

NASBA State Board Highlights-2008

Board Staff Changes

CA - In FY 2007-08, the California Board received 17 additional positions, raising total staff levels from 66 to 83. The following are the additions in staff levels specific to each unit:

- Administration 3
- Practice Privilege 3
- Initial Licensing 6
- Renewal/Continuing Competency 2
- Enforcement 3
- Total Board Staff Additions 17

The challenge in recruiting enforcement staff into positions that require a CPA license parallel those experienced by accounting firms, but are greater in government due to salary caps. The California Board will likely move towards greater reliance on outside consultants to perform investigations, as caps on consultant compensation are less rigid. As a result, enforcement costs are anticipated to increase. Because of these recruitment issues, the California Board was unable to open a much-needed Southern California field office. In July 2007, the California Board restructured its Licensing Division by creating a Client Services Unit to provide better customer service.

CT - The Board's Office Assistant position has become vacant as of May 23, 2008. Connecticut expects a hiring freeze and difficulty filling the vacancy. The vacancy reduces the Board's staff to four.

DE - Recent change in division that resulted in our admin. being reassigned and new admin. serves several boards

HI - The Executive Officer of the Board has been in this position for 9 years. Secretarial staff has not been as stable shifting between at least 8 secretaries over the same period of time.

LA - Staff vacancies have been difficult to fill post-Katrina

MI - New Executive Director as of January 2008 and new Assistant Director as of May 2007

NM - New Investigator hired in March 2008

SC - The BOA is part of LLR which regulates 40 boards. They are in the process of forming a separate licensing division which will issue the initial license and handle all renewals. The change should happen in the next 6 months.

Budget Constraints

CT - Connecticut is entering a period of budget reductions.

DE - Will wait to see once mobility goes through

HI - The Board does not have its own budget, but is under the umbrella of the Professional and Vocation Licensing Division of the Department of Commerce and Consumer Affairs. It is one of 47 different regulatory boards, commissions, committees, and programs.

IA - IA would like to have a more reliable system, but does not have the appropriation dollars to pursue anything else, IA would also like to look into imaging documents, but has limited money to pursue.

ME - Out of state travel ban and spending of any type is limited.

MO - Must request appropriation and if increasing expenses must ask for a Decision Item on the Budget. Decision Item's come under significant scrutiny.

NE - Governor Dave Heineman has requested all State Agencies to scrutinize and restrict spending to only necessary and vital operations due to the current economy.

NM - Budget reduced in personnel and operating expense categories for FY09.

VA - Travel and training curtailed indefinitely.

VT - Revenue will decline as fewer candidates qualify.

WI - Significant constraints.

Continuing Professional Education

AK - Required - 80 minimum over 2 years.

CA - The California Board established an Ethics Education and Licensing Frequency (EELF) Task Force to explore options for modifying its current ethics continuing education requirements. The EELF Task Force will examine the length, frequency and content of course work appropriate to satisfy California's evolving professional conduct and ethics requirement. The California Board strongly supports Continuing Professional Education, which ensures that licensees are maintaining competency in the practice of public accounting.

CT - Connecticut is concluding its first three year period requiring 4 hours of ethics CPE.

DE - We will be looking at online and webinar courses and how to qualify them.

HI - The Board is continuing to work toward implementing a requirement for all licensees (not only permit to practice holders) to earn 4 hours of ethics CPE as a requirement of licensure or renewal.

IA - 120 hours in prior three year period, 7 SSARS (if applicable) and 4 ethics required.

ID - Implementing CPE Ethics requirement July 1, 2008. We are using the UAA definition for Ethics CPE. Additionally, we are implementing a state-specific Ethics CPE requirement for newly licensed or reinstated licensees.

IN - 120 hours required every reporting period (3 years); 10% in A&A; 2 hours in Ethics for accountants; and self study is limited to 50% of the total requirement.

IN - Currently working on rules to define "group study", "internet based study" and "self study."

LA - The Board accepts NASBA's CPE tracking for CPE reporting by licensees. The LA State Society now allows its members to record Society CPE and other vendors CPE in the Society's system on-line that can be printed by the member and submitted as a paper attachment to the Board's CPE reporting form.

ME - 40 hours annually with 4 hours of ethics every 3 years. There is a 50% limitation on self-study.

MO - 120 hours in 3 years, a minimum of 20 hours each year and must include 2 hours of ethics each year.

MS - The Mississippi Board amended its CPE requirements beginning with the 2008 reporting period, including deleting of the direct requirement for CPE hours in accounting and auditing topics for all CPAs. Rather, the Board amended the language to emphasize completion of CPE to improve a CPA's competence in the practice area or employment. The Board also added wording to set limits on carry-over to hours obtained within 36 months of the beginning of the compliance period. The Board also increased the Ethics CPE requirements as defined below.

NE - The Board's CPE Committee is considering recommending restricting non-technical courses completed for CPE by Nebraska CPAs.

NM - Rule requiring that 24 of the 120 hours within a three-year period be earned in a public presentation environment has been changed to require that 24 hours NOT be sponsored by the licensee's firm or employer.

OK - 120 hours within a rolling three year period including 2 hours of ethics each year. Effective January 1, 2009, four hours of professional ethics must be completed within each rolling three (3) calendar year period.

SD - Please see ARSD 20:75:04 for the details of CPE. There is a required minimum of 20 hours per year, with a total of 120 hours in a revolving 3 year period.

VA - VBOA requires 20 hours annually with 120 at the end of each 3 year rolling cycle.

WI – No CPE requirements in WI

Cross-Border Enforcement Effectiveness

CA - The effectiveness of Cross-Border enforcement is diminished when there is a lack of cooperation between states. Without mutual cooperation between all jurisdictions, cross-border effectiveness from a consumer protection perspective is limited.

CT - Connecticut has adopted mobility with the cross-border enforcement component.

IA - IA believes Regional ED meetings should be scheduled to maintain strong working relationships cross-borders; will be vital in mobility era.

