

Diversity, Equity and Inclusion in Licensure

As 2022 legislative sessions are now in full swing, legislatures continue to question the value of occupational and professional licensure. Perhaps *Valuing Professional Licensing*, a recent report issued by the Alliance for Responsible Professional Licensing (ARPL)—in partnership with the internationally recognized research firm Oxford Economics—can and should be employed to show the value of licensure beyond public protection.

That report found professional licensing is associated with higher wages across all professions and occupations. Women and minorities in particular benefit as a license narrows the gender-driven wage gap by about one-third and the race-driven wage gap by about half. Licensing helps level the playing field by setting a clear, evenly applied level of qualification and removing subjectivity. Licensure is also an important tool that helps build pay equity.

Input Needed

To help expand the usage of this report and to educate legislators about the value of licensure beyond public protection, ARPL is looking for examples (proof points) on the benefits of licensing in the accounting profession to reinforce the Oxford findings, especially those pertaining to the benefits of women and persons of color in the profession. Additionally, ARPL is interested in the steps your state board/your firm is taking to enhance diversity, equity and inclusion, or any actions/information to that effect, such as:

- Initiatives, partnerships with other

organizations, and/or steps in recruitment and expanding the pipeline, etc.

- Research, data, marketing materials, testimonials, etc. that speak to the value of licensure for professionals for women and persons of color.
- Providing or connecting ARPL with credible spokespersons who would be comfortable talking to media or providing written commentary, such as an op-ed.

Please provide your input to John Johnson, Director of Legislative and Governmental Affairs, at legislative@nasba.org or contact him if you have any questions or need additional information. ♦



NASBA is a member of ARPL.

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 Editor-in-Chief: Cassandra A. Gray
 Production Editor: Anthony E. Cox
 Tel: 615.880.4200 Fax: 615.880.4290
 Web: <https://nasba.org>
 150 Fourth Avenue North, Suite 700
 Nashville, TN 37219-2417

Happy Retirement, Bob Brooks!

After a 35+ year tenure as executive director of the North Carolina State Board of CPA Examiners, Robert N. Brooks retired from the Board on December 31, 2021. His commitment to public protection and maintaining the integrity of the CPA profession is evident through his work with organizations including NASBA and the North Carolina Association of CPAs (NCACPA).

Much of Brooks' work with NASBA focused on the Uniform CPA Exam and mentoring fellow executive directors. For the past 24 years, he served on the NASBA committee that helped facilitate the change from a 19.5-hour paper-and-pencil Exam administered twice a year to a 16-hour computer-based Exam offered year-round.

"Bob's long history and leadership in support of the regulation of the CPA profession, expertise and institutional knowledge of the CPA Examination, and insight into the issues that strengthen public protection have been crucial to NASBA and State Boards of Accountancy," said NASBA President and CEO Ken Bishop. "Personally, I will always consider Bob to be a good friend. I congratulate him on a great career and wish him a wonderful retirement," he exclaimed.

In 2012, Brooks received NASBA's Lorraine P. Sachs Standard of Excellence Award, the award recognizing State Board of Accountancy executive directors who "have shown exemplary, dedicated and outstanding service and commitment to improving the effectiveness of accounting regulation, both

locally and nationally."

Barton W. Baldwin, president of the Board, and president-elect of the NCACPA when Brooks became executive director, said he knew from experience that Brooks would be a leader for accounting professionals in North Carolina. "Everybody knows who Bob is, and they pay attention when he speaks about regulations or the best places to eat," Baldwin explained. "He has led North Carolina through unimaginable transitions over the past 30 plus years, enabling us to proudly claim our place in the top tier of State Boards of Accountancy. I consider myself fortunate to call him my old friend," stated Baldwin.

Brooks hasn't made plans for what he'll do in retirement but says retirement won't change his dedication to the profession. "I've had a good career with the Board. It was never just a job to me," Brooks shared. "I'll miss talking to people, but even though I'll be retired, I'll be available to answer questions. Especially if you ask me to recommend a good restaurant," Brooks said with a grin.

