

## Professional Licensure Task Force Hosts Webinar

Seeks Comments by March 31

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# Professional Licensure Task Force Hosts Webinar

One of the first steps NASBA Chair Stephanie Saunders (VA) has taken to address the CPA Pipeline crisis head-on is her establishment of NASBA's [Professional Licensure Task Force](#). The 10-member Task Force, comprised of State Board of Accountancy, State CPA Society, AICPA and NASBA representatives, is tasked with considering new concepts for CPA licensure that may be included in the Uniform Accountancy Act (UAA) in order to update the current licensure model.

The Task Force kicked off the 2023-2024 committee year with a series of virtual and in-person meetings to discuss the history of the current education model, the education required under Mutual Recognition Agreements, and the Experience, Learn and Earn (ELE) and experiential learning models that were introduced in 2023. From those discussions, Task Force members determined that the general principles adopted for ELE: cost effective; rigorous education component; and scalable to firms and employers of all sizes, should apply to the development of a structured professional program. The group also saw the need to seek input from and share timely updates with Boards of Accountancy and other interested parties.

In December, the Task Force invited NASBA stakeholders to reply to a concept exposure addressing the Task Force's recommendation of creating an additional path to licensure—one that would offer education, documented experience, and other elements that would provide an equivalent path within the UAA for candidates to qualify for licensure, without the need of having a fifth year to complete a 150-hour education program. Stakeholders are encouraged to consider the proposed changes and share their input on the concept exposure by March 31, 2024.

To further emphasize this pressing issue, the Task Force hosted a Professional Licensure Task Force Webinar on January 8. The