LA - The Texas Board staff has been sharing information with LA Board investigative staff on an enforcement matter of mutual interest, which we greatly appreciate.

MI - Temporary permit required.

MO - We have no problems with cross-border enforcement.

NE - The Nebraska Board was appreciative of the California Accountancy Board for being proactive and revoking a CPAs California credentials for setting up abusive tax shelters in North Platte, Nebraska.

VA - VBOA will discuss this issue at Board Retreat on May 15.

Disaster Planning

CA - The California Board developed emergency plans that address multiple challenges arising from a disaster, including:

- Emergency Preparedness and Evacuation Plan (Revised February 2008) - Identifies actions to take if there is an emergency during working hours as well as detailing the evacuation process.
- Continuity of Operations/Continuity of Government Plan (Revised September 2007) - Identifies essential business functions; estimates the time period by which essential business functions must be restored to each function; and, identifies resources required to establish a temporary, but acceptable, degraded level of service for each essential business function.
- Operational Recovery Plan (Revised October 2007) – Addresses continuation and restoration of automated information systems.
- Software Management Plan (Revised January 2008) - Establishes accountability and control of information system software.
- Information Security and Privacy Plan (Revised June 2007) – Plans for the security and protection of personal, sensitive and confidential information assets.

CT - Connecticut's Board has complied with a State requirement for a Continuity of Operations Plan.

DE - None at this time outside of the state's normal disaster plans

IA – The Bureau has COOP/COG Plan in place.

MO - Our disaster plan is part of the State of Missouri's Disaster Plan.

VA - VBOA has had a full Continuity of Operations Plan since 2004 and it is revised annually. We have a disaster recovery plan in place for IT related emergencies. We can recover with 24 hours.

VT - State Office of Professional Regulation has one.

Disciplinary and Enforcement Activities including SEC and IG referrals

AL - AL Board hearing scheduled in June on case that was initiated by FDIC. The Board revoked certificate of licensee convicted of Obstruction of Criminal Investigation, a felony conviction.

IA - Referrals are handled by Disciplinary Committee; each and every referral is reviewed.

IN - The Board has revoked the license of 2 CPAs in the last 6 months based on referrals and action taken by SEC.

MI – There is a separate Enforcement Division

MO - We have one SEC case and 2 AG referred cases.

MS - 2008 was the first year that the Mississippi Board had civil penalty authority which the Board exercised during the year as related to disciplinary actions.

NM - No SEC or IG referrals. There were 32 new cases since July 1, 2007, 25 of which were administrative.

VA - All complaints are acknowledged upon receipt and investigated immediately. Average time until closed is six months.

Education Requirements

CA - The California Board is committed to raising the educational requirement to 150 semester units of education, and included this requirement in legislation aimed at making California a substantially equivalent state.

DE - SS1 is before the state senate at this time.

IA - 120 hours to sit/150 hours for licensure.

IN - BS with 150 semester hours to include 24 hours of accounting and 24 hours of business administration.

MA - SEE OUR NEW RULES 252 CMR

ME - Bachelor's degree to sit for exam. 150 hours to qualify for certificate.

MI - 150 hours

MO - Sixty semester hours, 33 semester hours shall be accounting courses with at least 1 course in auditing and 18 semester hours must be at the upper division and the remaining 27 hours shall be accounting or other areas of business administration.

ND - We are proposing an adjustment in the concentration -- to require 24 credits of business, without including Principles of Accounting, and now allowing up to 3 credits of Economics.

NE - The Board's Education and Examination Committee will be reviewing the new UAA 5-1, 5-2 UAA rules for consideration in Nebraska.

NM - New legislation - effective July 1, 2008, BA degree and 30 hours in accounting to sit; 150 for licensure.

OK - Bachelor's degree with 150 hours of education, 76 hours of upper level division coursework, 30 hours above principles in accounting coursework, including at least one course in auditing and nine hours of upper level coursework in business related subjects.

SD - 20:75:02:04 - Education. For the purpose of satisfying education requirements in SDCL 36-20B-15, a semester hour means the conventional college semester hour. Quarter hours may be converted to semester hours by multiplying them by two-thirds. In addition to the statutory requirements, the following provisions apply:

(1) An accredited college or university is an institution which is accredited as defined in § 20:75:02:12; and

(2) Both a major in accounting and a course of study substantially equivalent to a major in accounting must include 24 semester hours in accounting at the undergraduate or graduate level from an accredited college or university, including elementary principles of accounting and at least one course in each of the following: intermediate or advanced accounting, auditing, taxation, and cost accounting. They must also include at least 24 semester hours in business courses, other than accounting courses, at the undergraduate or graduate level. A course may not be audited, but must appear as semester or quarter hour credit on an official transcript.

VA - 150 semester hours from accredited institution with 30 in upper level accounting and 24 in other business coursework.

VT - As of July 1, 2007 our 60 hr education path to licensure ceased, except for those already in the pipeline. We now have only 120 and 150 hr options. There is currently a bill pending in the legislature that would 1) add BS/BA as a third path and 2) as of July 1, 2009 require a BS/BA for licensure.

WI - 150

Ethics CPE or Examination Requirement

CT - Connecticut is concluding its first three year period requiring 4 hours of ethics CPE.

DE - 4 hours of DE specific ethics required every two years.

IA - AICPA Ethics Exam required.

IN - Currently 2 hours required every 3 years; working on rule to increase the requirement to 4 hours every 3 years. Two (2) hours of CPE in ethics for accountants required for renewal every 3 years.

LA - The Board has approved six (6) different 4 hour CPE Ethics courses for the 2007-09 CPE cycle to satisfy the Louisiana ethics requirement.

MA – Four hours every renewal period

ME - Four hours ethics CPE every 3 years.

MI - Continuing education ethics requirement

MO – Two hours of ethics each year and must pass the AICPA Ethics course or equivalent to be licensed.

MS - The Mississippi Board amended its Rules and Regulations to now require four ethics CPE credit hours every three years. At least one of the four CPE hours must be related to Mississippi Public Accountancy Law, Rules and Regulations. The Board practices substantial equivalency as related to CPE.

