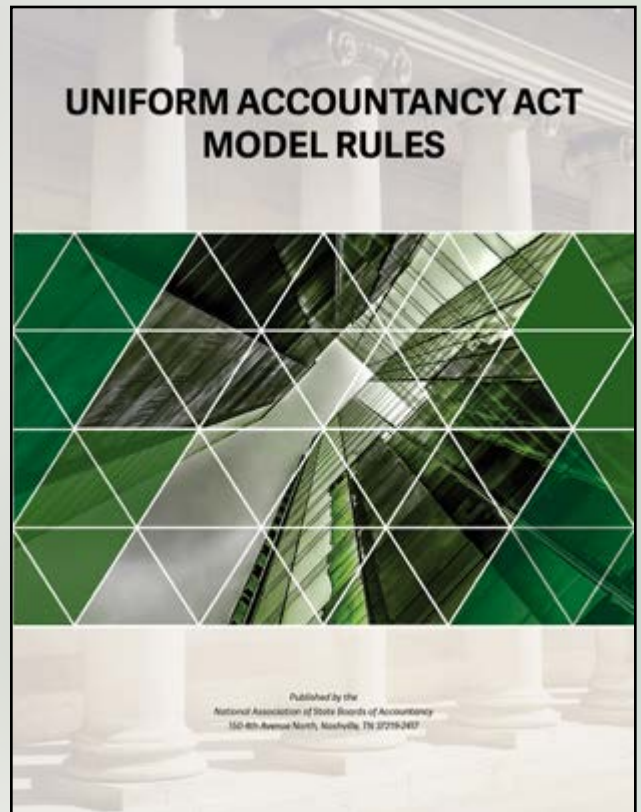


Comments on UAA Model Rules Due April 17

State Boards of Accountancy and other interested parties are encouraged to submit comments by April 17, 2023, in response to proposed amendments to the Uniform Accountancy Act (UAA) Model Rules for the granting of credit requirement for sections passed on the Uniform CPA Examination. The revised exposure draft, which was approved for re-exposure by the NASBA Board of Directors on February 14, 2023, increases the number of months of conditional credit provided to a candidate from 18-months to 24-months. It also provides greater clarity as to a board’s authority to allowing additional time to candidates.

All comments or recommendations on these proposed changes should be directed to the attention of NASBA’s UAA Committee via uaacomments@nasba.org.



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Published by the National Association of State Boards of Accountancy
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CPAES Reaches 35!

NASBA's CPA Examination Services (CPAES) is pleased to welcome the Oregon Board of Accountancy as the 35th U.S. jurisdiction for which it provides application processing and eligibility determination services for the Uniform CPA Examination. Currently, the Client Services team, in conjunction with Oregon Board staff, are working collaboratively to transition the processes.

In preparation for the transition, the Oregon Board stopped accepting candidate applications on February 10. Oregon candidates were also notified about the transition on February 10 via email.

CPA Examination Services began processing re-examination applications on February 22, 2023. To support this effort, CPA Examination application and historical testing information for re-examination applicants was transferred from the previous application system into NASBA's online application system, CPA Central. The full transition was completed on February 21.

In addition to providing application processing and eligibility



determination, NASBA will also manage CPE Audit and Wall Certificate Services on behalf of the Oregon Board.

"Our team looks forward to providing the best possible customer service to the Oregon Board, their candidates and licensees" said Patricia Hartman, Director of Client Services. ♦



Executive Directors and Legal Counsel Conferences

Discussions regarding CPA pipeline challenges, enforcement, accountancy board rulemaking and ethics for CPAs headlined NASBA's recent 41st Annual Conference for Executive Directors and Board Staff and 28th Annual Conference for Board of Accountancy Legal Counsel. Held concurrently, the conferences took place in Tucson, AZ, February 27 – March 1, 2023, and provide an opportunity for state board staff, legal counsel and state society representatives to gather and discuss pressing issues impacting board operations, board/society relations and the administration of the Uniform CPA Examination. NASBA leaders were pleased with the overall attendance as the conferences attracted a total of 137 ED Conference attendees (in-person and virtual) and 51 Legal Counsel Conference attendees (in-person and virtual) representing 47 State Boards of Accountancy and 33 State CPA Societies.