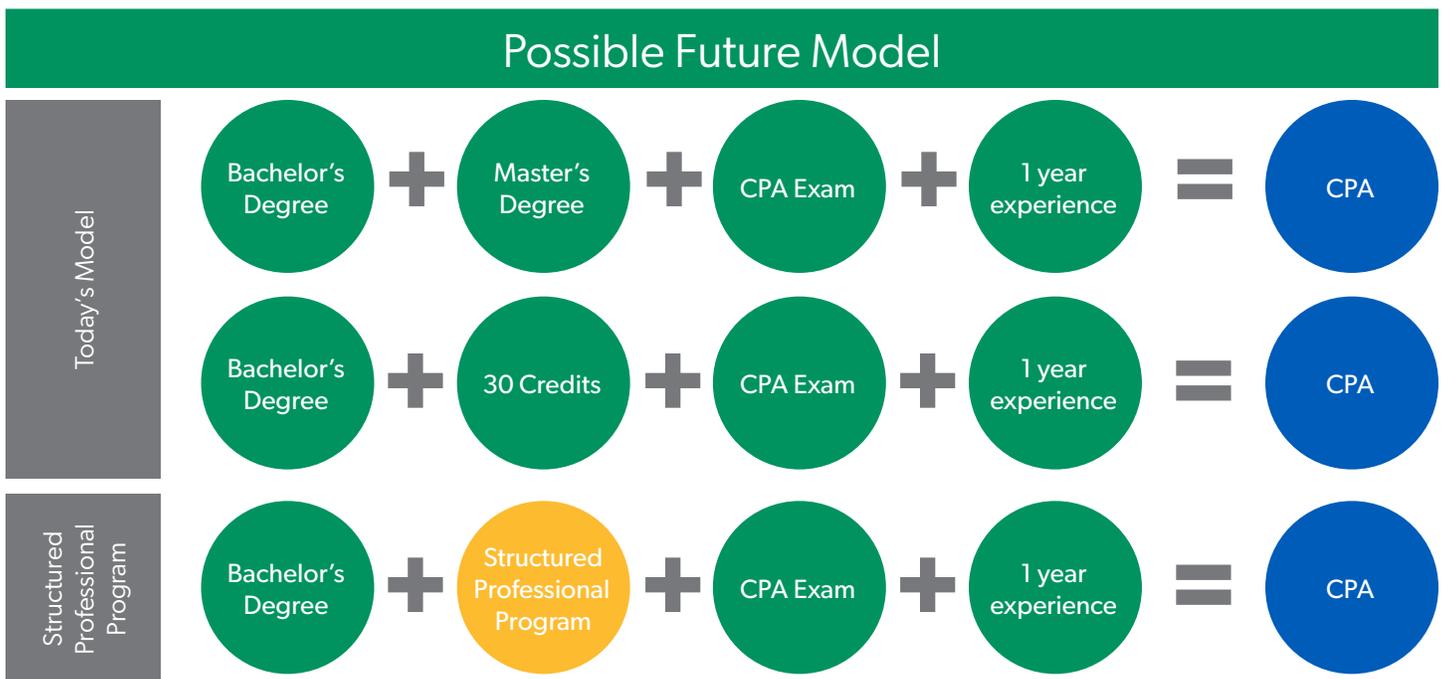


Stephanie Saunders and Nicola Neilon present during the Professional Licensure Task Force Webinar on January 8.

90-minute webinar featured Saunders, who serves as chair of the Task Force for 2023-2024, Nicola Neilon (NV), chair of NASBA's Uniform Accountancy Act Committee, and Susan Coffey, AICPA CEO – Public Accounting. Both Neilon and Coffey also serve on the Task Force.

The webinar provided an opportunity for state board members, executive directors and persons serving on the Task Force and UAA Committee to learn more about the recent work of the Task Force, explore root pipeline challenges, take a deeper dive into the proposed changes to the UAA, compare current and prospective licensure models, and receive an update on the activities of the AICPA's National Pipeline Advisory Group. A rebroadcast of the webinar was held on January 18.

The Task Force thanks NASBA stakeholders in advance for their feedback. To respond to the Comment Exposure, [CLICK HERE](#). ♦



# PRESIDENT'S MEMO

## New Beginnings

You may have noticed that the title of this *Memo*, “New Beginnings,” continues use of last year’s Annual Meeting theme in New York City. At the time of our meeting, in early November, impending changes and transitions were discussed through the lens of looking to the future. Now, most of the discussed elements of the new beginnings; changes in executive positions, implementation of CPA Evolution, and the search process for a new president and chief executive officer of NASBA, are well underway. Others, such as the use of artificial intelligence to enhance NASBA’s capabilities and efficiencies are on the drawing board.

I recently met with the CEO Selection Advisory Committee (SAC) to make a few opening remarks before they began their meeting. I raised the historic significance of finding, vetting and selecting a new president and CEO. In the past 30 years of NASBA’s history, there have been two CEOs. Prior to David Costello, there was a volunteer president and a hired executive director. In the time that David and I have served in this role, there have been five presidents of the United States, and the world has changed substantially. The next CEO will oversee uses of technology that are now in infancy or do not yet exist and will witness and grapple with changes of a profession impacted by demographics, costs and expectations. Hopefully, they will not have to deal with a worldwide pandemic or other unforeseen disruptors, but they will need to be confident and prepared to do so.

I have purposely maintained an arm’s length separation from the selection process, and I have been impressed by the quality and seriousness of the SAC. By the time most readers will have read this *Memo*, the Committee will have reduced the interested pool of candidates from nearly 170 to a few formidable choices to present to the NASBA Board of Directors at its April meeting. From my vantage point, I believe that our Boards of Accountancy should be pleased and confident in the process.

While I have complete faith in our great team, our IT developers, and the transactional relationship with our examination partners, I, and several others, kept our fingers crossed with the first CPA Evolution examination processes launched in early January. Having been prepared to deal with anomalies, the launch occurred without a hitch. When a multi-year, multi-million dollar, thousand+ man hours project launches so successfully, it is not accidental. We should all be appreciative to the staff of NASBA, AICPA and Prometric (the NAP group), state board staff, and the volunteer governance committees and working groups that made the huge endeavor successful.

When discussing “new beginnings,” the progress in dealing with the pipeline challenge is gaining momentum. In my last *Memo* titled “You Are Not Listening” and during my state of NASBA address at the Annual Meeting, I discussed the importance of maintaining good relationships. I am pleased that over the past few months there has been a marked improvement and what seems to be an earnest desire to come to consensus on potential remedies and

actions. Both the AICPA and NASBA have designated task forces to work on pipeline solutions and the two groups are well mixed and working transparently and cooperatively. The consistent mandate is that any solution(s) must sustain substantial equivalency and mobility to be viable.