ND - We are in the process of removing the state ethics provisions, and instead requiring adherence to the AICPA code.

NM - AIPCA Ethics Exam

OK - Must complete AICPA Comprehensive Ethics course or its equivalent before making application for certification or licensure.

SD - 20:75:03:05. Ethics Examination. The ethics examination requirement of SDCL 36-20B-16 is satisfied by verification of successful completion of the self-study course of the "American Institute of Certified Public Accountants" entitled "Professional Ethics for Certified Public Accountants" or its equivalent as determined by the board. Successful completion is achievement of a minimum score of 90 percent. The board may accept the passing score of an ethics examination taken by an applicant as a requirement of a board of another state. The applicant must bear the cost of the course or examination.

In addition to the above ethics exam requirement, the board may require candidates to complete an exam designed by the board, which assesses the candidate's knowledge of the statutes and regulations governing the practice of accounting in the state of South Dakota as a prerequisite to licensure.

VA – Two hours of CPE Ethics each year in accordance with the Board's Ethics Outline.

VT - We currently have an 8 hour ethics requirement for licensure. We have a 4 hour ethics requirement for renewal, which is once every two years.

WI - We require an ethics exam prior to licensure.

WY - Recently imposed a 4 credit ethics CPE requirement, 2 credits must cover Wyoming law and regulation.

Effects of Sarbanes-Oxley at the state level

MI - Peer review requirement effective June 2008.

VA - No evidence to support the good or bad impact other than to say that CPAs believe it was needed.

VT – Minimal

Experience Requirements

CT - Connecticut is currently considering revising the experience requirements.

DE - Total of 6 years of education and experience needed for a permit to practice as a CPA.

HI - The Board's provision to allow for qualified experience under the supervision of a CPA in the alternative work settings of private industry, government, and academia continue to be attacked by opponents who believe that there is no substitute for public accounting firm experience.

IA - 2,000 hours under actively licensed CPA.

IN - 24 months for initial applicants and 48 months for reciprocal applicants obtained within the immediate 10 years prior to the date of the application. 48 months for reciprocal applicants gained within the immediate 10 years prior to the submission of the application. All experience must be verified by the holder of an active CPA license.

MA – See new rules 252 CMR.

ME - 2 years

MI - 2,000 hours

MO - One year of experience, however, must have 2 years to supervise attest work and/or sign an attest report.

NM - One year

OK - One year or 1800 hours before making application for certification or licensure. Experience cannot be over four years old prior to making application.

SD - 20:75:03:04. Experience. An applicant for issuance of an initial certificate shall have the experience verified to the board by a licensee as defined in SDCL 36-20B-21 or a licensee from another state. The board shall look at such factors as the complexity and diversity of the work.

One year of experience shall consist of full or part-time employment that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services described in SDCL 36-20B-21.

An individual licensee responsible for the performance of attest services as defined in SDCL 36-20B-2, who sign or authorize someone to sign on behalf of the firm, the accountant's report on the financial statements as defined in SDCL 36-20B-3, shall have experience in auditing, compilation, or review, in any combination, which totals at least 375 hours. The individual's experience must be earned within a ten-year period immediately preceding the latest application for a certificate under the Act.

Any licensee who has been requested by an applicant to submit to the board evidence of the applicant's experience and has refused to do so shall, upon request by the board, explain in writing or in person the basis for such refusal. The board may require any licensee who has furnished evidence of an applicant's experience to substantiate the information.

Any applicant may be required to appear before the board or its representative to supplement or verify evidence of experience. The board may inspect documentation relating to an applicant's claimed experience.

VA - 1 year of general accounting experience for a CPA license and 1 year of public accounting to supervise or sign off on public accounting audits and reviews.

VT - Currently with 120 hr experience required is 2 years under the supervision of a CPA in public accounting or other position requiring independent application of standards. The 150 hr experience is one year of the same. We are amending rules at this time and are considering acceptance of other types of high level experience.

WI - 1 year

Fees and Fines

AL - At May 2008 regular board meeting, the AL Board adopted a Bad Check Rule to provide specific procedures to be followed if a check or negotiable instrument is dishonored. In addition, the board adopted a Rule to increase CPA exam fees to offset the increased costs for computer delivery of the CPA Exam."

CA - The California Board modified its citation and fine regulations effective March, 2008, to increase the maximum fine cap from \$2500 to \$5000 per investigation.

CT - As of May 12, 2008 automatic CPE penalties were passed by the Connecticut Legislature.

IA - \$1,000 individuals and firms per violation and \$10,000 for firms - effective July 1, 2009.

ME - Can fine up to \$1,500 per violation

MO - \$2,000 per occurrence.

MS - 2008 was the first year that the Mississippi Board had civil penalty/fine authority for disciplinary actions of CPAs and violations of non-licensees. Under prior law, the Board was only permitted to receive reimbursement of investigative, legal, and administrative hearing costs related to a case.

ND - We are enacting a fee "ceiling" approach, which gives the Board latitude to set its fees without rule changes -- up to a prescribed ceiling of \$100. Other fee changes also underway.

OK - Registration fees - \$50 annual paid on a biennial basis; \$25 for age 65 or older.

Permit fees - \$100 annual fee. Examination qualification application fee - \$50

Candidate application fee - \$50. Fines can be up to \$10,000 per occurrence.

SD - Please see ARSD 20:75 for the various fees and fines.

VA - \$100,000 maximum monetary penalty for one violation. Fees remain same. Anticipate a change-in 2010.

WI - \$59 every two years

File Retention/Storage

AK - Paper

AL - At May 2008 Regular board meeting, the AL Board adopted Documentation and Retention Rule to provide specific engagement documentation and retention requirements for licensees.

AR - The board has recently updated our record retention schedule to comply with new standards adopted by the State.

IA - IA would like to look into document imaging due to limited file space.

ID - We are in the beginning stages of designing a process to reduce retention of paper filings by going to scanning.