[Click here to view a few conference highlights.](#) ♦

Science, Technology, Engineering and Mathematics: NASBA Supports Accounting STEM Pursuit Act Federal Legislation

The 118th United States Congress is slated to introduce bipartisan legislation – *Accounting STEM Pursuit Act of 2023* – to recognize accounting as part of the STEM programs in schools. Under the Act, the accounting profession will become a part of the science, technology, engineering and mathematics curricula, reinforcing the clear and logical connection between accounting and technology. It is anticipated the Senate companion bill will also be filed in the near future.

The legislation would amend title IV of the Elementary and Secondary Education Act of 1965 by adding "activities to promote the development, implementation and strengthening of programs to teach accounting, including increasing access to high-quality accounting courses for students through grade 12 who are members of groups that are typically underrepresented in accounting careers" to this act.

This legislation will not only bring early exposure to the accounting profession for students in high school and younger, but will also strengthen the pipeline of a talented and diverse workforce – one that is needed to compete in a profession that continues to evolve. "The Accounting STEM Pursuit Act not only bolsters the connection between accounting and STEM, but also reinforces the joint NASBA/AICPA initiative that is leading the charge to adapt and advance the skill-set accountants need to compete in the current practice environment," said Ken Bishop, NASBA President and CEO.

As the profession continues to advance its use of technology to serve the public interest, and with the CPA Evolution Model Curriculum changing to meet that challenge, early exposure to the accounting profession will not only help prepare the next generation of CPAs, but will make it much easier for the profession to connect to students in a way that was not before possible. ♦

PRESIDENT'S MEMO

Diplomacy

Usually long before I pen the beginning drafts of my *President's Memo*, I spend significant time looking through the thoughts and ideas I have jotted down that I might want to write about. This forum provides me a unique opportunity to opine, suggest and, sometimes, attempt to persuade readers on issues, challenges and opportunities. As this opportunity avails itself only on a quarterly basis, it is sometimes difficult to decide on and prioritize a topic or focus.

For the past few months, I have been compiling snippets and notes for this *Memo* that I was sure would be about the debate over 120 vs.150 and the potential impact to substantial equivalency and mobility for U.S. CPAs and CPA firms because of legislation being proposed. As those discussions and resultant rhetoric advanced, it ultimately became apparent to me that, while the issue is critically important, so are relationships. I decided to shift from 120 vs.150 to "*Diplomacy*," albeit a topic not directly related to the issues we are facing.

At the recent NASBA Annual Conference for Executive Directors and Board Staff, which was attended by nearly pre-COVID numbers of executive directors and state board staff, plus record numbers of board attorneys and State CPA Society executives, there were formidable discussions about a myriad of issues, including 120 vs.150 and the shrinking number of CPA candidates. The discussions were intense, and in some cases, became heated. Early in the conference, the conference chair recognized the potential for disagreements and mentioned the importance of "diplomacy." That caught my ear, particularly after observing some rather non-diplomatic discussions.

As a plain-speaking Missouri boy, I have been accused (completely justifiably) of using words or phrases improperly. In this case, I looked at several definitions of the word "diplomacy" to make sure it was appropriate for this discussion. The definition that best fit my intent is "Diplomacy is the art and science of maintaining peaceful relationships between nations, groups, or individuals when discussing conflict issues." I do not want to exaggerate the "heated" conference discussions I referenced earlier, but I am certain that everyone in attendance witnessed a degree of tension and hostility that was somewhat unprecedented for this conference. To readers who were not present, I can assure you that there were no fisticuffs, and tensions settled down quickly, but the importance of measured and diplomatic discussions became apparent to me. The debate, compromises and consensus on important matters have always been an important component of NASBA meetings and conferences.

As to the galvanizing topics at hand, because of the decrease in CPA candidates entering the profession, firms of all sizes across the United States are struggling to find and hire new CPAs and they are

looking for actions from state societies, state boards, NASBA and the AICPA. This shortage of new licensees is made worse by the increasing number of baby-boomer CPAs who are retiring, coupled with the increasing amount of work in firms. The impact of COVID, including the phenomena of "the great resignation" has only amplified the issue.