Over the past couple of years, I have often written and spoken about the information technology (IT) projects we have undertaken. With the completion of the Gateway system re-write (the critical engine behind the administration of the CPA Examination worldwide) and the elimination of technical debt throughout all our systems, we have the capacity to consider and prioritize the next major projects necessary to keep NASBA operations and processes current with advances in technology. The uses and capability of artificial intelligence (AI) seems to advance exponentially. We hope to leverage those capabilities to improve the efficiency and timeliness of candidate and other stakeholder interactions.

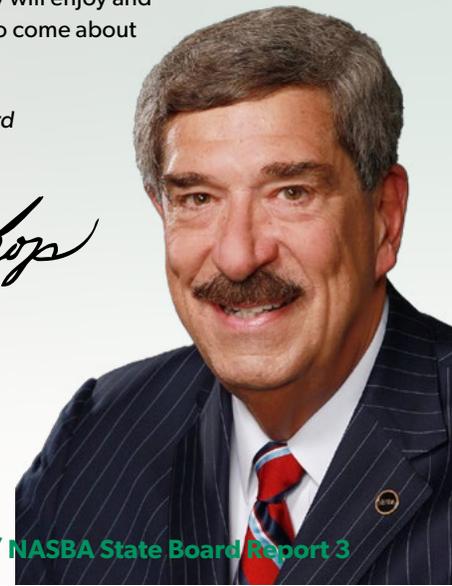
One of our highest priorities is to enhance our data analysis and reporting capability. Having the ability to better understand candidate behavior will provide tools that can be integrated into our pipeline initiatives to keep candidates in the pipeline through licensure. Other reports may provide colleges and universities with better measurement of their graduates’ performance in a reliable format. We have been meeting with various stakeholder groups to ascertain their desires and needs so that they can be considered during planning and development. Truly a new beginning of our technological capability.

Finally, and somewhat reluctantly, I will write a little about myself. It occurred to me that this will be the second to last *President’s Memo* that I will write. For nearly 13 years, I have discussed a myriad of topics, challenges and opportunities on these pages. The *Memo* has provided me a soapbox of sort, and I have always tried to use it appropriately, but occasionally I have proverbially led with my chin. When I write the next, and my final version, my successor will have been chosen and a few months later, they will be taking over this role. I can only hope that they will enjoy and embrace the opportunity. More to come about my “new beginnings!”

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



— Ken L. Bishop, President & CEO





# National CEO Search in Motion

Over 160 applications were received by the NASBA Selection Advisory Committee (“SAC”) in response to the Committee’s national search for NASBA’s next president and chief executive officer. The SAC was formed, and a national search was launched, following Ken Bishop’s announcement of plans to retire from his role in July 2024.

The 11-member Committee, chaired by A. Carlos Barrera (TX), narrowed down the robust candidate pool to approximately 20 individuals with strong executive experience and nexus to NASBA. The Committee invited the top 15 candidates to the first round of virtual interviews from Nashville, TN, at the end of January 2024. Following the first round of interviews, the top six individuals were invited to travel to Dallas, TX, to meet in-person with the Committee in mid-February.