On behalf of everyone at NASBA, best wishes on your retirement, Bob! ♦



ED/Legal Conferences Convene in April

The 40th Annual Conference for Executive Directors and Board Staff and 27th Annual Conference for Board of Accountancy Legal Counsel will be held April 25-27, in Clearwater Beach, FL. Held concurrently, the conferences are open to state board executive directors and key staff, state board legal counsel, as well as state society CEOs, and have been held virtually since 2020. NASBA's Executive Directors Committee, with assistance from the State Society Relations Committee, the NASBA Legal Team and the NASBA Meetings Team, have already begun to develop an informative conference agenda and anticipate engaging participation from conference goers. Registration is set to launch in the coming weeks. However, as NASBA leaders continue to closely monitor the ongoing COVID-19 pandemic, attendees are asked to refrain from making travel arrangements until registration is open, and encouraged to visit the [nasba.org Meetings & Events](https://www.nasba.org/Meetings&Events) page often to stay abreast of additional updates including conference agendas, and details on travel and lodging. ♦

PRESIDENT'S MEMO

Time to Unwind

By being married to a former professor and PhD, I am often corrected when I use a word or phrase inappropriately. Similarly, former President Harry Truman, a fellow Missourian, was often criticized for his misuse of words and language. He once stated that he liked to use “plain language that the folks understand.” I can relate.

For the past several months, I have been telling NASBA’s staff, governance leadership and volunteers that after two years of near lockdown behavior, it is ‘time to unwind.’ Now technically, “unwind,” defined as “to relax after a period of tension” is not the most eloquent word to use, but I think most folks understand what I mean – we must get back to something closer to normal.

For over two years, NASBA, and I, have been extremely cautious and risk adverse as we worked through the pandemic, with limited travel, few face-to-face meetings, and no in-person NASBA conferences and meetings. Recently, we resumed having in-person NASBA Board of Directors meetings, while practicing safety, and as discussed in this issue, our intent is to return to in-person conferences and meetings in 2022. Also, it is time to focus on the important issues, challenges and opportunities that we face.

The issue that is one of our highest priorities is “pipeline” or the number of candidates taking the CPA Examination and seeking licensure in the U.S. Pipeline has been on our radar as a significant threat for several years, but the impact of the COVID-19 pandemic obstructed our ability to accurately assess candidate behavior. It is increasingly clear that the number of students in accounting programs and ultimately taking the CPA Examination is continuing to decline. This phenomenon is not accounting specific as demographic data indicates that the population of college aged students is shrinking.

NASBA and AICPA are working on measures to encourage and support students and candidates to become CPAs. We have been communicating those strategies through our article and meetings. We are not alone. Groups and individuals, including state boards, state societies and firms, are looking for answers and opportunities.

I recently had an interesting conversation with Jerry Maginnis, a retired KPMG audit partner, who has written a timely book titled, *Advice for a Successful Career in the Accounting Profession*. The first two chapters, *Why Accounting is a Great Profession* and *Is Becoming a CPA the Right Path for You*, amplify and demonstrate what I conveyed in my annual report message, that we all must do a better job of articulating the incredible career opportunity that being a CPA offers. Maginnis begins his first chapter by offering a key takeaway; “Accounting is a terrific profession that can both create an excellent standard of living for you and your family and challenge you to grow, professionally and personally. It can develop and position you for many exciting career opportunities while simultaneously offering a sense of purpose and satisfaction.” What a great offering. We can all echo Jerry’s words and, as regulators, add the importance of the profession in preserving the financial wherewithal of the investors and consumers in the U.S.

As stated, the CPA pipeline is incredibly important, but there are several other major undertakings in progress. CPA Evolution, probably the most important transition and modernization of the accounting profession in decades, is well underway. It is our belief and hope that efforts of preparing the profession for the future will help attract students with alternative acumens to becoming CPAs while advancing the accounting profession. NASBA and AICPA continue to advance changes in our technology and operations to ensure that we are ready to launch. NASBA will continue to communicate with State Boards of Accountancy on the progress and milestones of this huge undertaking.

