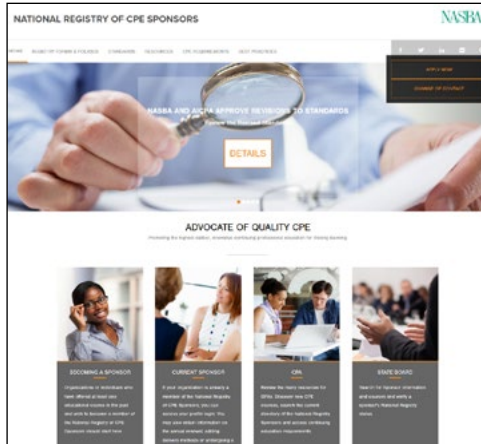


## NASBAregistry.org Debuts

NASBA has launched its re-designed learningmarket.org website to clearly direct users to information either for State Boards, CPAs, Current Sponsors or those CPE providers interested in Becoming a Sponsor. NASBAregistry.org includes extensive information on the recently revised *Statement on Standards for Continuing Professional Education Programs*, which went into effect on September 1, 2016, and in the revised *NASBA Fields of Study* document, also in effect since September 1. The site has been designed to be easily compatible to desktop, tablet and mobile devices.

Using the NASBAregistry.org site, CPAs can locate courses to fulfill their CPE requirements, verify their course provider is on the NASBA CPE Sponsor Registry or their state's roster, and see CPE requirements organized by jurisdiction. They can also submit

complaints against program sponsors via the new website, which will be matched up against the Registry's standards and corrections requested from sponsors where appropriate. State Boards can also submit complaints via the site, search for sponsors and confirm Registry status.



CPE sponsors will find descriptions and videos highlighting the application process for being listed on the Registry for each of the approved delivery methods.

Terming the National Registry of CPE Sponsors an "advocate of CPE quality," NASBA Director of Compliance Services and Chief Legal Officer Maria L. Caldwell said the site's launch is "one of many ways in which NASBA maintains the highest of standards

as we educate and engage members of the learning provider community." ♦

## NJ Court Allows OPRA Exemption

Records relating to a person who has not been arrested or charged with an offense are entitled to confidentiality, an appeals court in New Jersey concluded. The August 31, 2016 decision came in the case of the *New Jersey Media Group Inc. v. Bergen County Prosecutor's Office*, which involved the news organization's reporter making an Open Public Records Act (OPRA) request to the Prosecutor's Office for records regarding a person who was not charged with any crime. According to the Reporters Committee for Freedom of the Press, the request was made in connection with a sexual abuse allegation. The Prosecutor's Office would neither confirm nor deny the existence of such records. The Media Group then brought action against the Bergen County Prosecutor's Office and the custodian of the records for the office.

The County Prosecutor's Office had explained in its response to the OPRA request: "Law enforcement agencies routinely receive allegations that are determined to be unprovable, unfounded or untrue. Identifying the target of such allegations could unfairly subject that individual to irreparable harm and subject this office and its employees to civil liability and professional discipline." The appeals court held that this explanation for the refusal to either confirm or deny fell within the relevant exemptions to New Jersey's OPRA.

The Reporters Committee for Freedom of the Press and 25 media organizations had filed an *amicus curia* brief in support of the Media Group. They contend that while "neither confirm nor deny" responses have been allowed under the Freedom of Information Act 5 USC §552

at the federal level, such responses "...have never been written into a public records statute in the United States, nor have they ever been recognized as an acceptable response at the state level. New Jersey should not be the first to officially allow this technique."

NASBA Legal Counsel Noel Allen noted states' open records laws do have statutory carve-outs and exemptions scattered throughout their laws. Uniform Accountancy Act Section 4(j) includes a public records exemption, but only one jurisdiction has adopted all of the UAA language. The UAA states what "shall not be considered public records within the meaning of this State's public records laws."

An update on recent legal decisions impacting the State Boards will be presented by Mr. Allen at NASBA's 2016 Annual Meeting. ♦

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## Reaching Out to the UK

The impact of Brexit on the mutual recognition of CPAs was discussed by NASBA Chair Donald Burkett (SC), Vice Chair Telford Ludden (IA) and President Ken Bishop at meetings in August with leaders of the profession in London and Edinburgh. Stephen Haddrill, CEO of the Financial Reporting Council (FRC), which regulates auditors in the UK, and key members of his staff met with the NASBA representatives to discuss reciprocal audit privileges between the UK and US. It was agreed that their talks will continue in Washington, D.C., later this year.

