

Illinois BOARD OF EXAMINERS Bulletin

Winter Edition 2016



Bruce Rauner, Governor

EXECUTIVE DIRECTOR'S CORNER



Russ Friedewald
Executive Director

As we approach spring and warmer weather, the Board of Examiners is again excited to sponsor an educator seminar on Friday, April 15th. The Board typically conducts these seminars periodically when we feel there is important information to share with the education community.

It is no secret that the CPA examination is undergoing some major changes with some aspects of the new exam to be included in the July/August window with the introduction of new task based simulations and the balance of the major changes to begin in April, 2017. To find out more about the new exam, go to this link: <http://www.aicpa.org/BECOMEACPA/CPAEXAM/EXAMINATIONCONTENT/Pages/default.aspx>. I am pleased to announce that a representative of the AICPA will be here on the 15th to provide extensive information regarding the roll out of the examination and what candidates can expect to experience. This is a much broader change than the one experienced in January, 2011. Educators and others will be invited to attend this program which will last approximately five (5) hours. If you are an educator, but have not received an invitation by March 1st and would like to attend, please contact me at russ@ilboe.org.

In addition to the exam update, James Suh from NASBA will be here to discuss school exam statistics, pass rates, exam section information, what you can do to improve your school's statistics and lots more. The Illinois CPA Society will also be here to talk about some great new initiatives in the works for schools and educators.

COMING UP! *Check Out Events and Opportunities Planned for the Spring*

The Illinois CPA Society is dedicated to helping professionals develop their skills and showcase their talents. Whether you are working to pass the exam, climb the career ladder, or expand your professional network, the Illinois CPA Society is with you every step of the way. Check out some events and opportunities we have planned for the spring!



ILLINOIS CPA SOCIETY.

CPA Endowment Fund Scholarship Applications Now Available: Deadline April 1st

The Society offers approximately 30 individual scholarships ranging from \$500 to \$4,000. All college students and CPA candidates are encouraged to apply. Here is the link: <http://www.icpas.org/endowment.htm>.

After Busy Season Happy Hour at Pinstripes

Celebrate the end of busy season by letting loose on the bocce court. The YPG will provide appetizers and drinks. Two bocce courts are reserved for the group. This is a great way to meet other young professionals in a casual and fun environment.

Date: Thursday, April 21, 2016

Time: 6:00 p.m. - 8:00 p.m.

TWO locations: Pinstripes Oak Brook, 7 Oakbrook Center and Pinstripes Chicago, 435 E. Illinois St.

(Read more on page 3)

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A MEMBER OF

NASBA



ILLINOIS BOARD OF EXAMINERS BULLETIN

CONTACT US:

If you cannot find the answers to your questions on our website (www.ilboe.org), please contact us directly for more information.

Hours of Operation:

8:30 AM to 5:00 PM

Monday through Friday

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Phone: 815-753-8900

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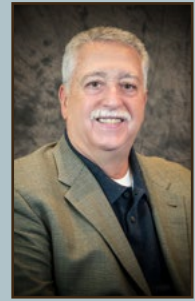
Illinois CPA Society

550 W. Jackson, Suite 900,
Chicago, IL 60661

PH: 312-993-0407

BOARD CHAIR MESSAGE

In my last column I mentioned that I would have some more information after attending the AICPA Board of Examiners Committee meeting which just concluded on February 12th. Before I do that I thought I would share an email that I received on the eve of Committee meeting and my orientation as a new member of the Committee. The orientation included a requirement that I go to a Prometric Test Center and take a section of the exam like any candidate except I was not taking the exam to qualify for a passing credit.



SHELDON
HOLZMAN, CPA

Here is the email, verbatim as received;

*"Hi Sheldon, I'm not sure if you will remember me right away, but I sat next to your wife and you on the way to Las Vegas about a year ago. I was studying for the CPA exam and you had noticed, mentioning that you were a CPA and congratulated me on taking that path. I just wanted to thank you for taking the time to tell me a little about your life, becoming a CPA, and how being in business has added value to your life and what you've accomplished. With the insight you gave me I directed my attention over the next few months to why I wanted to become a CPA in the first place. I found that I want to help other people prosper in business, add value, and one day become self-sufficient in this industry. I have since passed all four sections of the CPA exam and have earned my certification, soon I will earn my license. I could not be happier with the path I have chosen and am glad I get to meet people like you who can share your knowledge and entice individuals, such as myself. So again, thank you for the time you did take to speak to me and let me in on how you have enjoyed your time as a CPA, among the other certifications you hold. I greatly appreciate it.
Sincerely, Drew"*

Both my wife and I were very happy to receive the email from Drew and the timing could not be better as for the next day, I was going to the test center and take a section of the exam, for in my day it was a paper and pencil exam and was 2.5 days of time. I did send congratulations to Drew on passing the exam and also for wanting to 'pay it forward' and help others in business and future candidates. I did welcome him to the exclusive CPA Club and of course encourage you who are reading this to join our ranks as it has provided me a lifetime of being in the profession and a chance for me to 'pay it forward' and meet future CPA's.