ME - 2 years, then destroy. We are currently reviewing retention schedules.

NM - Expired licensure files are stored for five years beyond the expiration date then are destroyed.

NV - Nevada has recently completed scanning all license files for individuals and firms with images placed within each entities computer file.

SC - We are working towards imaging all of our records.

SD - Records Management website <http://www.state.sd.us/boa/records.htm>

For the Board of Accountancy's Records Retention and Destruction Schedule, please contact our office.

VA - Comply with Library of Virginia record retention requirements.

VT - Currently in process of converting to new licensure software that will allow for a variety of storage options, although not yet determined which will be employed.

International Candidates

MA – Case by case basis.

ME - Yes. Maine does not have a residency requirement to sit for CPA exam.

MO - The foreign authority must be substantially equivalent educationally, examination and experience. Also, the foreign authority must reciprocate the same opportunity for our candidates.

OK - Applicants for qualification must be a bona fide resident of the State of Oklahoma

VA - Candidates with non-accredited education coursework must have a review conducted by one of six credential evaluation groups shown on the website.

VT - In the past we have had many, due to the 60 hr and the 120 hr options. Many do not apply for licensure, as their goal is to pass the exam only.

International Professionals Seeking Recognition/Mutual Recognition Agreements

CT - Connecticut is beginning to explore international reciprocity.

NM - Board previously adopted PMRAs from Mexico, Australia, and Canada.

OK - Yes for reciprocal certification.

VA - VBOA has adopted all agreements approved by NASBA.

VT - We recognize the agreements adopted by NASBA

WI - We are in process of writing rules to issue licenses to those from IQAB approved bodies who have passed the IQEX.

Indian Tribes

CA - The California Board experienced difficulty in regulating the practice of public accounting within Indian reservations due to claims by practitioners of lack of the California Board's jurisdiction on lands of "independent nations." Statutes appear to be unclear in this area.

International Financial Reporting Standards (IFRS)

MS - The Mississippi Board has in its Rules and Regulations that a CPA and CPA firm shall comply with all professional standards related to the engagement being performed.

VA - Discussed briefly by VBOA in April 2008.

VT - Does not have a great impact practice in our jurisdiction, except for convergence of standards, which is accelerating.

International Standards

MS - The Mississippi Board has in its Rules and Regulations that a CPA and CPA firm shall comply with all professional standards related to the engagement being performed.

VA - Discussed briefly by VBOA in April 2008.

Internet Practice

IN - IC 25-2.1-4-10 (b) became effective 7/1/07, allows individuals to offer or render professional services, in person or by mail, telephone, or other electronic means without holding an Indiana CPA license.

OK - Website must list state of certification or licensure.

VT - No specific law or rules, although we are re-crafting rules wording to encompass this practice option.

Compliance Assurance (Peer Review Oversight)

CA - The California Board is committed to implementing mandatory peer review and introducing legislation in the near future. The program will involve the establishment of an oversight committee.

DE – It is voluntary

IN - The Quality Review Oversight Committee was created when the quality review requirement became effective for firm renewal in 2004. Rules redefining the duties of the Oversight Committee are currently being revised.

LA - The Board is supporting legislation in the current 2008 session that will provide that Peer Review reports be submitted to the Board. (Currently, peer review reports are confidential.)

MI – Effective June 2008.

MO - The Peer Review Oversight Board consist of 5 members appointed by the Board President.

MS - The Mississippi Board has had required peer review and an independent Board Peer Review Oversight Program for years that has been determined to be extremely effective in monitoring the state administered AICPA peer review program.

ND - We are in the process of expanding AICPA-level peer review of compilation firms. Previously these firms have been subject to a desk review program of the Board.

NM - Not adopted at this time.

NV - Effective January 2008 Nevada changed its board over-site program to require full peer review for audit, review, full disclosure compilation and attestation engagements.

OK – Yes.

SD - ARSD 20:75:07 <http://legis.state.sd.us/rules/DisplayRule.aspx?Rule=20:75:07>

VA - All CPA firms peer review undergo audit by the VBOA.

VT - We require any and all firms that engage in attest to submit to a peer review every three years, on a look-back basis. We are experiencing a shortage of peer reviewers.

WI - We require peer review for firm licensure, but we do not have authority under our statute to require the firm to provide the report.

Legal Cases and Decisions

VA - "Collier Unlicensed Activity Case - jailed.

VT - Nothing unusual to note except there were a higher number of cases than in prior years.

Mobility (Section 23)

AK – The Board is looking into it.

AL - Legislation pending.

AR - Task Force is currently reviewing a draft of new legislation regarding mobility.

CA - The California Board is committed to offering increased mobility to out-of-state CPAs by eliminating notification barriers. This is an important goal for the California Board, and the issue will continue to be pursued legislatively.

CT - Connecticut's Legislature passed Mobility and Gov. Rell signed it into law on May 12, 2008.

DE – The Senate Substitute Bill is before the senate at this time. It is a 150-hour Bill.

GU - Board does not agree with the suggested federal mandate for adoption.

HI - Legislation to implement practice privilege was defeated in the past Legislative Session.

IA - IA passed SF 2379 April 18, 2008 and it will be effective July 1, 2009.

IN - The practice of accountancy by substantial equivalency with notification became effective in August of 2003. The notification requirement was repealed on July 1, 2007.

LA - Legislation passed last summer (2007) that provided for "no notice / no fee". Rules were finalized in December 2007 that implemented "mobility" in Louisiana.

MA – Legislation pending.

ME - Effective September 20, 2007, substantial equivalency went into effective for individuals that hold a valid CPA license from another state that is considered substantially equivalent or the Board determines that the individual's qualifications are substantially equivalent. Firms - must be licensed in Maine if they do not have an office in this State but performs the following services: audit or engagement and any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board.

MI - Legislation pending.