Recently, radical remedies and solutions are being considered and proposed, some of which many of us believe could make matters even worse. However, I think most of us that are close to these discussions agree that, to get traction, we are going to have to consider some ideas that others may consider to be radical.

NASBA staff and volunteers have worked closely with the AICPA to develop strategies and implementable plans to provide short and long term plans for consideration. The CPA Evolution and Experience, Learn and Earn (ELE) programs are slated to begin later this year. Other proposals, such as an Amnesty policy for candidates who lost parts because of the disruption and resultant distortions of the COVID pandemic, are also being considered. Again, the concept of Amnesty is a radical idea that must be acceptable to Boards of Accountancy. Every strategy we are considering will not, and cannot, disrupt substantial equivalency or mobility.

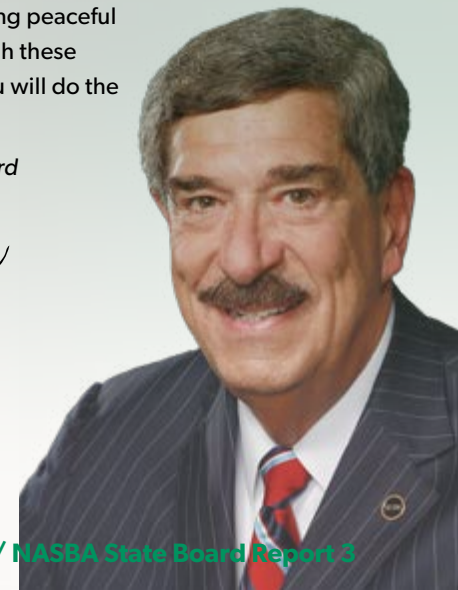
Back to the title, *Diplomacy*. It is not unusual for disagreements, particularly passionate disagreements, to hurt feelings and damages egos....and several of us in this particular debate do not suffer from the lack of an ego. I do not personally know some of the folks that support a legislative remedy that NASBA may strongly oppose because of the disruption of substantial equivalency and mobility. Others, I know well. Of those who I do know, many I hold in high regard and have no doubt as to their integrity and intent.

In my role as president and CEO of NASBA, representing the interests of state boards and the NASBA Board of Directors, I will aggressively work to oppose any threat to substantial equivalency and mobility. However, I am committed to being diplomatic and "maintaining peaceful relationships" as we work through these important issues. I hope all of you will do the same, committed to *Diplomacy*.

Semper ad meliora (Always toward better things).



— Ken L. Bishop, President & CEO





CPE Standards March 31 Deadline Approaching

NASBA and the AICPA currently seek public comment through March 31, 2023, on their recent issuance of an [exposure draft](#) detailing proposed revisions to the Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*). Published jointly by the organizations, the *Standards* provide a framework for the development, presentation, measurement and reporting of CPE programs.

Previously amended in 2019, most of the [proposed revisions](#) represent clarifications within the *Standards*. For example, one proposed revision clarifies that Group Live and Group Internet Based programs are determined by how the learner interacts with participants and the instructor, instead of how the learning is consumed by the learner. In addition to now providing specific examples of each delivery method, the exposure draft includes web enabled, two-way video participation as an acceptable form of a Group Live program.

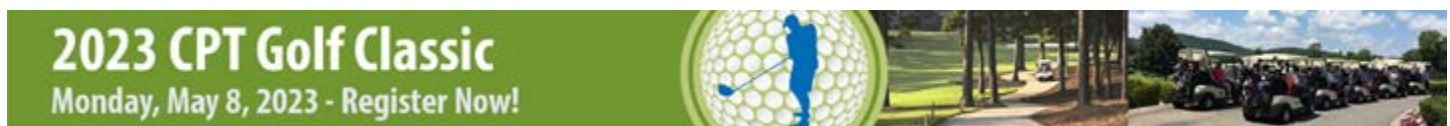
Additional clarifications have been made to assist in the understanding of awarding CPE credit in appropriate increments, awarding CPE credit when multiple presenters are actively involved

in instructing one CPE program session, and communicating and documenting the required attendance monitoring mechanisms for Group Internet Based programs.