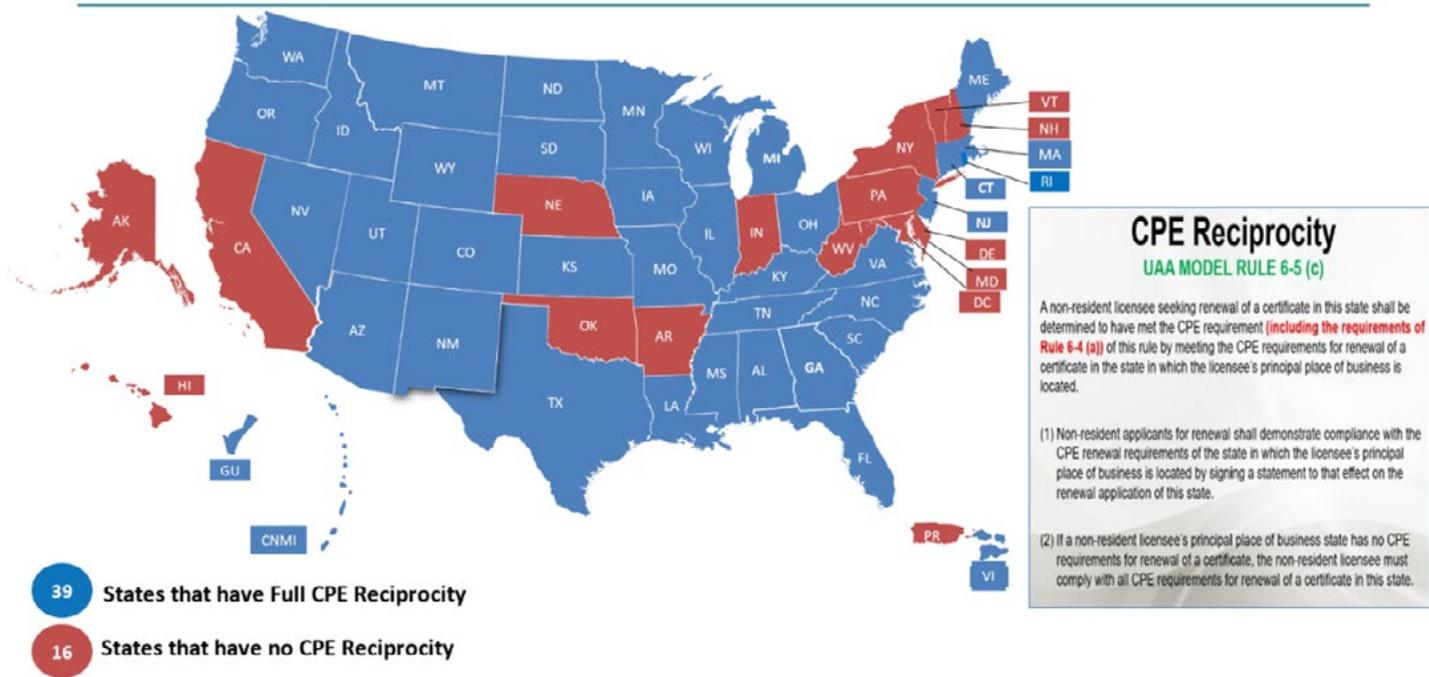
At the conclusion of the round-two interviews, the Committee will deliberate and extend invitations to the top three candidates to travel to Nashville, TN, for a final interview in March. After which, the SAC will recommend the most qualified candidate to the NASBA Board of Directors as Bishop’s successor. The Committee’s search is focused on finding the right person who deeply understands the profession, its regulation, and the role NASBA plays in supporting State Boards of Accountancy. ♦

## Streamlining the License Renewal Process Through CPE Reciprocity

In this political environment where occupational licensing is being questioned at every turn, the accounting profession is constantly looking at ways to streamline the licensing process. With the additions of Georgia, Idaho, Louisiana and Oregon adopting CPE reciprocity in 2023, nearly 75 percent of the 55 U.S. jurisdictions have now adopted Uniform Accountancy Act (UAA) Model Rule 6-5(c). CPE reciprocity exempts CPAs who hold multiple state licenses from

having to meet the individual CPE requirements of each state, so long as the licensee meets the CPE requirements of their home state. By removing duplicate CPE reporting, this exemption encourages uniformity while streamlining the licensure process. For more information on adopting UAA Model Rule 6-5(c), or any provision found in the UAA, contact John Johnson, Director, Legislative and Governmental Affairs, at [legislative@nasba.org](mailto:legislative@nasba.org). ♦

### CPE Reciprocity



## Board Approves UAA Model Rules Amendments

On January 9, 2024, NASBA's Uniform Accountancy Act (UAA) Committee met to discuss public comments received from a recent 60-day comment period regarding proposed changes to the UAA Model Rules. Following that discussion, Committee members voted unanimously to recommend adoption of the proposed amendments and present them to the NASBA Board of Directors for final approval. The Board unanimously voted to approve the proposed amendments to UAA Model Rules 7-4 and 7-5 during its January 19 meeting.