MN - Recent adoption of statute - Non-Resident Practice Privilege/Substantial Equivalency - Effective April 18, 2008, Minnesota no longer requires individuals who hold a valid CPA license in good standing from a substantially equivalent state and whose principal place of business is not in Minnesota to apply for a practice privilege license in Minnesota or notify the Board. (States which are not substantially equivalent include Colorado, Delaware, Florida, New Hampshire, Puerto Rico, Vermont and the Virgin Islands. If your only valid license is from one of these states you must obtain from the NASBA National Qualification Appraisal Service, prior to performing services in Minnesota, verification that your individual CPA qualifications are substantially equivalent to Minnesota's requirements or you must apply for and obtain a Minnesota Certificate.) Individuals currently holding Minnesota certificates that have their principal place of business in another state and do not provide professional services in Minnesota will either need to continue to renew their certificates annually or surrender their Minnesota certificates.

MO - Today, May 16, 2008 the legislator approved SB788 thereby putting Mobility in Statute. The bill is now waiting on the Governor's signature.

MS - Mississippi's Senate Bill 2628 passed the Legislature during the 2008 Regular Session with an effective date of July 1, 2009. However, the Board has formed a joint task force with members of the Mississippi Society of CPAs to further study the bill and provide clarification and amendments, as necessary.

ND - We plan to propose mobility language in the next Legislative Session which begins January 2009.

NE - The Board's Legislative Committee has met with the Nebraska Society of CPAs leadership and is in the process of drafting mobility legislation for possible future consideration by the Nebraska Legislature

NM - Effective July 1, 2008 (passed by Legislature in February 2008).

NV - Nevada is in the process of writing Mobility language for submission to the 2009 Legislature.

OK - Legislation currently introduced.

SC - Legislation has been introduced to allow mobility in SC. We hope it will pass this session.

VA - No Registration, No Fee and No Escape.

VT - We are working toward substantial equivalency for purposes of mobility and will be considering the issue, with our State Society representatives during 2008.

WI - We have full mobility.

WY - Considering legislation in 2009.

Other

DE - Submitted answers that I am aware of due to the short time frame.

IA - IA will propose going to an annual renewal cycle for all CPAs, vs. a 2 year A-K, L-Z cycle effective with July 1, 2009 law and rule changes. This will align with annual firm permit renewals and avoid confusion with multi year renewals, hopefully reducing lapsed licensees.

Online License Renewal

CA - The California Board is working in collaboration with over 25 professional licensing boards within the State of California's, Department of Consumer Affairs on iLicensing, a project which will provide an option for licensees to submit an on-line application for initial licensure and license renewal. In addition, it will allow licensees the option of using a credit card for payment. The estimated time frame for final launch of the iLicensing system is 2010."

CT - Connecticut is gearing up for a second year of online License Renewal.

DE - yes, beginning with the cycle that concluded June 30, 2007

HI - The Board began implementation of online license renewal in November 2003 for the 2004-2005 biennial renewal period.

IA - IA ceased sending paper renewal forms last year and will continue to do so in the future to promote 100% participation in online renewal.

ID - Our process is being refined every year. Last year we had 90+ percent of our individual and firm renewals done online.

IN - We've successfully had two online renewal periods with approximately 80% of licensees renewing online.

IN - Indiana licensees have been renewing online since 2003. Approximately 80 to 85 percent of licensees renew online.

LA - The LA Board has contracted with CAVU Corporation (Raleigh, NC) to convert to a new licensee database system that will allow online license renewal.

ME - Yes. For individuals but not firms at this time. We had a 95% online renewal rate in 2007 for individuals.

MO - We have on-line renewal for individuals.

NE - The Board launched its Online License Renewal program this spring.

NM - Has been available since January 2005

NV - Nevada had 98% of the individual and firm licenses renew on-line. The Board provides a \$20 incentive to renew on-line and no longer mails the renewal form.

SC - Currently at least 85% renew on line.

SD - The Board has recently received proposals to develop a license/firm online renewal.

VA - 99% renewals online.

VT - With new upgrade in software, this should be possible.

WY - In place for four years

Public Company Accounting Oversight Board (PCAOB) Firm Inspection Report

MI - Enforcement Division

MO - Reports are reviewed and followed to ascertain compliance.

MS - The Mississippi Board continues to receive the reports under the agreement with the PCAOB and considers the inspection reports as investigative matters maintaining confidentiality.

NM - Are maintained in a file. No real impact in our state

NV - Nevada recently withdrew from the PCAOB agreement - to discontinue receiving PCAOB reports. Board determination for withdrawal based on relevance of reports specific to NV Board authority and insufficient information identified within the reports.

WI - We do not receive Part II

Public Information Initiatives

DE - current license status may be viewed on the board's website

IA - IA will be educating public and licensees about new mobility legislation in the year to come.

MO - The Executive Director has an article in the MSCPA's bi-monthly magazine, The Asset.

OK - Website; brochures and outreach programs

Practice Privileges/Temporary/Incidental Practice Changes

AL - Pending Mobility Legislation.

CA - California Board staff is currently conducting an audit on all current Practice Privilege holders. Although Practice Privilege was first established in 2006, an audit could not be initiated until recently when additional staffing was approved in the budget."

CT - Connecticut's Legislature passed Mobility and Gov. Rell signed it into law on May 12, 2008.

HI - Same as #33.

IA - Passage of SF 2379 effective July 1, 2009.

ID - Idaho enacts "No notice, no fee, no escape" on July 1, 2008.

IN - See Question 35.

MN - See response to question number 33.

MO - Temporary practice incidental to the CPA's practice

NE - The Board currently allows temporary practice in Nebraska.

SD - 20:75:03:14. Non-resident -- Notification -- Fees. An individual whose principal place of business is not in this state having a valid license as a certified public accountant from any state which the board has verified to be in substantial equivalence with the CPA licensure requirements of SDCL chapter 36-20B, is presumed to have qualifications substantially equivalent to this state's requirements and has all the privileges of licensees of this state without the need to obtain a license under §§ 20:75:03:01 and 20:75:03:08. However, such an individual shall notify the board of the individual's intent to enter or perform accounting services in South Dakota under this provision and of any pending disciplinary action by any other board.