His response to me was as follows;

"I would be honored to let you use anything you'd like from my letter. Also, I appreciate your acknowledgement of the accomplishment and I will be joining both the AICPA and State Society in the near future. Hopefully you got some good feedback from the REG exam (I'm sure it's not getting easier), and I wish you well in the rest of your work. I do plan to continue this path and become a role model for all future CPAs and professionals. Again, I appreciate your words of wisdom and encouragement and they will not go to waste. Thank you, Drew"

Having now gone to the test center and been admitted, as any candidate going through the process which was very enlightening to me (I did not get any special treatment to enter the testing area). I did sit and take the REG exam, and got a live exam to take, I only worked about 6 multiple choice questions in each of the sections, plus some task based simulations to get a flavor of the live exam and to better understand what all the candidates have to do now. I also got to use the spreadsheet and some of the other features of the exam. It better prepared me to sit with my fellow Committee members and vote on the upcoming changes in the 2017 exam and discuss what comes next.

The results of the changes will be announced by the AICPA on April 4, 2016, so I am limited in what I can tell you here right now. I can tell you that the exam will be changing and I hope you have looked at the CPA Exam Exposure Draft (ED). I can tell you that the 'Blue Prints' that appeared in the ED will be enhanced and released in the very near future and will be a great aid to candidates and teaching



BOARD MEMBERS

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Chicago, IL

BOARD CHAIR MESSAGE (CONTINUED)

professionals. Also, sometime in 2018 the exam will include the ability to use Microsoft Excel. Lastly, I can tell you that the ED mentions testing a candidate's higher level of cognitive knowledge and will use more 'task based simulations'. I encourage all of you to wait for the official release on April 4th.

I personally ask you to dedicate yourself to passing the exam, as Drew did in his email, and use that as his 'pay it forward' to you and then I challenge each of you to join Drew in helping others. More on the exam changes in my next column.

Sheldon P. Holzman, CPA, CFF/CFE Chair

COMING UP! (CONTINUED)

Improve it! Workshop: Taking Initiative

Back by popular demand, this *Improv(e)It!* Corporate Workshop is a high-energy, laughter-filled program that incorporates improvisation teams and techniques to help you improve your communication skills. This session will also develop the skills necessary to take initiative and be successful. Join the fun with other accounting professionals in this interactive session.

Date: May 19, 2016

Time: 8:00-10:00 a.m.

Location: ICPAS Office, 550 West Jackson Blvd, Suite 900

"The Art of Success" – What's Your Passion?

Each year the Illinois CPA Society holds their signature event for more than 300 young accounting and finance professionals. For 2016, our Young Professionals Leadership Conference will focus on "The Art of Success".

"The Art of Success" explores how to build a happy and successful career. Chicago CPA business leaders will share both inspiring stories and practical tips to stand out and attain your career goals. The keynote for this event is the New York Times bestselling author of The Art of Work, Jeff Goins. For more details on the conference, please visit www.icpas.org/yposuccess.htm.

Date: Friday, June 3, 2016

Time: 8:00 a.m. - 12:15 p.m.

Location: Venue One, 1034 W. Randolph Street, Chicago, IL

CPE: 4 credits

ICPAS Membership

For Professionals: The Illinois CPA Society is your resource for up-to-the minute industry information and education; serving as your voice in Springfield and Washington D.C.; and connecting you with other accounting and finance experts. Visit www.icpas.org for more benefits to you in your career.

For Students: We encourage all students to join the Illinois CPA Society as a free Student Affiliate member. Students can join using this link <http://www.icpas.org/hc-my-membership.aspx?id=6252> and get access to CPA exam resources, career tips, and the chance to connect with more than 23,000 accounting and finance professionals.





DEPARTMENT OF FINANCIAL
& PROFESSIONAL
REGULATION

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

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



ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION REPORT

The Illinois Public Accounting Act requires licensees to satisfactorily complete a peer review as a “condition for granting a renewal license to firms and sole practitioners who provide services requiring a license under this Act.” 225 ILCS 450/16(c). The requirement applies to all renewals on or after July 1, 2015.