As noted in the *State Board Report - Fall 2023 Edition*, Board of Accountancy representatives and other interested parties were invited to comment on proposed revisions to the UAA Model Rules pertaining to peer review, by January 2, 2024. The following proposed revisions to the Model Rules incorporated the additional documents and objective information to existing UAA Rules 7-4 and 7-5 related to the AICPA's Facilitated State Board Access. The Committee believed these changes would provide guidance for state boards and firms in the years ahead:

Rule 7-4(a) was amended to include a reference to Rule 7-5(b) through 7-5(d). A comment following Rule 7-4(a) was deleted as it

was outdated. Rule 7-5(e) was amended to clarify when a letter from the administering entity is due to the Board of Accountancy and adds references to Rule 7-5(b) through 7-5(d).

The title to Rule 7-5 was modified to add the term "and objective information." Further clarification was added to the comment following Rule 7-5(a) and the 30-day submission period was added to Rule 7-5(b). These changes allowed for Rule 7-5(c) to be deleted as written and replaced with a list of documents and objective information to be provided by the firm to the Board of Accountancy.

Minor wording changes in Rule 7-5(d), including the addition of the term "and objective information," are consistent with other changes in Rule 7-5.

To reference the proposed UAA Model Rules revisions in their entirety, visit the NASBA website [here](#). ♦

## Countdown to Grant Proposal Deadline

Professors and post-doctoral researchers have until 11:59 P.M. CT on Friday, March 8, 2024, to submit proposals in consideration for NASBA's Accounting Education Research Grant funding. The program, spearheaded by the NASBA Education Committee, seeks to advance research on educational issues impacting certified public accountants (CPAs), the public accounting profession and state boards' charge to protect the public. Since the program's inception in 2011, over \$200,000 has been awarded in support of academic research nationwide.

Among the program's recommended research interest areas include: Integrating data analytics and AI as part of an accounting education, Diversity in the CPA profession, CPA Pipeline related topics, and the Impact of licensing requirements on students' decisions to pursue accounting careers.

To qualify, applicants must be affiliated with a U.S. academic institution and comply with all submission guidelines. Preference will be given to applicants who have received their doctoral degree by the start date of the grant. Additionally, applicants cannot be related to employees, officers, Board of Accountancy members, NASBA Education Committee members or NASBA affiliates.

For full details on the application guidelines, research interest areas and previously awarded grant topics, visit: <https://nasba.org/education/researchgrants/>. Questions and proposal submissions should be emailed to: [grantproposal@nasba.org](mailto:grantproposal@nasba.org). ♦



2023 Grant Recipient Ryan Cahalan, JD, LLM, Assistant Professor of Accounting, Central Washington University



2023 Grant Recipient Tristan B. Johnson, PH.D., Assistant Professor of Accounting, University of South Alabama

# CPA Evolution is Here!

As skills and competencies change in the accounting profession, the CPA Evolution initiative — a joint effort between NASBA and the AICPA — aimed to transform the CPA licensure model alongside these changes. After reviewing feedback from stakeholders, NASBA and the AICPA decided to introduce new disciplines to the Uniform CPA Exam. Under the initiative, all testing for BEC officially ended in December 2023, and as of January 10, 2024, new disciplines have become available through the launch of a new Uniform CPA Examination, which marks the biggest advancement to the Exam since computerization.

Replacing BEC are three new disciplines – Business Analysis and Reporting (BAR), Information Systems and Controls (ISC) and Tax Compliance and Planning (TCP).

- BAR will assess knowledge and skills related to analyzing financial statements and financial information (including the use of data); select technical accounting and reporting requirements applicable to for-profit business entities (e.g., stock compensation, business combinations, derivatives) and higher order skills related to revenue recognition and lease accounting, and state and local government accounting and reporting requirements.
- ISC will assess knowledge and skills related to IT audit

and advisory services, including SOC engagements, data management, including data collection, storage, and usage throughout the data life cycle.