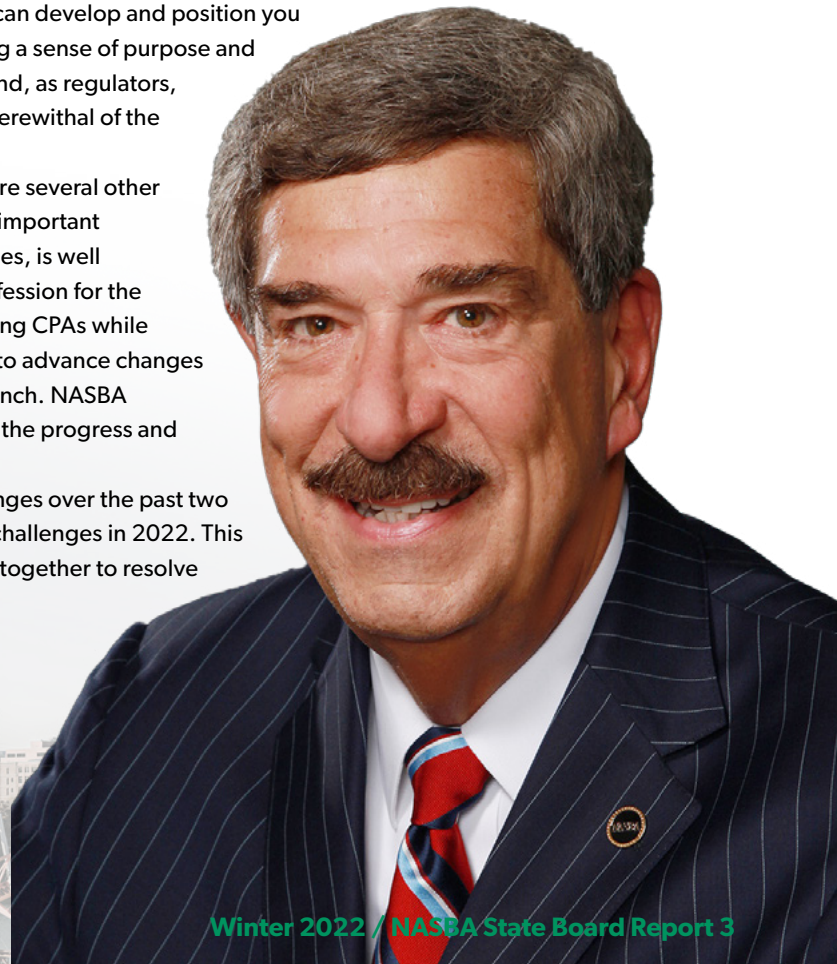
State Board of Accountancy have faced unprecedented challenges over the past two years, and we will all likely face some continued and possibly new challenges in 2022. This year, we will have the opportunity to gather, collaborate, and work together to resolve any challenges we may face...it is time to unwind.

Be safe and healthy my friends. I wish you all a great 2022!

Semper ad meliora (Always toward better things).



— Ken L. Bishop, President & CEO





Kent Noble



Michael Fritz

Noble Named to CPT Board

The NASBA Center for the Public Trust (CPT) welcomes Kent Noble as the newest member of its Board of Directors. His appointment was unanimously approved by the NASBA Board of Directors during its meeting on January 18, in Key West, FL. Noble serves as the University of Wyoming's (UW) Bill Daniels Chair of Business Ethics. A recipient of the 2018 CPT Campus *Being a Difference Award*, 2018 UW College of Business Professor of the Year Award and 2021 UW Outstanding Service and Dedication Award, he is credited for the development of engaging ethics-based presentations, which he has delivered to hundreds of business, government and community organizations across the U.S. Additionally, Noble serves as a member of the Wyoming Commission on Judicial Conduct and Ethics, John P. Ellbogen Foundation and the Better Business Bureau Foundation Board of Advisors for Northern Colorado and Wyoming.

"The CPT looks forward to working with Kent Noble as he shares his insight and ethics expertise to aid the CPT in achieving its goals of strengthening brand awareness, expanding our student chapter footprint and enhancing programming for businesses and

academia," said NASBA CPT President Alfonzo Alexander.

In addition to Noble's appointment, the NASBA Board unanimously approved minutes from the Board's October 29, 2021, and November 3, 2021, meetings as well as the November 2021 financial statements. Chair Michael Fritz reported on the activities of the Executive Committee and its meeting with the Relations with Member Boards Committee. Executive Vice President and COO Colleen Conrad shared that the CPA Evolution initiative continues to progress well, and that a revised edition of the Model Curriculum was issued in November 2021. President and CEO Ken Bishop reported on the creation of an internal CPA Pipeline Work Group focused on developing communications strategies and measurement metrics, and that NASBA, AICPA and Prometric are each focused on their operational areas with a commitment to hit the mark on pipeline initiatives. He also informed the Board of his continued monitoring of the COVID-19 pandemic and NASBA's efforts to keep operations as normal as possible, including the goal of returning to face-to-face meetings and conferences in 2022. ♦