All sole practitioners who provided services requiring an Illinois license (i.e. audits or reviews of historical financial statements or examinations of prospective financial statements) and issued reports under their own name (i.e. separate and apart from a firm) within the two years immediately preceding the expiration date of their license must satisfactorily complete a peer review prior to renewing their license. Failure to satisfactorily complete a required peer review shall result in non-renewal of the individual’s license and may also result in further discipline.

Newly licensed sole practitioners are not immediately subject to the peer review requirement and instead must undergo their first peer review during the first full renewal cycle after they are granted their initial license. The following questions are meant to assist in determining whether you are required to complete a peer review prior to renewing your Licensed Certified Public Accountant license.

A. “Have you provided services requiring an Illinois license (audits or reviews of historical financial statements or examinations of prospective financial statements) and issued reports under your own name (e.g., John Jones, CPA) within the two years immediately preceding the expiration date of your Licensed Certified Public Accountant license?” ***If “yes,” go to question D. If “no,” go to question B.***

B. “Have you provided services requiring an Illinois license (audits or reviews of historical financial statements or examinations of prospective financial statements) as an owner or employee of a firm and issued reports under a firm or assumed name (e.g., Jones & Associates, Jones & Company, John Jones CPA, Ltd., Smith & Jones LLP, Smith & Jones, LLC, etc.) within the two years immediately preceding the expiration date for firm licenses?” ***If “yes,” go to question C. If “no,” you are not required to complete a peer review and may proceed with the renewal of your license.***

C. “Have you provided services requiring an Illinois license (audits or reviews of historical financial statements or examinations of prospective financial statements) separate and apart from any firm with which you might be affiliated within the two years immediately preceding the expiration date of your Licensed Certified Public Accountant license?” ***If “yes,” go to question D. If “no,” you are not required to complete a peer review and may proceed with the renewal of your license.***

D. “Have you satisfactorily completed a peer review within the three years immediately preceding the expiration date of your Licensed Certified Public Accountant license?” ***If “yes,” you have complied with the peer review requirement and may proceed with the renewal of your license. If “no,” you have not complied with the peer review requirement and you may not renew your license until you receive an acceptance letter from an approved Peer Review Administrator verifying acceptance.***

Questions?

Please direct inquiries to the Department of Financial and Professional Regulation at 320 West Washington Street, 3rd Floor, Springfield, Illinois 62786, (800) 560-6420, Fax (217) 782-3390. Additional information is available at <http://www.idfpr.com>.

CANDIDATE CORNER

Want us to acknowledge your accomplishments? Submit your pictures and information to help@ilboe.org for consideration.

Mr. Han Jeon (back row, far right, next to the pole) left in April 2015 on his way to Lesotho as a Peace Corps volunteer.

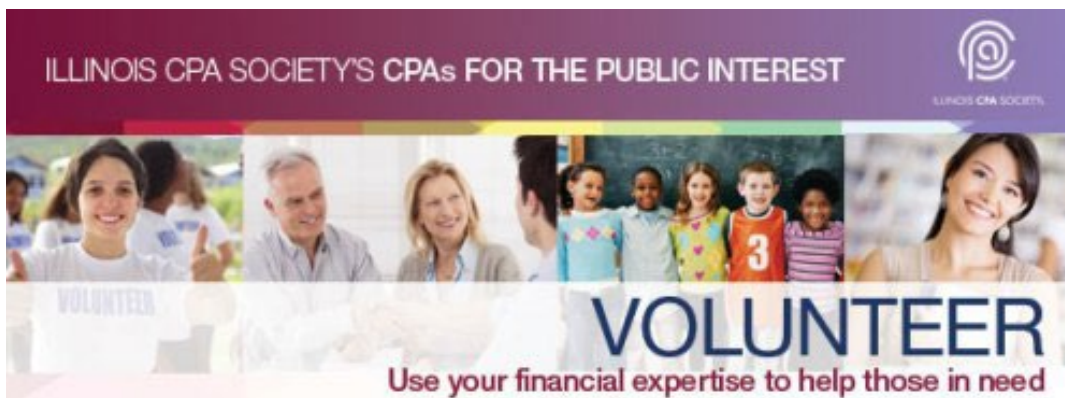
Thank you for making a difference!



Congratulations to Ms. Somya R. Munjal, CEO, Youthful Savings Managing Partner, CPA for the People, LLP on winning the *Outstanding Young Alumni Award*. This award is presented to individuals who have exhibited outstanding accomplishments within ten years of earning an undergraduate degree from Northern Illinois University.