Anton Colella, CEO of the Institute of Chartered Accountants of Scotland, and members of his staff met with the NASBA representatives to discuss the possibility of unilateral recognition coupled with continuing efforts to secure a mutual recognition agreement. This would be possible if the NASBA and AICPA Boards of Directors approve the revision to Section 6 of the Uniform Accountancy Act. The comment period on that proposed change ended on September 1, 2016. Mr. Colella will be addressing the 2016 NASBA Annual Meeting. ♦



From left to right: Ken Bishop, NASBA President & CEO, Stephen Haddrill, FRC CEO, and Donald Burkett, NASBA Chair.

## AICPA Expands Competency Offerings

The AICPA-CIMA Competency and Learning website's offerings have been increased to include learning resources and competency-development tools that not only support management accounting, but all major practice areas for accountants. When the site was launched in 2015, it provided the framework for the Chartered Global Management Accountant designation holders. The AICPA explains that it was designed "to allow users to take a more customized approach to learning and development throughout their career." Over time the site has covered more topics. It includes self-assessment tools, as well as videos, articles, publications, webcasts and on-line courses.

Clar Rosso, AICPA vice president of member learning and competency, explained: "This is now truly a one-stop destination for public accountants, management accountants and finance professionals looking to take control of their careers and pursue new skills and expertise. It's a source of guidance that's available anytime, anywhere, whether you're working on a laptop or a mobile device, and fits the needs of today's more self-directed and on-the-go professionals."

NASBA's CPE Committee is studying developments in continuing professional education. A report will be given by CPE Committee Chair Maria E. Caldwell (FL) at the Annual Meeting in October. ♦

## NASBA Showcased at AAA Conference

NASBA Center for the Public Trust (CPT) President Alfonzo Alexander and NASBA Director of Continuous Improvement & Analytics James Suh were among the featured speakers at the meetings held in conjunction with the American Accounting Association's Annual Meeting, August 6-10 in New York City. The meeting marked the AAA's first 100 years representing accounting educators. Mr. Alexander spoke at the 21st Annual Ethics Symposium, a pre-conference "boot camp" encouraging and supporting ethics education. He described the StudentCPT program's approach to influence students' professionalism and ethical conduct in practice. He told the educators: "Changing and shaping behavior takes collaboration between the academic and business communities."

Mr. Suh addressed a breakout session on the practical



Alfonzo Alexander



James Suh

applications for statistical information obtained from CPA candidates.

A NASBA booth in the AAA conference's exhibition hall was staffed by NASBA representatives who discussed with attendees: the candidate data available through NASBA, the advantages of partnering with Center for the Public Trust StudentCPT chapters, and how CPA Examination Services works with the State Boards and the CPA candidates. In addition, the attendees were reminded that ALL (the Accountancy Licensee Library) is made available free-of-charge to all schools' departments of accounting.

NASBA President Ken Bishop attended the centennial meeting and the related Ph.D. Project events. He assured all of NASBA's continuing support for the Project. ♦

## Can Regulation Keep Pace?

When I began my career in accounting regulation in 1999, laws, rules and basic assumptions were much different than what they are today. It was less than 20 years ago, but the world was a much different place. While computers were occupying many desks, they had less computing power than some of today's watches. Professionals were transitioning from pagers to cell phones, stimulated in part by the release of the Blackberry with the launch of text messaging. The first iPhone would not come on the market for another eight years!

While concepts like CPA interstate mobility, a national Accountancy Licensee Database and a computerized Uniform CPA Examination were under discussion for many years, in some circles for decades, change and transition were often tough to sell. In 1999, a common complaint was the allegation that a CPA from one state distributed his business card when visiting another state. Few would have believed that, within a decade, a majority of states would have adopted mobility. The success of mobility served as the catalyst for the development and implementation of the Accountancy Licensee Database (ALD), which now contains information on 98 percent of the U.S. CPA population and is an important tool for State Boards. Its spinoff system, CPAverify, provides consumers with the unprecedented ability to ascertain the license status of CPAs throughout the country.