Any licensee of another state exercising the privilege afforded under this section hereby consents, as a condition of the granting of this privilege, to:

- (1) The personal and subject matter jurisdiction of the board;
- (2) Comply with this chapter and the board's rules; and

(3) The appointment of the state board which issued the license as the agent upon whom process may be served in any action or proceeding by this board against the licensee.

A licensee from another state, intending to perform attest services in South Dakota must do so through a licensed firm and must notify the state of South Dakota by filing the Notification for Non-Resident CPA to Practice Public Accounting in South Dakota form provided by the board. The fee for filing the notification form is \$50 for the firm and \$65 for each individual practicing in the state on the firm permit. The notification is renewable annually.

The notification is not a license or a permit for the firm to practice in South Dakota. The firm must file a firm permit application if performing or offering to perform attest services to South Dakota clients. The fee for the firm permit is \$50 per firm location and \$65 per individual CPA listed on the firm permit.

An applicant for notification to practice public accounting as a non-resident must provide general information as requested, on forms provided by the board, to include: name, address, telephone number, business name, and business address. An applicant must provide an individual CPA certificate number, the date issued, the date of expiration, and the name of the issuing board.

An applicant must sign an affidavit waiving any claim of confidentiality or privacy regarding disclosure of public records regarding professional ethics and conduct and continuing professional education requirements. The applicant shall authorize the board to make such investigation inquiries it deems necessary and release from liability any party responding to such inquiries. The notification to practice public accounting as a non-resident form shall be notarized by a notary public. Practice rights shall be issued to a licensee of another state, contingent upon a license in good standing. For purposes of this part, "good standing" means a person who is actively licensed and whose license is not conditioned, limited, or in any way restricted or subject to discipline at the time of application, during temporary licensure, or during exemption.

WI - We have full mobility

WY - considering for 2009

Reciprocity Requirements, Interstate and International

CT - Connecticut is beginning to explore international reciprocity.

DE - mobility under ss1; also reciprocity if you meet the requirements for a DE permit and file required forms.

IA - Sub. Equivalent to IA.

MA - SEE OUR NEW RULES 252 CMR

MS - As a part of amendments to the Rules and Regulations, the Mississippi Board has provide additional language related to CPA firm permit and registration requirements concerning temporary and incident practice of public accounting.

NE - The Board initiated 4-10 Legislation in 2007 that allows reciprocity candidates with 4 years of experience within the last 10 to receive their Active Permit to Practice.

SD - 20:75:03:15. Substantial equivalency and reciprocity -- Fees. Any person holding a valid certified public accountant certificate issued by another state as defined in SDCL subdivision 36-

20B-1(16) shall, upon application or notification, be granted the privilege to practice as a certified public accountant in South Dakota if the applicant has met the requirements in SDCL 36-20B-25 and agrees to the provisions in SDCL 36-20B-39, which constitutes the appointment of the secretary of state as the applicant's agent.

A certificate holder licensed by another state, before establishing a principal place of business in this state, shall request the issuance of a certificate from the board pursuant to SDCL 36-20B-26.

An applicant for issuance or renewal of a reciprocal license shall, in the application, list any state in which the applicant has applied for or holds a certificate, license, or permit and list any past denial, revocation, or suspension of a certificate, license, or permit. Each holder of, or applicant for, a certificate shall notify the board in writing, within 30 days after its occurrence, of any issuance, denial, revocation, or suspension of a certificate, license, or permit by another state, or volunteer surrender of a CPA certificate, license, or permit to resolve or avoid disciplinary action, or similar actions concerning a substantially equivalent foreign designation, any other form of discipline imposed against the holder of a CPA certificate, license, permit, or a substantially equivalent foreign designation, the conviction of any crime and the revocation of a professional license of any kind in any jurisdiction, change of address, or employment.

The applicant for initial issuance or renewal under this chapter shall comply with the continuing professional education requirements for issuance or renewal in the applicant's state, or the continuing professional education requirements applicable in this state, if the applicant's state of licensure does not require continuing professional education.

If the applicant passed the examination in a state that is not deemed to be substantially equivalent to this state's educational requirements, the board may issue the applicant a license upon a showing that:

(1) The applicant passed the examination required for issuance of the applicant's certificate with grades that would have been passing grades at the time in this state;

(2) The applicant had four years of experience as defined in SDCL 36-20B-21 within the ten years immediately preceding the application; and

(3) The applicant's license has been deemed to be in good standing, by the host state's licensing board. The applicant has fulfilled the requirements of continuing professional education that would have been applicable under § 20:75:04:08.

An individual intending to practice public accountancy in South Dakota under substantial equivalency shall apply for and annually renew the certificate with the board. The application shall be accompanied by a fee of \$50.

VA - Substantial equivalency or an initial Virginia license required

Referrals from State Agencies/Federal Agencies

AL - "AL Board adopted a consent order with licensee who had been banned from practicing before the IRS. AL Board adopted Informal Settlements with two licensees, based on complaints filed by the U.S. Department of Housing and Urban Development."

AR - The board has received some referrals from State and Federal Agencies this year.

IA - IA receives referrals from the State Auditor's Office, Federal Agencies and all are reviewed by Disciplinary Committee for determination of further action.

ID - Idaho has expanded our rules to clearly state that we can share our investigative files with other State Boards prior to the Board taking final, formal action.

NV - Nevada continues to receive agency referrals and act on those referrals in a timely matter.

WI - We generally initiate an investigation after receipt

Relationships with interested parties (professional, academic, student groups)

CA - "The California Board is diligent in establishing and maintaining relationships with interested parties and frequently involves professional, academia, and consumer groups to participate on committees and task forces. Most recently, the Board established an Ethics Education and Licensing Frequency Task Force, with appointed members representing a variety of interests. The members include: the Dean of a University, two accountants, an attorney, a representative from NASBA, an Executive Director of an educational foundation, and a consumer/private business owner. Four members are also appointed members of the California Board of Accountancy.