Congratulations to Mr. William E Taylor, Retired Partner, Deloitte & Touche USA, LLP on winning the Outstanding College Alumni Award. This award is presented to graduates of each of Northern Illinois University's seven colleges, exemplifying the diverse disciplines of a comprehensive university.



To learn more about volunteer services, visit www.icpas.org/CPAsPI.htm.



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Candidate Performance on the Uniform CPA Examination

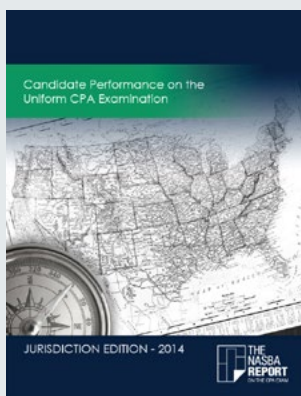


The following pages of statistical information on the Uniform CPA Examination have been provided to the Illinois Board of Examiners on a complimentary basis. The Illinois-specific information has been extracted from NASBA's recently published, *Candidate Performance on the Uniform CPA Examination – Jurisdiction Edition*. This edition has been redesigned to feature additional data including: cohort tracking, content area performance and candidate pipeline reporting.

Two new editions of NASBA's *Candidate Performance on the Uniform CPA Examination* publication are currently available:

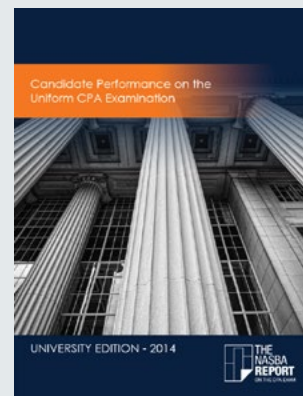
The Jurisdiction Edition – Designed specifically with the State Boards in mind, this report provides a broad view of CPA Exam trends from around the world. This book is the updated version NASBA's standard Annual Report.

Click the image below to view a sample of the new Jurisdiction Report.



The University Edition – Focuses on university and accreditation reports, including international, regional, national and state. University rankings are also a prominent feature of this edition.

Click the image below to view a sample of the new University Report.



Both publications feature comprehensive, statistical data from all (4) testing windows of the 2015 Uniform CPA Examination, are available in paperback and eBook formats, and can be purchased online at nasbareport.com. The following Examination statistics (only available from NASBA) outline the 2015 Q-4 testing window performance of both national and Illinois-specific candidates.

Questions regarding NASBA's *Candidate Performance on the Uniform CPA Examination – Jurisdiction & University Editions*, and other candidate performance products, should be directed to mwilkins@nasba.org or (615) 312-3806.

Overall Statistics for Testing Window 2015 Q-4

Jurisdiction	Count Candidates	Count Sections	FT Sections	RE Sections	Average Pass Rate	Average Score	Average Age
Alabama	184	247	131	116	43.3%	70.2	31.3
Alaska	1,049	1,589	1,079	510	47.1%	69.6	30.2
Arizona	476	645	416	229	54.3%	72.1	30.5
Arkansas	247	332	160	172	46.1%	69.9	29.5
California	6,778	8,974	5,118	3,856	47.8%	71.2	29.6
Colorado	836	1,097	572	525	51.8%	72.5	30.5
Connecticut	667	863	457	406	46.8%	71.6	27.6
Delaware	225	304	162	142	46.1%	70.2	31.2
District of Columbia	94	129	87	42	43.4%	68.0	29.6
Florida	1,694	2,118	1,219	899	50.3%	72.2	31.1
Georgia	1,638	2,077	1,115	962	48.8%	71.8	29.8
Guam	441	674	411	263	43.6%	68.4	32.2
Hawaii	163	209	102	107	37.3%	67.3	29.8
Idaho	177	232	133	99	44.8%	69.4	30.7
Illinois	2,441	3,197	1,767	1,430	48.9%	71.6	28.3
Indiana	719	990	550	440	46.5%	71.0	28.2
Iowa	321	451	279	172	49.2%	71.2	26.7
Kansas	192	274	155	119	49.3%	72.6	28.6
Kentucky	459	625	342	283	45.9%	71.2	28.8
Louisiana	496	647	349	298	49.9%	71.3	28.9
Maine	564	896	524	372	47.1%	70.4	31.6
Maryland	905	1,187	646	541	43.7%	70.1	29.6
Massachusetts	1,527	1,965	1,188	777	51.9%	72.6	27.0
Michigan	1,137	1,475	881	594	52.7%	72.4	28.2
Minnesota	849	1,163	677	486	47.4%	71.8	27.0
Mississippi	161	203	105	98	34.5%	67.3	29.8
Missouri	573	758	411	347	47.0%	72.3	28.0
Montana	362	616	315	301	39.5%	66.7	28.9

