Director

J. Andy Bonner, Jr. (TN)
Southeast Regional Director

Alison L. Houck (DE)
Middle Atlantic Regional Director

Stephen F. Langowski (NY)
Northeast Regional Director

Faye D. Miller (ND)
Central Regional Director

Jason D. Peery (ID)
Mountain Regional Director

Katrina Salazar (CA)
Pacific Regional Director

Kenya Y. Watts (OH)
Great Lakes Regional Director

Staff Liaisons:
Daniel J. Dustin
Louise Dratler Haberman

The work of the Relations with Member Boards Committee has been particularly challenging this year, as both the Regional Meetings and the New Board Member Orientation Session could not be held as face-to-face events, and travel to meeting with state boards was eliminated. However, the regional directors pivoted to hold virtual meetings and continued to hold conference calls with the states in their regions. Fortunately, this year some of the calls were held on the Zoom platform, which allowed for connecting faces with voices.

Early in 2020, the regional directors were urging state boards to review the findings of the AICPA's practice analysis and to respond to the Board of Examiners with pertinent comments. During their February Regional conference calls, the regional directors talked about the CPA Evolution initiative's work with their states.

As the regional directors planned for the June Regional Meetings, besides encouraging the state boards' focus on the CPA Evolution initiative, the regional directors worked with the NASBA staff to keep the boards informed of activities being undertaken to deal with the pandemic in neighboring jurisdictions. The virtual format enabled additional state board members and staff to participate in these meetings.

During the June Regional Meetings' breakout sessions, there were questions about how boards and NASBA might respond to the systemic racism concerns being discussed in the United States. Diversity has been a goal of NASBA and the profession for decades. The question raised was what additional steps might be taken.

The New Board Member Orientation Session was held on August 20. Typically, this meeting would have been held right before each of the Regional Meetings, and the regional directors had a major role in the presentation. This year, only one virtual meeting was held, and the regional directors had a smaller role. However, participant evaluations remained high.

September's Regional Zoom calls found boards particularly interested in how other jurisdictions were coping with health concerns, state and local requirements and anticipated budget cuts. Focus Questions have been sent out to the state boards to find out additional information on these topics.

STANDARD-SETTING AND PROFESSIONAL TRENDS ADVISORY COMMITTEE

The Standard-Setting and Professional Trends Advisory Committee met virtually four times during the fiscal year. The Committee was unable to meet face-to-face due to the COVID-19 pandemic. Chair Laurie Tish asked the Committee to serve as a consultative sounding board for the CPA Evolution initiative, so updates were provided at each meeting and valuable input was received.

Early in the year, the Committee reviewed the AICPA Practice Analysis Exposure Draft and Invitation to Comment, which was released in late 2019 pertaining to recommended content and skill changes to the CPA Examination. Extensive input was provided for NASBA's formal response to the Exposure Draft and Invitation to Comment, which was ultimately submitted in April 2020.

The Committee was used as a sounding board for CPA Evolution in March 2020, when it was asked to preview a presentation outlining newly determined details for the CPA Evolution model for use in state board webcasts later in the month. Extensive conversation led to adjustments to the presentation and additional information provided. Later in the fiscal year, the Committee heard directional thinking regarding transition policies for the CPA Examination, as well possible allocation of content among the new CPA Examination sections anticipated under CPA Evolution. Initial input was provided after robust discussion. Updates on timelines and newly created task forces and initiatives pertaining to Evolution were also shared for comment.

In July 2020, The Monitoring Group released a report entitled *Strengthening the International Audit and Ethics Standard-Setting System* detailing its much anticipated and long-awaited changes to the international standard setting regime for audit/attest and ethics internationally. The Committee reviewed and discussed the report and The Monitoring Group's important decisions, considering ultimate impact to standard-setting in the United States. Similarly, the Committee also considered the Financial Resource Council's *Principles for Operational Separation of Audit Practices*, which was also released in July 2020 and pertained to the largest accounting firms. Ramifications of the new principles and again how they might ultimately impact firms in the United States were discussed. It also reviewed PCAOB's current initiatives pertaining to inspection reporting and focus on firm quality control standards.

At each meeting, the Committee conducted environmental scans pertaining to standard-setting and any possible new standard-setters on the horizon. It also had brainstorming discussions regarding disruptive trends, which might impact the accounting profession and ultimately regulation of the profession by Boards of Accountancy. Ideas for articles and presentations on such topics were shared by Committee members for consideration.

Monitor and objectively evaluate processes of standard setters, as well as disruptive trends in the profession, on behalf of Boards of Accountancy. Recommend process improvements, when warranted, and advise the Boards of potential disruptive trends impacting the regulation of the profession.

Committee Members:

Richard N. Reisig (MT), Chair
Billy M. Atkinson (TX)
Barton W. Baldwin (NC)
Deidre N. Budahl (SD)
Keri A. Ellis (PA)
Gaylen R. Hansen (CO)
G. Alan Long (KY)
Michael P. Rollage (PA)
Michael H. Womble (NC)

Staff Liaisons:

Colleen K. Conrad
Jessica Luttrull

STATE SOCIETY RELATIONS COMMITTEE

Provide state societies a platform to inform boards and NASBA about issues of importance to the regulation of the profession, and enhancing board relations with state societies.