The accounting profession continues to evolve and new challenges face, or will face, State Boards and NASBA. For example, the Boards need to keep pace with the rapidly changing education models in the U.S. and abroad. Most of the U.S. accountancy laws and rules were written with the expectation that students would attend classes in traditional brick-and-mortar colleges and universities and, so long as those schools were accredited by bona fide accrediting bodies, the State Boards could rely on the quality of their education. When current state laws and rules were developed, online courses, credit for life experience, and the application of varied competency models were not even considered. We now have ascertained that the accrediting bodies the Boards are relying on seemingly have not kept pace with new, and sometimes questionable, delivery and output models. NASBA, in partnership with the AICPA, has been working closely with educators and accrediting bodies to understand the evolution of education and to consider appropriate changes. We have been very pleased with the reception and willingness of educators and accreditors to work with us. At the 2016 Annual Meeting we will be providing State Boards an update on this activity.

In the last few months, State Boards have received information from NASBA and AICPA about changes in the AICPA peer review program, specifically with proposed reorganization of the administering entities. The changes being considered may make the current peer review oversight procedures of State Boards unworkable. As a result of these recent exposure drafts and surveys, many State Boards have reached out to NASBA to express their concerns and to ask what NASBA can, and will, do to help them perform this vital oversight function. At the Annual Meeting and at this year's Executive Director and Legal Counsel Conferences we will hold discussions with you to ascertain your expectations.

The final, and possibly the most important, change in the profession we have to consider is the increasing use and relevance of data analytics, particularly in auditing. Data analytics is already being used by many large entities and by the firms auditing them. Auditors now must use a hybrid methodology, applying data analytics while maintaining work papers and processes to be in compliance with current standards. Because of the costs and dynamics of this redundant process, it is easily predicted that the profession will be changing standards and eliminating processes in the near future.

NASBA and AICPA have already begun a dialog about the importance of data analytics and the need to make sure that future CPAs are educated and tested to keep pace. We have discussed how State Boards can be ready with the tools necessary to conduct an investigation into a process that may not include any of the traditional instruments tested to ascertain compliance and quality. Similarly, current peer review procedures will have to change to monitor processes in real time by using computers instead of humans. At NASBA, we are having serious discussions about the development of tools and software that support State Boards in their responsibility for monitoring the continuing competence of the people and firms that they license.

Can regulation keep pace? We believe it can and will -- and NASBA will be there to support you!

*Semper ad meliora (Always toward better things).*



**Ken L. Bishop**  
President & CEO

A handwritten signature in black ink that reads "Ken L. Bishop". The signature is fluid and cursive.

— Ken L. Bishop  
President & CEO

## Assessing the Impact of Data Analytics

A paper on “Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics” has just been released for comment by the Data Analytics Working Group of the International Auditing and Assurance Standards Board (IAASB) <http://www.ifac.org/system/files/publications/files/IAASB-Data-Analytics-WG-Publication-Aug-25-2016-for-comms-9.1.16.pdf>. This concise document underscores the major impact the increasing use of technology is projected to have on the analyses entities will expect their auditors to perform. The document notes work on this topic is also being carried out through the Rutgers AICPA Data Analytics Research Initiative, the Institute of Chartered Accountants of England and Wales series of papers to facilitate dialogue and CPA Canada’s Audit Data Analytics Committee. The Working Group also points out the Public Company Accounting Oversight Board is monitoring developments in this area.

While current International Standards on Auditing (ISA) do not prohibit the use of data analytics they need to continue to be relevant, the Working Group underscores. They perceive a risk “associated with the use of new and innovative techniques for which there is not a strong framework within the standards.” What is being recommended are auditing standards that are able to accommodate



future developments but that do not require continual change. The working group sees a direct link to what needs to be incorporated in the education curriculum for auditors: “In the not too distant future, a re-skilling of a relatively large proportion of today’s accountants and auditors will be necessary to realize the potential on a broad scale. Today, auditors are incorporating the needed skills into the engagement team by adding the use of data capture specialists and data scientists to support the engagement teams.”

The paper lists unanswered questions including: “How regulators and audit oversight authorities maintain oversight in a rapidly changing area when the audit oversight authorities have little experience themselves of inspecting audits where the auditor has made use of data analytics and other technology innovations.” ♦