Overall Statistics for Testing Window 2015 Q-4

Jurisdiction	Count Candidates	Count Sections	FT Sections	RE Sections	Average Pass Rate	Average Score	Average Age
Nebraska	178	242	147	95	51.7%	72.9	27.1
Nevada	191	274	157	117	46.4%	70.1	31.4
New Hampshire	1,096	1,433	606	827	42.4%	70.1	31.4
New Jersey	1,590	2,019	1,064	955	39.8%	68.4	28.5
New Mexico	185	243	138	105	44.0%	69.5	32.7
New York	5,921	7,422	4,099	3,323	46.5%	70.7	27.5
North Carolina	906	1,223	666	557	49.6%	71.3	29.4
North Dakota	141	184	114	70	55.4%	74.5	28.2
Ohio	1,281	1,677	960	717	47.7%	71.3	28.0
Oklahoma	348	471	271	200	50.3%	70.5	31.6
Oregon	465	635	402	233	55.1%	72.7	30.9
Pennsylvania	1,885	2,439	1,395	1,044	44.5%	70.2	27.2
Puerto Rico	521	648	332	316	36.3%	65.6	28.4
Rhode Island	105	134	74	60	51.5%	72.7	28.0
South Carolina	279	368	199	169	48.4%	71.4	29.6
South Dakota	79	102	65	37	52.0%	73.4	29.4
Tennessee	766	954	490	464	46.8%	70.9	30.0
Texas	3,007	3,876	2,055	1,821	48.1%	71.6	30.5
Utah	304	401	268	133	63.1%	76.5	30.9
Vermont	152	221	109	112	40.3%	70.3	29.7
Virginia	1,707	2,204	1,228	976	51.6%	72.9	29.7
Washington	1,407	1,937	1,125	812	50.1%	71.3	31.4
West Virginia	120	153	66	87	39.9%	67.6	29.3
Wisconsin	745	935	596	339	58.8%	74.1	27.1
Wyoming	40	54	29	25	44.4%	71.1	31.0

CPA Exam Performance: *All Jurisdictions*

2015 Q-4

Overall Performance

Unique Candidates	48,796
New Candidates	13,106
Total Sections	64,189
Passing 4th Section	7,302
Sections/Candidate	1.32
Pass Rate	47.7%
Average Score	71.1

Section Performance

	Sections	Score	% Pass
First-Time	36,007	71.4	51.9%
Re-Exam	28,182	70.7	42.5%
AUD	17,133	72.2	46.7%
BEC	14,802	73.4	55.0%
FAR	16,293	68.6	42.8%
REG	15,961	70.4	47.1%