GET INVOLVED

MAKE THE MOST OF YOUR ROLE AS A STATE BOARD MEMBER

Calling NASBA Members to Serve



Planning for NASBA's 2022-23 committee cycle is slated to begin in early June. Under the direction of NASBA Vice Chair Richard Reisig, state board members, executive directors and NASBA associates will be given the opportunity to express their interest in volunteering to serve on NASBA's 25+ committees for the upcoming year. The work conducted by NASBA's committees is vital to the association and to the accounting profession. Feedback received during the Committee Interest response period will aid Vice Chair Reisig in making committee assignments for 2022-23. All members, including individuals currently serving on a committee, are urged to submit their Committee Interest Form by the requested submission deadline. Look to receive an email announcing the opening of the response period in the coming weeks. [CLICK HERE](#) to view a listing of current committees and committee charges. ♦

Last Call for Research Proposals

Professors and post-doctoral researchers representing U.S. academic institutions have until March 11, 2022 (11:59 pm CT), to submit proposals to NASBA's Accounting Education Research Grants Program.

Spearheaded by NASBA's Education Committee, the program was established in 2011 to promote research focused on areas that can aid NASBA and State Boards of Accountancy in providing useful information to the accounting profession.

Interested parties are encouraged to submit grant proposals for consideration prior to the deadline. Grant recipients will be announced in summer 2022.

For additional information (including a full program description, eligibility requirements, research topics and details on past recipients), [CLICK HERE](#). For questions regarding the program, email: grantproposal@nasba.org. ♦



Coalition Urges IRS to Issue Taxpayer Relief Amid Pandemic

A coalition of organizations that represent tax professionals, among others, understands all too well the enormous impact the COVID-19 pandemic has made on professionals across all industries and professions. In response, [the coalition](#) called on the IRS and Treasury to implement taxpayer relief from penalties and certain other compliance actions.

According to a letter sent to IRS Commissioner Charles Rettig, Assistant Secretary for Tax Policy at Treasury Lily Batchelder, and members of the Senate Finance Committee and House Ways and Means Committee, the coalition is concerned that the IRS has not done enough to remedy the challenges facing taxpayers and professionals that stem from the pandemic. The letter asked to discontinue any automated compliance action until the IRS can devote necessary resources to properly and timely resolve a matter, align requests for account holds with the time it takes the IRS to process any penalty abatement requests, and offer a reasonable cause penalty waiver without affecting the taxpayer's eligibility for FTA in future tax years.

Parties that signed the letter included Latino Tax Pro, American Institute of CPAs (AICPA), the National Association of Black Accountants, National Association of Enrolled Agents, National Association of Tax Professionals, National Conference of CPA Practitioners, National Society of Accountants, National Society of Black Certified Public Accountants, National Society of Tax

Professionals, Padgett Business Services, and Prosperity Now.

AICPA President and CEO, Barry Melancon, released a statement on the matter. Part of the statement read, "Today, Treasury officials acknowledged that the upcoming 2021 tax filing season will be 'frustrating' for Americans but stopped short of providing any measures they intend to implement to mitigate the expected challenges."

Melancon proposed immediate actions the IRS can take to ease the taxpayer and professional's burden. These actions include halting compliance actions until the IRS can devote the necessary resources for timely resolution of issues, providing taxpayers with a simplified abatement process and providing taxpayers with targeted relief from underpayment and late payment tax penalties for the 2020 and 2021 tax years. As the public makes its way through the tax filing season, the efforts of the coalition are more important than ever.

This month, the IRS issued a statement about the [notices and letters](#) it would not send to taxpayers. They include notices of unfiled returns and unpaid balances generally, including a final notice of an outstanding balance and intent to levy. "Taxpayers, practitioners, and IRS will benefit from reducing unnecessary contact, such as erroneous notices or warnings of levy, and provide much-needed relief during an already stressful and overwhelming tax season," said the AICPA. ♦

CPE Audit Service Enhancement Completed

In summer 2021, NASBA's *CPE Audit Service* team completed a project to enhance the application's performance and improve existing functionality. The team began outreach to interested State Boards of Accountancy in January that previously expressed an interest in participating in the use of the application.

The application is used by participating boards as an automated tool for conducting their audits of licensee compliance with their Continuing Professional Education (CPE) requirements. Eligible boards are participating in the Accountancy Licensee Database (ALD) with licensee data records that are properly linked across state lines.

The platform is configured for CPAs to report CPE hours and documentation to the boards electronically, and Boards of Accountancy are provided administrative tools for evaluating submitted credits and documentation for compliance with state board CPE rules and regulations during the audit process.