Review of the 2019 *Standards* began in May 2022. The recent revisions are the outcome of extensive reviews and evaluations by the CPE Standards Working Group, NASBA's CPE Committee, and the Joint AICPA/NASBA CPE Standards Committee. The NASBA and AICPA Boards of Directors approved the proposed revisions for exposure during their respective meetings in October and November 2022.

"We are very pleased with the outcome of the hard work of those involved in the revisions process," said Jessica Luttrull, NASBA's Associate Director of the National Registry. "We believe the changes included in these revised Standards will assist CPE program providers and help keep CPE relevant and meaningful to CPAs."

To submit comments by the March 31, 2023 deadline, email comments@nasba.org. ♦



Swing for the CPT

The NASBA Center for the Public Trust (CPT) announces its annual golf tournament – May 8, 2023, at The Governors Club in Brentwood, TN. The tournament will begin with lunch at 11:00 a.m. (CDT), followed by a 12:00 Noon shotgun start and closing awards dinner. Participation in this year's tournament will aid the CPT in fulfilling its mission of developing, empowering and promoting ethical leaders, and aid the CPT as it continues to provide life-changing leadership and ethics training to high-potential college students through the Student Center for the Public Trust (StudentCPT).

Registration for individual and team participation is now open, and various levels of sponsorship opportunities are currently available. Your support of the CPT's mission will make a tremendous difference for students and American businesses in the future. ♦



To register and learn more, visit: <https://thecpt.org/golfclassic/>.

AICPA Unveils Redesigned CPA Exam Blueprints

In January 2023, the American Institute of CPAs (AICPA) released the updated [Uniform CPA Examination® Blueprints](#), the official document of content eligible for assessment on the Exam starting in January 2024. The Blueprints are based on the knowledge and skills required of a newly licensed CPA to meet the demands of firms, employers and clients. According to the AICPA, today's CPAs need deeper skill sets, more competencies and greater knowledge of emerging technologies and their impact on tax, accounting and audit. Therefore, to prepare CPA candidates and accounting students for this new environment, the licensure model is evolving through the AICPA and National Association of State Boards of Accountancy (NASBA) joint CPA Evolution initiative.

"The CPA Evolution-aligned Exam will ensure that candidates possess the knowledge required for the profession now and in the future," said NASBA Executive Vice President and COO Colleen Conrad, CPA. "For current candidates, we developed a transition policy to allow them to seamlessly continue their CPA Exam journey from where they are when we transition to the 2024 CPA Exam."

The licensure model requires candidates to take three Core sections: Financial Accounting and Reporting, Auditing and Attestation, and Taxation and Regulation. Then, each candidate



will choose a Discipline in which to demonstrate additional knowledge: Business Analysis and Reporting (BAR), Information Systems and Controls (ISC) and Tax Compliance and Planning (TCP). Regardless of a candidate's chosen Discipline, this model leads to full CPA licensure.

The Blueprints are a result of the AICPA's Practice Analysis research to align the CPA Exam to the CPA Evolution initiative and are included in its [final report](#). Access to the full transition policy and related webcast recordings and FAQs are available on NASBA's website. For additional information, view the [CPA Exam transition FAQs](#) or email feedback@evolutionofcpa.org. ♦

MAKE A DIFFERENCE.

COMMITTEE INTEREST PROCESS HAS BEGUN

Volunteer Today!

SUBMIT BY MAY 1



Planning for the 2023-2024 year will be led by NASBA Vice Chair Stephanie Saunders, CPA, based on information contained in submitted committee interest forms. The Committee Interest Form can be accessed via the [NASBA Nation](#) member portal.

Note: individuals currently serving on a NASBA committee/task force must submit a new form to indicate their interest in continuing to serve. Also, individuals with a long-standing history on a particular committee are encouraged to consider applying for other committees where their expertise, experience and knowledge can be best utilized.