The California Board recently sent an email to approximately 750 professors providing them updated licensing information, links to the California Board's Web site and staff contact information in case they, or any of their students, have questions related to California's Certified Public Account licensure requirements."

CT - Mobility would not have passed in Connecticut without the effort and leadership of the Connecticut Society of Certified Public Accountants.

HI - The Board established a new standing committee "Liaison with Organizations" that is charged with improving relationships between the Board and other interested parties.

IA - IA has made every attempt to include all interested parties in making board policy; Professional associations, affected state agencies, licensee groups, etc. IA has participated in many speaking engagements to many student groups, professional associations, etc.

IN - The Indiana Board of Accountancy work closely with the Indiana CPA Society in promulgating rules for Quality Review and CPE requirements

MS - The Mississippi Board has maintained a very good relationship with the Society. In addition, Board members and staff provide presentations to universities and related groups concerning the CPA examination and Mississippi requirements.

OK - Outreach program has approximately 10 to 20 engagements per year

VT - Very good working relationship with State Society. Will be striving to build relationships with academia during 2008 as we discuss the 120/150 hr issues and potential future changes.

Residency Requirements

IN - Indiana does not have a residential requirement.

MO - Must be a resident of Missouri

MS - Mississippi does have residency requirements for sitting for the CPA examination and for original licensure.

NM - Residency only required for licensure by grade transfer

OK - Must be a resident to apply for qualification to become a candidate

SD - South Dakota does not have a residency requirement.

VT - There are not residency requirements for licensure

Revised SEC, GAO and other rule applications to small firms

VT - Since our licensees are almost 100% small firms, we would like to see some differentiation made.

Self-reporting Requirements for Licensees

CA - "The California Board supports revisions to the statutes which would drop restatements from current self-reporting requirements."

DE - must attest to meeting CPE requirements at online renewal. The renewals are subject to audit.

MI - self report CPE

MO - Must report changes, and any discipline on other state licenses within 30 days.

MS - The Mississippi Board has expanded conditions for firms' self-reporting changes and violations.

ND - We plan to move our late fee effectiveness date, 30 days later than currently in effect.

SD - "NOTE: Pursuant to SDCL 36-20B-29, each holder of or applicant for a certificate shall notify the Board in writing within thirty (30) days after its occurrence of any issuance, denial, revocation or suspension of a certificate, license, or permit by another state, or any change of address, employment, or conviction of a felony. If you answer "Yes" to any of the questions below, you must provide a certified copy of the court records or a certified copy of applicable license or disciplinary records with a statement of explanation with this application. Since your last renewal:

yes no Have you been charged, arrested, convicted, found guilty of, received a prayer for judgment continued, or pleaded nolo contendere to any criminal offense (excluding non-criminal traffic infractions)?

yes no Have you had an application for a certificate or license denied or a certificate or license suspended, canceled, or revoked by any state or federal agency, or governing or licensing board?

yes no Have you been investigated, charged, or disciplined; or are you currently under investigation by a governing or licensing board or by a state or federal agency or the AICPA or any state CPA society?

yes no Have you been party to any civil suit, bankruptcy action, administrative proceeding, or binding arbitration; the basis of which is grounded upon an allegation of negligence, dishonesty, fraud, misrepresentation, or incompetence?"

Social Security Numbers

AL - AL Board no longer requires full social security number to be entered on annual renewal registration forms. Only the last four digits are required.

DE - not publicly available and pose an issue for the ALD

HI - Capture of this information continues to be required for recordkeeping; however, as noted in a prior question, this and other information is considered to be confidential and disclosure is problematic thereby precluding participation in the ALD.

IA - IA collects them and July 1, 2009 will be able to share with NASBA only.

MA - REQUIRED FOR INITIAL AND RENEWALS

ME - Required for U.S. residents but kept confidential.

MI - required

MS - The Mississippi Board does require the reporting of Social Security numbers on applications, but the applications are exempt from release under the Mississippi Public Records Act. They are treated with confidentiality.

SD - Confidential

VT - State of Vermont has strict laws regarding the protection of social security numbers

Special Board Committee Activity

CA - "The California Board has established the Ethics Education and Licensing Frequency (EELF) Task Force to explore options for modifying California's current ethics continuing education and license renewal requirements. Specifically, as it relates to ethics continuing education, the EELF Task Force will examine the length, frequency and content of course work appropriate to satisfy California's evolving professional conduct and ethics requirement. The EELF Task Force will also explore whether California's current license renewal period should be changed from two years to three years."

IA - "Mobility Taskforce and Rules Committee will be rewriting rules to align with passage of Mobility bill and updating all rules. Outreach/Education Committee will be working on ways to communicate law / rule changes."

NM - Ad hoc committees meet once or twice to address issues; no ongoing issues

Standards for Auditors of Non-SEC Companies

VT - Since our licensees are almost 100% small firms, we would like to see some differentiation made.

State Board Financing, Fees and Independence

IA - Fees will be increasing July 1, 2009, increase TBD.

ME - "\$50 annual license fee for individual's \$10 annual license fee for firms"

MO - The Board is an autonomous Board however we are still part of the State's Agencies. We are funded strictly by our fees.

ND - We are making one or two changes to the board stipend provisions.

NM - Board is financed by special state funds

OK - The Oklahoma Accountancy Board is a self-funded agency

SC - During this legislative session a bill was filed to move the BOA from LLR to the Secretary of State's office. To date the bill has not moved.

VA - Fee Adjustment Proposed

VT - Revenues will decline due to change in requirements to sit and license. Doing away with 60 hr and 120 hr (without a BS/BA) within a two year span. Will be fewer taking the exam. Most likely there will be an increase in renewal fees. The Board is self funded (outside the State General Fund) through the Office of Professional Regulation.

WI - We are part of a larger agency (115 boards) and have no independence

State Consolidation of Boards

AR - The board has recently completed two different surveys with regards to State Consolidation of Boards. A Legislative Sub-committee will be meeting in June to review this matter.