Top 3 Jurisdictions

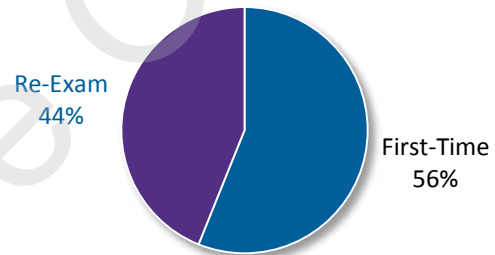
Most Candidates

- California **6,778**
- New York **5,921**
- Texas **3,007**

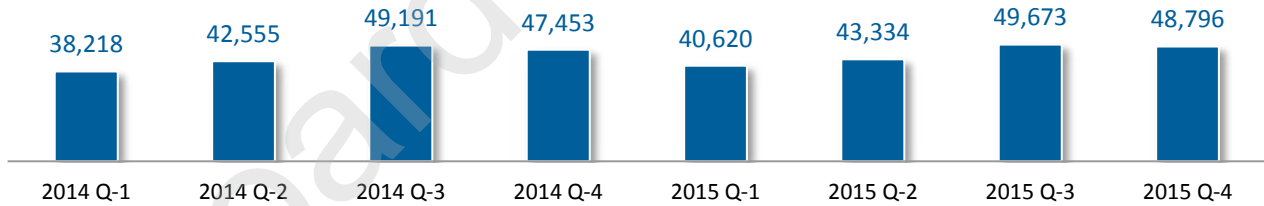
Highest Pass Rate

- Utah **63.1%**
- Wisconsin **58.8%**
- North Dakota **55.4%**

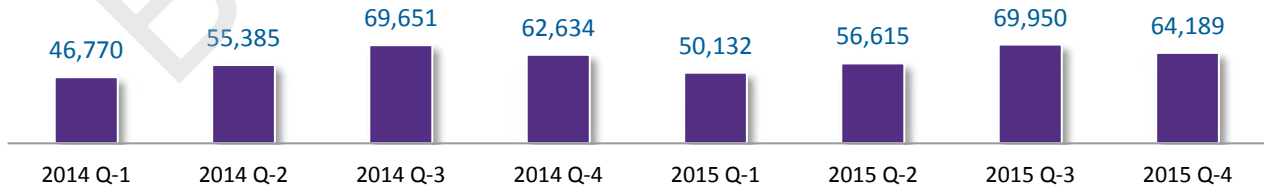
Exam Type by Percent



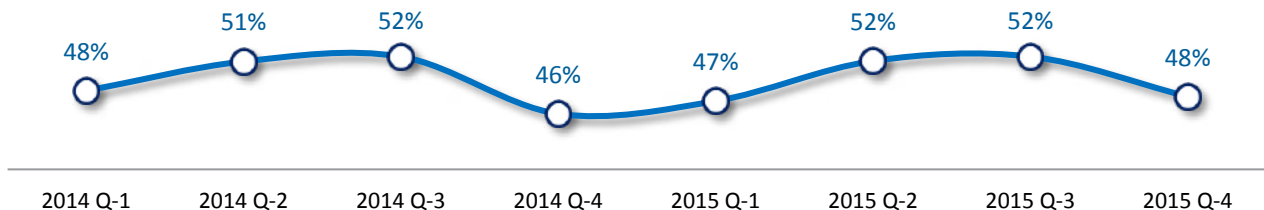
Candidates



Sections

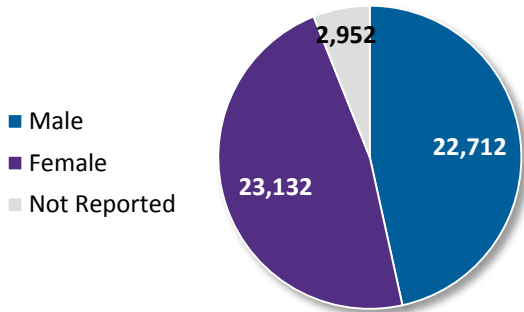


% Pass



CPA Exam Performance: *All Jurisdictions*

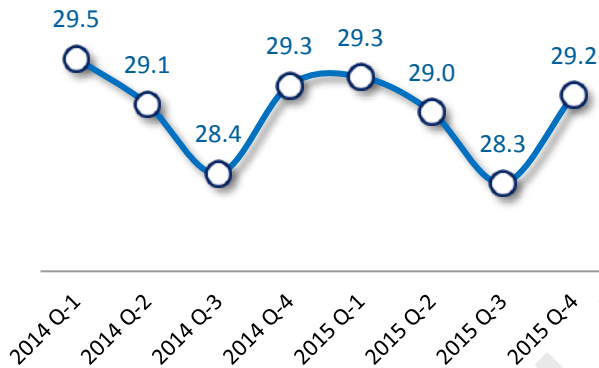
Demographics



Residency

Candidate Count	
In-State Address	37,590
Out-of-State Address	7,138
Foreign Address	4,068
% of Candidates	
In-State Address	77.0%
Out-of-State Address	14.6%
Foreign Address	8.3%