Committee Members:

Mike Colgan (PA), Chair
Cindy Adams (IA)
Jeannine Birmingham (AL)
Ronald A. Gitz, II (LA)
Stephanie Peters (VA)
Blaine M. Peterson (OK)
Amy A. Pitter (MA)
Kimberly Scott (WA)

Staff Liaison:

John W. Johnson

NASBA believes that fostering greater dialogue and collaboration between Boards of Accountancy, State CPA Societies and NASBA is essential to ensuring effective relations and advancing the common interests of the public and the profession. In working toward that goal, the State Society Relations Committee focused on the following initiatives in 2019-20:

- **Anti-Regulation Legislation** – Over the last several years, and since the North Carolina Dental decision in 2015, there has been a concerted effort by various anti-regulatory forces to limit, and in some cases dismantle, the state-based regulatory system for professions and occupations. At a time when the validity of an effective state-based regulatory system is being questioned, the State Society Relations Committee has taken an active role to assist with their preservation.
- **CPA Pipeline** – NASBA leadership regards the CPA pipeline as having a strong public protection nexus and has begun the process of working with State CPA Societies to strengthen the pipeline – both in number of CPAs entering the profession and the diversity represented by them.
- **Diversity** – The Committee continued to work with NASBA's Diversity Committee and those responsible for making board appointments to ensure that appointments include not only women and minorities, but also individuals with diverse skill sets, from a range of firm sizes, to individuals who hail from various geographic locations within their jurisdiction, and other components that foster a multicultural board.
- **Joint State Society CEO/State Board Executive Directors Conference** – NASBA's Executive Directors Committee invited the State CPA Society CEOs to a one-day virtual conference during its 38th Annual Conference for Executive Directors and Board Staff. The 2020 conference brought together, for the sixth year in a row, state board executive directors and state society CEOs to participate in more than five sessions that covered matters of mutual interest/concern, future opportunities for collaboration and enhanced communications. In anticipation of the conference, NASBA's State Society Relations Committee worked closely with NASBA's Executive Directors Committee to develop an exciting agenda. Presentation and discussion topics included but were not limited to: Legal Cases Impacting the Profession; Peer Review Administration; Legislative Update; Uniform CPA Examination Update and Contingency Planning (added due to COVID-19). Overall, the work accomplished by the Committee and the work to come will not only foster greater collaboration between Boards of Accountancy, State CPA Societies and NASBA, but it will also assist John W. Johnson, Director of Legislative and Governmental Affairs, when consulting with Boards of Accountancy regarding their legislative strategies.



UNIFORM ACCOUNTANCY ACT COMMITTEE

As directed by the NASBA Board of Directors during their April 2020 Meeting, the proposed changes to Uniform Accountancy Act Model Rules 5-1 and 5-2 were released for public comment on May 26, 2020, with a comment deadline set for August 31, 2020. At both of NASBA's virtual Regional Meetings in June, UAA Committee Chair Coalter Baker and Vice President, State Board Relations Dan Dustin gave a detailed description of the specific changes being called for in the proposed Rules and explained why these changes had been recommended.

During all eight of the Regional Breakout Sessions, associated with the Regional Meetings, the Regional Directors asked the boards' representatives to pose any questions they might have about the proposed changes and how their states are likely to respond to them. Mr. Dustin and Executive Vice President and COO Colleen Conrad answered the questions and concerns raised during those virtual meetings.

Following the comment deadline, staff gathered the responses and the NASBA UAA Committee met on September 16 to review the responses received and to make any final changes to the proposed rules. Chair Laurie Tish held a special meeting of the NASBA Board of Directors on October 13, 2020, when the finalized rules were adopted.

On July 29, a task force of the AICPA/NASBA UAA Committee held a virtual meeting with a task force of the AICPA Professional Ethics Executive Committee to review the current status of changes being made to allow for disclosure of NOCLAR (noncompliance with laws and regulations) concerns from the predecessor to the successor auditor. A study of existing state laws found that currently a majority of boards already have within their law the ability for licensees to breach confidentiality when professional standards allow.

During the Regional Breakout sessions, questions were heard about the status of requiring additional experience for those signing audit reports. That issue is among the UAA Committee's open questions, as significant implementation concerns remain unresolved.

Oversee the Uniform Accountancy Act and related Model Rules and recommend amendments to the Board of Directors.

Committee Members:

J. Coalter Baker (TX), Chair
James Corley (AR)
Andrew L. DuBoff (NJ)
Marc Moyers (VA)
John B. Peace (AR)
Vicky Petete (OK)
Donovan W. Rulien, II (AK)
Stephanie M. Saunders (VA)
Dan Vuckovich (MT)
Arthur M. Winstead, Jr. (NC)

Staff Liaisons:

Daniel J. Dustin
Louise Dratler Haberman