- TCP will assess knowledge and skills related to U.S. federal tax compliance for individuals and entities with a focus on nonroutine and higher complexity transactions, U.S. federal tax planning for individuals and entities, and personal financial planning.

To ensure candidates are aware of the changes to the Exam, NASBA and AICPA hosted a “Navigating the U.S. CPA Exam” webinar on January 30. The webinar, which attracted over 2,700 registrants, featured NASBA Director of Client Services Patricia Hartman and Joseph Maslot, Associate Director – Examinations – Public Accounting with the AICPA. The duo shared the latest developments regarding the Exam process, administration and scoring; upcoming changes for CPA Evolution; the Exam Blueprints and international candidate administration.

For more information on CPA Evolution, click here: <https://www.thiswaytocpa.com/segmented-landing/cpa-evolution-overview/>.



# MAKE A DIFFERENCE.

NASBA COMMITTEE INTEREST APPLICATIONS WILL BE ACCEPTED MARCH 6, 2024 – MAY 3, 2024

Persons interested in serving on a NASBA committee for the 2024-2025 committee year are encouraged to apply.

BE ON THE LOOKOUT FOR MORE INFORMATION ON HOW TO APPLY **STARTING MARCH 6**



# NASBA Tests CPA Evolution Ecosystem

As part of completing the CPA Evolution user acceptance testing, NASBA recently partnered with the Tennessee School for the Blind in an effort to confirm that the new system was web accessible. The Tennessee School for the Blind volunteered visually-impaired or legally blind high school students to participate in this effort. When NASBA reached out to school administrators to seek their interest in testing, they were happy to assist.

Partners in this testing work included:

- Tammy Parsons, Vice Principal,
- Andy Joiner, Work-Based Learning and Athletic Director,
- Andrew Bush, a senior who is aspiring to become a computer science major,
- Tegan Tedlock, a junior who hopes to attend Middle Tennessee State University (MTSU) to become a teacher, and
- Jordon Bartley, a senior who plans to attend MTSU to become an agricultural biologist.

Overall, the testing went well. Participants were able to test on

three different browsers and PCs. The tools used included a braille keyboard, JAWS screen reader, NonVisual Desktop Access (NVDA) and a screen magnification tool. The students were able to create an account, apply for evaluation and one student submitted a Notice to Schedule (NTS).

CGI, NASBA's information technology vendor, collaborated with NASBA on the testing. During both school visits, CGI sent developers and leadership to witness the feedback firsthand alongside NASBA leadership and staff. Testers provided valuable feedback to allow CGI to further improve the interface for visually impaired or blind candidates. While necessary improvements were uncovered, such as spacing issues, all findings were turned into IT tickets that CGI is addressing.

Tennessee School for the Blind staff and students were so proud to participate in the testing. It meant a lot to them that NASBA cares about improving accessibility to the CPA profession. ♦



NASBA and CGI representatives observe Tennessee School for the Blind students during testing.



Visually-impaired high school students receive systems testing guidance from NASBA staff.

## 2024 NASBA CONFERENCE CALENDAR

**42ND ANNUAL CONFERENCE**  
for Executive Directors  
and Board Staff  
March 25 – 27, 2024  
Nashville, TN

**29TH ANNUAL CONFERENCE**  
for Board of Accountancy  
Legal Counsel  
March 25 – 27, 2024  
Nashville, TN

**EASTERN REGIONAL MEETING**  
June 4 – 6, 2024  
Louisville, KY

**WESTERN REGIONAL MEETING**  
June 25 – 27, 2024  
Omaha, NE

**117TH NASBA ANNUAL MEETING**  
October 27 – 30, 2024  
Orlando, FL



## NASBA CPE Audit Service Reaches 15

In December 2023, NASBA's CPE Audit Service onboarded its 15th state board, the South Carolina Board of Accountancy. The Audit Service offers a platform designed to assist Boards of Accountancy with conducting periodic audits for compliance with continuing professional education requirements.