To view a listing of committees, charges and anticipated time commitments, [CLICK HERE](#). ♦



Arkansas Exam Registrations on the Rise

The Arkansas State Board of Accountancy has reported a noticeable increase in Arkansas CPA Exam registrations over the past few months. The increase is significant as it comes during a time of heightened concern regarding the CPA Pipeline and recent decline in CPA Exam applicants across the globe. The catalyst for the increase is namely due to the collaborative efforts between the Arkansas Board, local university professors, the Arkansas Society of CPAs and the AICPA.

According to James Corley, CPA, Executive Director of the Arkansas Board, "The Board has seen an increase in applicants due to several driving factors, among which include the initiative taken by a local professor to stress the importance of the CPA Exam, interaction with a former Big 4 partner in class to help solidify the importance of the Exam, and hearing from state board, state society and AICPA representatives during class presentations.

The University of Arkansas' William Dillard Department of Accounting implemented a strategic thrust to improve its CPA Exam completions. Students enrolled in the department's Master of Professional Accounting Program (MPACC) were given a very specific plan and strong encouragement on how to begin passing Exam sections during the academic year. A total of 27 MPACC students "bought in" to the plan and sat for the Audit Section in December 2022. Twenty-four of those students have already passed the Audit section and have registered for additional sections this semester. "With that success, we are now seeing the other MPACC students clamoring to begin their CPA Exam journey as nobody likes to be left behind," shared Department Chair and



S. Robson Walton Professor, Gary Peters, Ph.D.

Dr. Barry Bryan's audit class was involved in helping to communicate and design the plan. Executive Director Corley was also a guest speaker during the Accounting Professionalism course where he introduced students to the State Board of Accountancy and discussed the licensing and reciprocity process. "His insight eliminated a great amount confusion, fear and misunderstanding about pursuing the Exam and Licensure among our students," Dr. Peters continued. Former PWC Partner and Lecturer Martin Fiscus also served as one of the department champions, offering encouragement and insight to students pursuing the CPA Exam.

Kudos to the Arkansas Board, the University of Arkansas and other partnering organizations that have been instrumental in driving the CPA Pipeline in Arkansas! ♦

Senators Call for PCAOB to Tighten Regulation on Crypto Audits

Earlier this year, Sen. Elizabeth Warren, D-Massachusetts, and Senate Finance Committee Chairman Ron Wyden, D-Oregon, asked the Public Company Accounting Oversight Board (PCAOB) to ramp up regulations on the audits of cryptocurrency companies after high-profile companies like FTX recently went bankrupt.

In a letter to PCAOB Chair Erica Williams, they highlighted the insufficient 'proof of reserve' examinations and limited audits provided by firms like Prager Metis and Armanino for FTX before its collapse, as well as the 'sham audits' boasted by crypto companies.

Warren and Wyden argued that these reports of 'scandalous accounting practices' happening in the crypto industry not only raise the question of crypto accounting firms' integrity but 'tarnish[es] the credibility of the PCAOB,' as well as damages the confidence investors and the public have in the PCAOB-registered auditors. They are asking the PCAOB to toughen their regulations to protect investors and the public from making misinformed investment decisions.

When Mazars published Binance's proof-of-reserves report, it announced that it would suspend its work with Binance and other crypto firms. They stated that there were 'concerns regarding the way these reports are understood by the public.' Armanino also made a similar statement when announcing that they would no longer work with the crypto industry, citing 'a pretty big gap in understanding between what an audit or proof



of reserve offering provide to the recipients of those reports.'

The argument stands that the PCAOB has a responsibility to regulate cryptocurrency firms to protect investors and the public from making ill-informed investments. Although these firms are private, PCAOB Rule 3100 states that 'a registered public accounting firm and its associated persons shall comply with all applicable auditing and related professional practice standards,' and Rule 3200 states "in connection with the preparation or issuance of any audit report, a registered public accounting firm and its associated persons shall comply with all applicable auditing standards adopted by the Board." Warren and Wyden say these rules are 'clearly not restricted solely to public companies.'

To read the full letter, [click here](#). ♦