



District of Columbia BOARD OF ACCOUNTANCY

Volume # 01 Fall 2016



BOARD CALENDER

REMAINING BOARD MEETING DATES FOR CALENDAR YEAR 2016

August 2016 - RECESS
September 9, 2016
October 7, 2016
November 4, 2016
December 2, 2016

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A MESSAGE FROM THE BOARD CHAIR



Robert Todero, Chair

As Chair of the District of Columbia Board of Accountancy (Board), I am pleased to share an overview of the Board's recent activities.

During this fiscal year, the Board submitted draft language to revise and add new legislation to Chapter 28 of Title 47 of the District of Columbia code licensure requirements for certified public accountants (CPAs) and firms that provide attestation services, a change to residency requirements, along with other important amendments for individuals seeking licensure in the District. We are happy to announce that the "Accountancy Practice Act of 2015" was introduced to the DC City Council for hearings and comments.

New and current DC Board members had the honor and privilege of attending the National Association of State Boards of Accountancy's (NASBA) Western Regional Meeting, held in Denver, Colorado, from June 22-25, 2016. The Board noted that, while it did not attend the Eastern Regional Conference, similar issues were raised that affect certified public accountants, licensing and regulations across all state jurisdictions. We found the topic discussions informative, and look to further discuss monitoring and enforcement programs at future DC Board meetings.

The DC Board of Accountancy, working with the Occupational and Professional Licensing Division of the Department of Consumer and Regulatory Affairs recently launched its first Continuing Professional Education (CPE) Audit program. The integrity of our continuing professional education depends on our ability to ensure that requirements are being met. It is also important to verify that CPE programs or courses that our licensees participate in, serve the purpose of maintaining and advancing the knowledge and skills required by the profession and to enhance public protection. The Board has implemented a plan to conduct regular audits following licensing renewals.

The Board and its administrative staff were invited by the Greater Washington Society of Certified Public Accountants (GWSCPAs) to participate in a question and answer session with the People's Republic of China delegation. The delegation which consisted of individuals from several provinces representing varied municipal government agencies, discussed United States CPA examination and licensure processes. The meeting was very informative and the delegation expressed its appreciation for the exchange of information.

The Board continues to use industry best practice models in the accountancy field and we are proud of the DC Board of Accountancy's involvement in and contributions to the accounting profession. The District currently regulates 3,184 CPAs, accountancy firms, and examination candidates.

I am confident the Board will continue to vigorously serve the residents of the District of Columbia and the accounting profession as a whole.

Robert Todero, Chair
DC Board of Accountancy

A Member of NASBA

WHAT'S HAPPENING WITH THE BOARD?

THE BOARD CONTINUES TO USE INDUSTRY BEST PRACTICE MODELS IN THE ACCOUNTANCY FIELD

DC BOA Chair, Robert Todero, and two (2) new members Kayla Futch and Bridgett Gagne attended the National Association of State Boards of Accountancy (NASBA) Western Regional Meeting, held in Denver, Colorado June 22 – 25, 2016.



This regional conference is comprised of several State Accountancy Boards, and attendance this year was considerable. Topics of discussion included: keeping the CPA Uniform Accountancy Act, creating a national accountancy licensee database, and advancing uniformity within the profession—a sensitive topic, in light of recent Federal efforts leaning toward “professional deregulation.”

In September 2015, the Board and its administrative staff were invited by the Greater Washington Society of Certified Public Accountants to participate in a

Current Board Members

Robert Todero - CPA, Chair
Kayla Futch – CPA
Bridgett Gagne - CPA
Mohamad Yusuff - CPA
Joseph Drew - Consumer Member

question and answer session with the delegation from the People’s Republic of China. This multi-person delegation, consisting of individuals from provinces working in municipal governments, discussed CPA examinations and licensure, and gained a better understanding of how accountancy licensing is organized in the United States. Sponsored by the U.S.-China Exchange Council, the discussion was informative and the delegation expressed its appreciation during this session of sharing vital information.



PROPOSED LEGISLATION

The Board’s draft “Accountancy Practice Act of 2015, B21 – 0541” is currently with the DC City Council awaiting review, hearing, and approval.

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RESOURCES

The Board is committed to professional development and consumer protection. The following links provide a wealth of additional information.

- [Greater Washington Society of CPAs](#)
- [National Association of State Boards of Accountancy \(NASBA\)](#)
- [American Institute of Certified Public Accountants \(AICPA\)](#)
- [Other National and Local Links](#)
- [Open DC](#)

OTHER BOARD NEWS

Dr. Joseph Drew, Consumer Member, has received the distinct honor of being appointed to the National Association of State Boards of Accountancy (NASBA), Legislative Support Committee. This national committee is tasked to develop legislative support strategies and tactics to assist the Director of Legislative and Governmental Affairs in supporting Boards of Accountancy on Legislative matters.

Guests at the Board’s May 2016 meeting, Ken Bishop and Dan Dustin of NASBA, briefed the Board on the Chartered Global Management Accountancy (CGMA) credentialing by AICPA and noted that NASBA spoke about the impact of new credentials on licensed CPAs and industry. The Board was pleased to receive Mr. Bishop and Mr. Dustin at this meeting, and felt the discussion was valuable.