Presently, there are 11 boards participating in the *CPE Audit Service* and NASBA will gradually start bringing on additional boards in 2022.

A short overview video of the application is available at <https://vimeo.com/486871735>. Updates and a listing of participating states is found at <https://nasba.org/cpeaudit/>.

Additional announcements and updates to availability will be communicated to state boards. ♦

CPE Standards Working Group Seeks Input

NASBA's CPE Standards Working Group invites members of the accounting profession to submit ideas and suggestions for areas of clarification or modification in the Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*). Comments for the Working Group's consideration will be accepted online through March 15, 2022.

The Working Group will begin the review and evaluation of the *Standards* in April/May 2022. In addition to reviewing the *Standards* in their entirety, the Working Group will consider innovations, trends and techniques in CPE and adult learning.

To submit ideas and suggestions, visit <https://app.smartsheet.com/b/form/b65abcab7fbf4830a9fa783d9904ea2e>. ♦

NASBA Welcomes NABA Leadership to Nashville Headquarters

NASBA welcomed leaders from the National Association of Black Accountants (NABA) to its Nashville headquarters February 3-5 and served as host of the association's Lifting as We Climb Leadership Retreat. The three-day gathering began with a NABA Board of Directors meeting followed by the Leadership Retreat, and represents NABA's first in-person meeting in two years. Representatives from all four NABA regions (Southern, Eastern, Central and Western) were in attendance. Among the attendees included Chair Herschel Frierson, Vice Chair Sherry Mohan, Past Chair Steven Harris, and FEI President & CEO Andrej Suskavcevic. NASBA President and CEO Ken Bishop and Chief Ethics & Diversity Officer Alfonzo Alexander addressed the group. NABA representatives also had an opportunity to learn about NASBA's diversity initiatives, products and services, as well as tour the Nashville headquarters.



Leadership Retreat attendees are happy to meet in-person following a two year hiatus due to the pandemic.



NASBA is pleased to welcome representatives from four regions to its Nashville headquarters.



From left to right, NABA Chair Herschel Frierson and NABA Past Chair Steven Harris kick-off the Leadership Retreat.

Private Equity Investing in Public Accounting

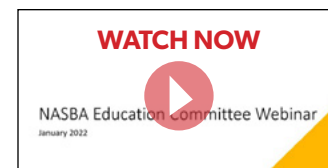
In late 2020, news broke of private-equity firms purchasing stakes in top accounting firms and news of new partnerships continues to hit newsstands. The deals, and their terms, gained attention within the profession. The question now is, what does this mean for the future of the accounting profession?

According to Koltin Consulting Group CEO, Allan D. Koltin, in a recent *Journal of Accountancy* [article](#), a non-CPA firm cannot own an attest firm, so there's what's called the alternative practice structure. Because the buyer—in this case the private-equity firm—cannot purchase the audit practice, they take an ownership interest in the tax and consulting business. Essentially, they're buying a majority of the firm, typically something more than 50% but probably not more than 75%. CPA firms will need to set up so-called "[alternative practice structures](#)" when they receive investments from private equity firms and publicly traded companies, and the AICPA Code of Professional Conduct requires them to follow certain rules of conduct and make specific business arrangements.

Private equity has attempted to infiltrate the profession since 2006, though unsuccessfully. However, today's accounting firms

are in great demand for additional capital. Market changes have put new stresses onto firms, causing them to seek funding for staffing, expansion, acquisitions, use of the latest technology and more. According to [Reuters](#), private equity investors are attracted to accounting firms because they believe they are low risk and recession-proof, deliver positive cash flow, and are poised for growth as the industry transitions to a more advisory-oriented service model.

As we see CPA firms continue to grow, succeed, and hire talented staff, there is sure to be further news of acquisitions and mergers between the profession and private equity. ♦



Tune in to the Education Committee Webinar

In January, NASBA's Education Committee hosted an informative Education Webinar focusing on academia and the CPA Evolution Initiative. *State Board Report* readership is invited to view the webinar, which features presentations and discussions on cost/managerial accounting, accounting data analytics, ethics, and accreditation. The webinar link will be available for 90 days. To view the webinar, [CLICK HERE](#). ♦

Bishop Receives Top 100 Honors

Congratulations to NASBA President and CEO Ken Bishop, for being named one of *Accounting Today's* Top 100 Most Influential People in the accounting profession. Bishop has received this distinction for 11 consecutive years. NASBA salutes him on this deserving achievement! ♦