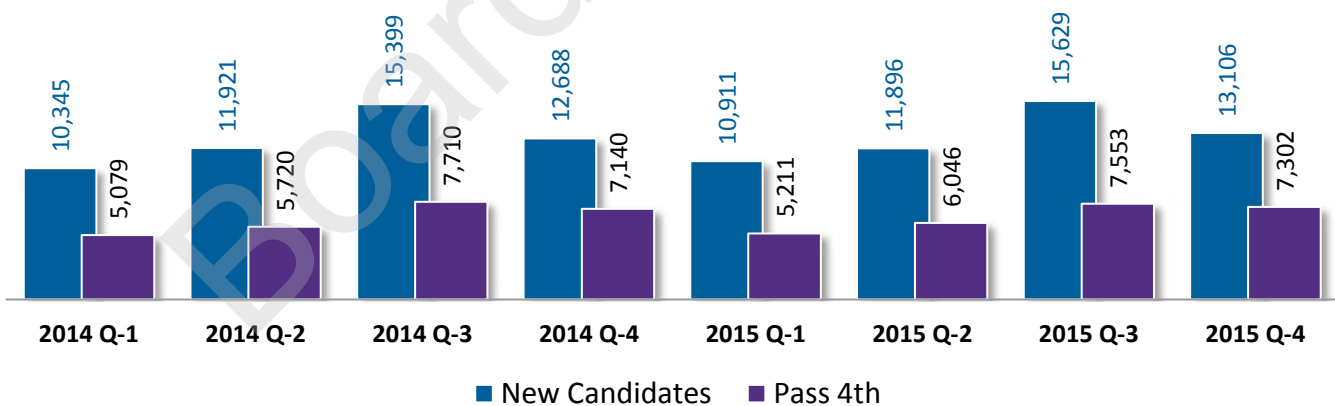
Average Age



Degree Type

Candidate Count	
Bachelor's Degree	27,530
Advanced Degree	8,094
Enrolled/Other	13,172
% of Candidates	
Bachelor's Degree	56.4%
Advanced Degree	16.6%
Enrolled/Other	27.0%

New Candidates vs Candidates Passing 4th Section



Notes about the Data

- The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 Jurisdictions.
- The demographic data related to Age, Gender and Degree Type is provided by the individual candidates and may not be 100% accurate.

CPA Exam Performance Summary: 2015 Q-4

Illinois

Overall Performance

Unique Candidates	2,441
New Candidates	641
Total Sections	3,197
Passing 4th Section	430
Sections/Candidate	1.31
Pass Rate	48.9%
Average Score	71.6

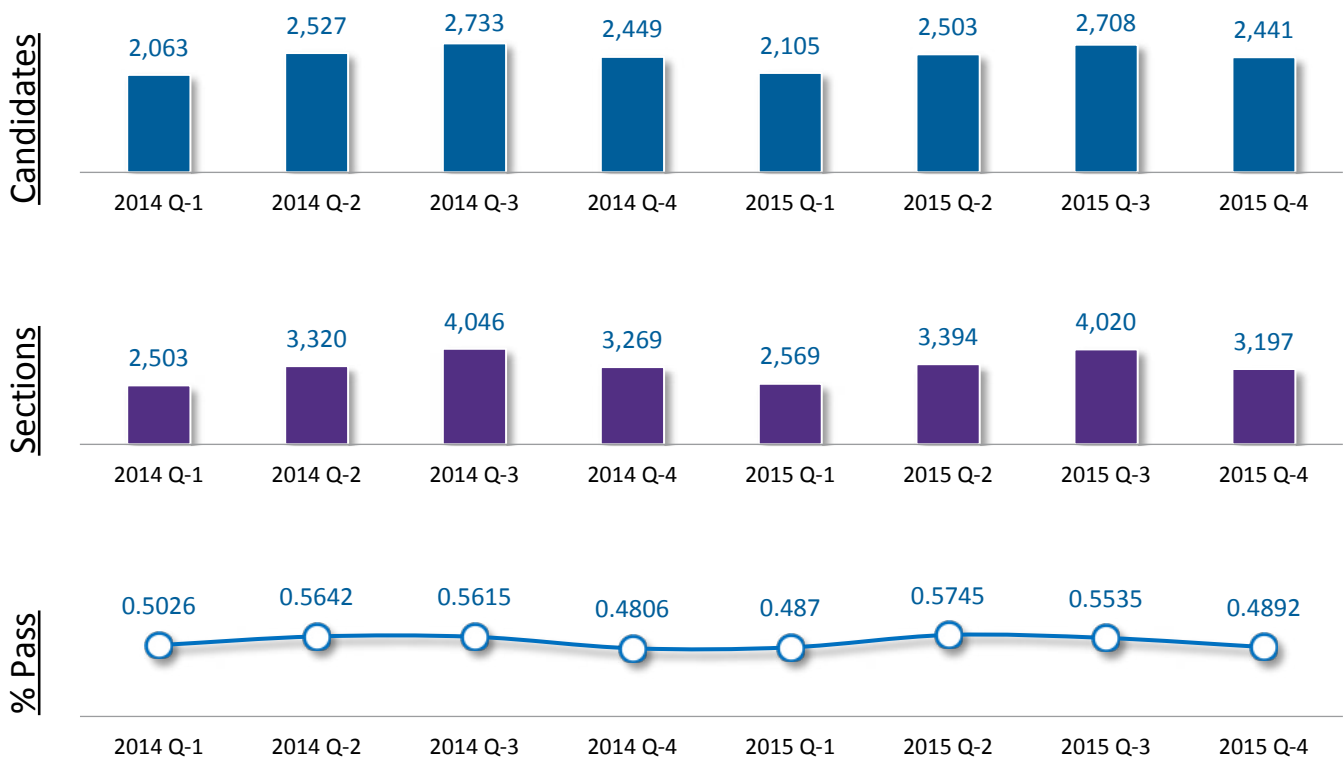
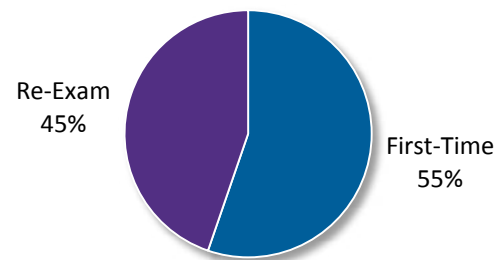
Section Performance