CENTER FOR PUBLIC TRUST

The Board, following the lead of its parent association, the National Association of State Boards of Accountancy (NASBA), created its own Center for Public Trust (CPT) committee that will address student ethics concerns, professional accountability and industry trustworthiness.

The NASBA CPT provides a platform for corporate America and the accounting profession to explore, promote, and advance ethical practices in organizations. While this is a new DC Board Committee, and is still evolving, two of the Board's newest members, Kayla Futch and Bridgett Gagne, are co-chairing the Committee. Ms. Futch and Ms. Gagne will visit various local colleges and universities, and plan to meet with accounting professors, students, and deans to create student chapters.

DC OFFICIAL CODE

THE BOARD MET WITH ITS LEGAL COUNSEL TO DISCUSS PROPOSED AMENDMENTS TO GOVERNING STATUTES

Certain provisions in the statutes were identified, both by internal and external stakeholders, as in need of update or revision. The Board recommended the following amendments to Part A of DC Official Code Title 47, Chapter 28, Subchapter I-B–Non-Health Related Occupations and Professions Licensure.

- § 47-2853.41 to update the definition of “attest services” to match the latest edition of the NASBA Uniform Accountancy Act;
- § 47-2853.42 to remove the disused residency requirement, and to add a provision for the Board to be able to specify additional requirements by rule;
- § 47-2853.44 to remove the contradictory language that appears to allow firms to perform “attest services” without registering yet refers to a section on registration;
- § 47-2853.48 to reflect actions against firms, i.e. license revocation, suspension, delay renewals;
- § 47-2853.49 to refer to the definition of “attest services” in .41 instead of listing them separately; this will eliminate the problem of having the list in .49 being incomplete and/or not matching the definition in .41.



BOA LAUNCHES CPE AUDIT PROGRAM

The integrity of our continuing education (CE) program depends on our ability to ensure that requirements are being met. It is also important to verify that CE activities that our licensees participate in serve the purpose of maintaining and advancing the skills and knowledge of the District of Columbia Board of Accountancy (Board). In each renewal cycle, the Board randomly selects licensees for whom they will audit compliance with CE requirements.

The Board determines the acceptability of licensees' CE credits. The Board may require a licensee to complete certain CE or training requirements, to ensure that the licensee is competent to practice.

Licensees selected for the audit must provide hard copy evidence supporting CE credits. The Board asked audited licensees to submit documentation within 15 days of the date of the request. Licensees who do not comply with the audit may not be able to renew their license and could be disciplined.



CPA EXAMINATION STATS

OCTOBER 1, 2014 - SEPTEMBER 30, 2015

Section	Candidates	Sections	First-Time Exams	Re-Exams	Pass Rate
AUD	114	132	75	57	41.7%
BEC	88	95	70	25	61.1%
FAR	99	110	70	40	50.0%
REG	91	118	66	52	45.8%
Total	392	455	281	174	48.8%

CPA EXAMINATION STATS

OCTOBER 1, 2015 - JUNE 30, 2016

Section	Candidates	Sections	First-Time Exams	Re-Exams	Pass Rate
AUD	104	119	73	46	43.7%
BEC	79	87	54	33	59.8%
FAR	89	102	67	35	45.1%
REG	69	85	50	35	40.0%
Total	341	393	244	149	46.8%

CPA EXAM CHANGES COMING IN 2017

Changes to the Uniform CPA Examination, beginning with tests administered on April 1, 2017, were announced to the public on April 4, 2016 along with blueprints for the Exam. "We have been on a long journey here," NASBA Executive Vice President and COO Colleen K. Conrad reported at NASBA's Executive Directors Meeting in Tucson, AZ. "Most of the announced changes should not be a surprise to the Boards as we have been sharing changes under consideration and seeking your input throughout the entire process. Next year, when the new Exam actually launches, should be really exciting," she said.

By November 2015, the Board of Examiners had received over 600 comments on proposed changes to the Uniform CPA Examination, AICPA Vice President-Examinations Michael Decker told the conference. He explained the next version of the Examination reflects updates to continue to test the knowledge and skills needed for a "newly licensed CPA." The practice analysis was conducted to specifically measure the knowledge and skills possessed by a person with two years of experience. "We are shifting to testing critical thinking from testing memorization," he said, as candidates are being

asked to do more critical thinking earlier in their careers, requiring higher order skills. These include analytical ability, problem solving, critical thinking, professional skepticism and communication skills.

Task-based simulations have been added to the BEC (Business Environment and Concepts) section of the Examination, and both the BEC and REG sections will now each be four hours long. This brings the total time for taking the four sections up to 16 hours. A standard 15-minute off-the-clock break has been added approximately halfway through each section, she reported, and candidates can opt to take the break or not. Forty additional testing days are being added as each quarterly testing window has been extended by ten days commencing in the second quarter of 2016 through 2017, except for the launch window of the second quarter of 2017. The extension is not included in that quarter as additional time is necessary to analyze results due to the changes made.

For more information about the forthcoming changes see nasba.org/exams/cpaexam.