The service also allows CPAs to report CPE hours and documentation, electronically, to their respective state board. Offering a turnkey solution for Boards of Accountancy to more efficiently and effectively manage their overall CPE audit process, the Audit Service application is considered a benefit of NASBA membership. Additionally, state board staff have access to the application to conduct audits of their licensees' CPE compliance.

Last month, the Audit Service delivered three webinars for the Utah Board of Accountancy regarding CPE credit entry and Utah Ethics rules. They plan to offer similar webinars to the Oregon and South Carolina boards of accountancy this quarter.

The overall goal of the Audit Service is to assist member boards in performing their licensee audits by making the data collection more efficient and by providing tools to manage the audit process online. Below, are a few examples of how that is accomplished:

- Licensees are provided a standard entry process to enter their coursework and add their documentation to the courses,

which organizes their transcript by completion date and with its documentation on the audit report. The credit entry process is built so that a course entered once could be applied across any jurisdiction, so if a CPA is licensed in more than one participating jurisdiction, they only have to enter it one time.

- The board can select their audit pool, create notifications to the auditees, track submissions, and conduct the audit all within the application.
- While accounts are created for all active licensees in the ALD for a board, the board can opt to only send communications to log in for those selected for audit. Most boards allow any of their CPAs to track their CPE compliance, whether they are selected for audit or not.
- Help topics are available along with help videos for the functions the licensee will engage in most often (Credit Entry, for example) within the application.



For more information on the CPE Audit Service, visit: <https://nasba.org/cpeaudit/>. ♦

## DOL Audit Report Signals Deficiencies

According to a recent report published by the U.S. Department of Labor (DOL), there are significant deficiencies in audits pertaining to employee benefits plans. In fact, a recent *Accounting Today* [article](#) points out that the report showed major deficiencies were found in nearly 30 percent of benefit plan audits – actually signaling improvement in this area. According to the publication, the most recent Audit Quality Report from the Office of the Chief Accountant of the DOL's Employee Benefits Security Administration, its first since 2015, found that 70 percent of audits fully complied with professional auditing standards, and 30 percent contained major deficiencies, which represents a drop from the 39 percent with major deficiencies since the last study was conducted.

The DOL conducted a study examining audits of employee benefit plan financial statements from filing year 2020 in regard to Form 5500, Annual Return/Report of Employee Benefit Plan. It found the leading areas of audit deficiencies were areas unique to EBP auditing, including participant data, contributions received and receivable and benefit payments.

The report suggests that the DOL has been working with auditors, the American Institute of CPAs (AICPA), the Financial Accounting Standards Board (FASB) and others on improving audits, updating standards, developing and sharing best practices, identifying underperforming auditors, and more. Contributions, benefits payments and participant data testing were noted as primary areas for improvement.

Regarding the AICPA, the report shows firms that are members of the AICPA Employee Benefit Plan Audit Quality Center (EBPAQC) performed higher-quality work than nonmember firms. According to a recent *Journal of Accountancy* (JA) [article](#), the AICPA issued a response to the report. "The latest U.S. Department of Labor report confirms what we've seen in the past: Firms that perform the fewest number of EBP audits — less than six a year — have the highest deficiency rates," the statement read, in part. "Significantly, the report also documents a considerable reduction in the number of firms in that 'less than six audits a year' category, driven in part by the AICPA through our Enhancing Audit Quality (EAQ) initiative and AICPA Peer Review Program. From 2015 to 2020, the number of firms that perform a low volume of EBP audits shrank from 5,203 to 2,589, a 50% drop...It's important to note the quality issues identified by the DOL do not pose a risk to the viability of any EBP plan. That said, audit deficiencies are never acceptable, and we plan to analyze the DOL's findings and recommendations and incorporate them into our learning products and resources as part of our continuous, data-driven improvements through the EAQ initiative." According to JA, EBP audits are part of an ongoing initiative by the AICPA aimed at strengthening audit quality.

The report found that deficiencies were more likely among firms that performed smaller numbers of EBP audits and firms that performed more benefit plan audits tended to perform higher quality work. To review the full report, [click here](#). ♦