	Sections	Score	% Pass
First-Time	1,767	72.1	53.1%
Re-Exam	1,430	71.0	43.8%
AUD	887	73.1	47.5%
BEC	744	74.2	58.6%
FAR	754	68.8	42.0%
REG	812	70.3	48.0%

Jurisdiction Rankings (1 to 53)

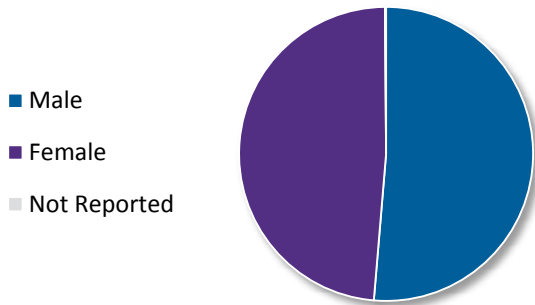
Candidates	Sections
4	4
20	19
Pass Rate	Avg Score

Exam Type by Percent



CPA Exam Performance Summary: 2015 Q-4

Demographics



Male Candidates	1,253	51.3%
Female Candidates	1,185	48.5%
Not Reported	3	0.1%

Average Age **28.3**

Age Rank **15**

Residency

Candidate Count

In-State Address	2,117
Out-of-State Address	287
Foreign Address	37

% of Candidates

In-State Address	86.7%
Out-of-State Address	11.8%
Foreign Address	1.5%

Degree Type

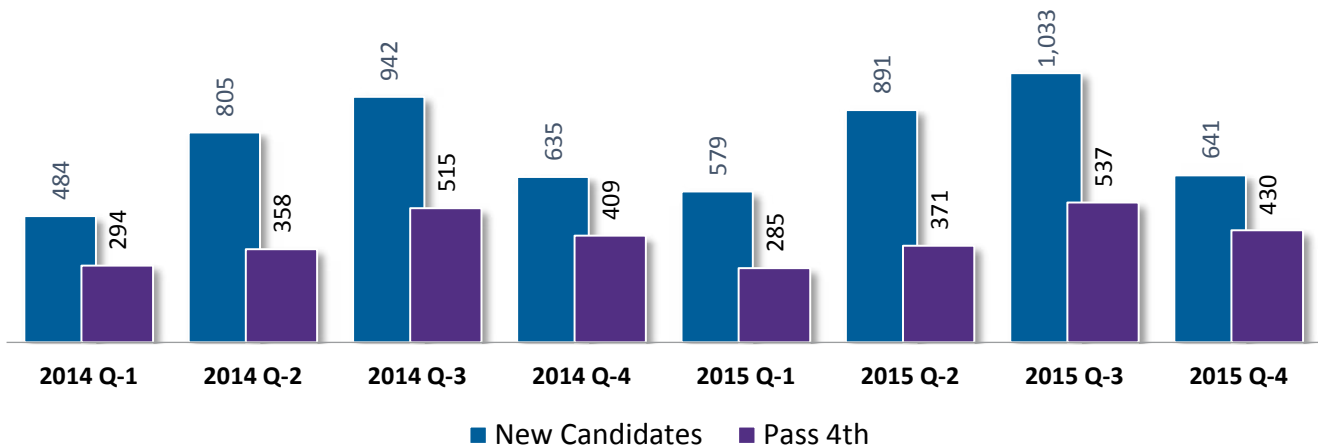
Candidate Count

Bachelor's Degree	1,777
Advanced Degree	663
Enrolled/Other	1

% of Candidates

Bachelor's Degree	72.8%
Advanced Degree	27.2%
Enrolled/Other	0.0%

New Candidates vs Candidates Passing 4th Section



Notes about the Data

- The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 Jurisdictions.
- The demographic data related to Age, Gender and Degree Type is provided by the individual candidates and may not be 100% accurate.