MI - Section responsible for multiple professions

NM - Board is under the umbrella of the Regulation and Licensing Department

Substantial Equivalency

CA - See #19

DE - ss 1 is currently before the senate

IN - See Question 35.

LA - The LA Board is expanding the number of states it deems as substantially equivalent.

MI - yes - reciprocity

NE - Nebraska law requires two years of experience within a CPA firm and approved by a CPA.

NM - Will continue until Mobility legislation becomes effective in July 2008.

OK - Quid Pro Quo basis at this time

SD - "20:75:03:15. Substantial equivalency and reciprocity -- Fees. Any person holding a valid certified public accountant certificate issued by another state as defined in SDCL subdivision 36-20B-1(16) shall, upon application or notification, be granted the privilege to practice as a certified public accountant in South Dakota if the applicant has met the requirements in SDCL 36-20B-25 and agrees to the provisions in SDCL 36-20B-39, which constitutes the appointment of the secretary of state as the applicant's agent.

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Each holder of, or applicant for, a certificate shall notify the board in writing, within 30 days after its occurrence, of any issuance, denial, revocation, or suspension of a certificate, license, or permit by another state, or volunteer surrender of a CPA certificate, license, or permit to resolve or avoid disciplinary action, or similar actions concerning a substantially equivalent foreign designation, any other form of discipline imposed against the holder of a CPA certificate, license, permit, or a substantially equivalent foreign designation, the conviction of any crime and the revocation of a professional license of any kind in any jurisdiction, change of address, or employment.

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(2) The applicant had four years of experience as defined in SDCL 36-20B-21 within the ten years immediately preceding the application; and

(3) The applicant's license has been deemed to be in good standing, by the host state's licensing board. The applicant has fulfilled the requirements of continuing professional education that would have been applicable under § 20:75:04:08.

An individual intending to practice public accountancy in South Dakota under substantial equivalency shall apply for and annually renew the certificate with the board. The application shall be accompanied by a fee of \$50."

VA - No Change

VT - Working toward being considered substantially equivalent for purposes of mobility. Will also consider what will be necessary to be considered SE, and the timing, given the 2012 "drop dead" date.

WI - WI is an SE state

Sunset Legislation or Reviews

AL - Sunset legislation passed and was signed by the Governor on April 10, 2008, which continues the Alabama State Board of Public Accountancy until October 1, 2012. The sunset legislation also included a provision to alter the citizenship requirements to become an Alabama CPA.

ME - Sunset or Government Evaluation Act (GEA) report due to the legislature in January, 2009.

NM - Sunset in 2012

Technology Applications

IA - IA would like to see improvements in their application provider; talks have been scheduled for last two years to identify phases of issues and needed improvements.

NE - Online License renewals are being downloaded into the Board's database eliminating the need to enter information into the database by staff.

OK - Updating on-line services

VA - Implementing System Automation Web-based Licensing COTS

Trends in Candidate Population

CA - "Over the past few years, the California Board has seen an increase in the number of candidates applying for the Uniform Certified Public Accountant examination. Between 2004 and 2007, the number of candidates applying increased by 50%. "

NM - Fewer foreign and out-of-state candidates sitting for the exam and becoming licensed.

OK - Slight increase

VT - Candidates are still low in numbers, but growing slightly.

Uniform Accountancy Act/Model Rules Adoption

CT - Mobility has been adopted in Connecticut.

MI - Mobility: pending legislation

MO - Most recently approved by the legislature. Currently in rules.

MS - See above concerning mobility.

NM - Board has not adopted any of the new proposed modifications.

OK - Legislation currently introduced.

VT - Not likely in the near future

Uniform CPA Examination

CT - Connecticut continues to be concerned with several aspects of the CPA Exam, including testing site issues, conditional passing of sections and the time frame for passing.

GU - Board does not agree with internationalization of the exam

IA - IA is happy with CPAES delivery of services to candidates.

MN - "Proposed Minnesota Rules, Chapter 1105 regarding early examination:

Subd. 3a. Early examination. Notwithstanding any contrary provision in this section, the board may adopt rules to permit a person under certain circumstances:

(1) to apply for the examination within 180 days prior to the person's anticipated completion of the education requirements; and (2) to take all or a part of the examination within 90 days of the anticipated completion of the education requirements. No credit shall be given for any part of the examination taken before completion of the education requirements in subdivision 3 unless:

(i) the education requirements in subdivision 3 and adopted rule requirements are met within 120 days after taking any part of the examination; and

(ii) documentation of completion of education requirements is received by the board within 150 days of the person taking any part of the examination"

Web Site Improvements

CA - "In late October 2007, the California Board introduced a website redesign incorporating California State Government's new standards for website accessibility, usability and content presentation. This redesign is intended to help visitors find the information they need as easily and quickly as possible, as well as conform to a common look and feel for all California state government websites.

Accessibility of information is also guaranteed to those who are unable to access the resources online. Visitors to the website who may need assistance in accessing materials or resources because of a disability are encouraged to contact staff, and the requested information will be provided through other means.

The California Board provides visitors to its website the opportunity to access information from other state Boards of Accountancy via links made available through a link to the NASBA online map.

DE - those that have applied for licenses can now view the status of their applications online.

IA - IA site is updated regularly.

ME - Board Agendas and Minutes now posted online. All application forms are online. Online renewals.

NM - Web site is administered by the Regulation and Licensing Department

OK - Undergoing updating to on-line services

VT - We are under the Office of Professional Regulation with most of the licensed professions in Vermont. We do not support our own site.

WI - The accounting web site must be designed exactly the same as the other 114 boards, so this significantly limits our ability to implement useful improvements

Other

DE - submitted answers that I am aware of due to the short time frame.

IA - IA will propose going to an annual renewal cycle for all CPAs, vs. a 2 year A-K, L-Z cycle effective with July 1, 2009 law and rule changes. This will align with annual firm permit renewals and avoid confusion with multi year renewals, hopefully reducing lapsed licensees.

NC - There were no instructions on what to do with these 55 areas so they have been left blank.