



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
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Agenda
South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
June 12, 2012

A=Action

D=Discussion

I=Information

Page

A-Approval of Minutes of Meeting April 30, 2012.....	2-3
A-Approval of Certificates & Firm Permits.....	4
A-Financial Statements through April 2012.....	5-14
D-Executive Director's Report.....	15

NASBA

I-Report from Central Region Nominating Committee Member.....	16
I-Nomination of Director at Large Ray Johnson by WA.....	17-29
I-Nomination of Director at Large Telford Lodden by IA, KS, NE, TX, WA.....	30-38
I-Nomination of Director at Large Kent Smoll by KS & TX.....	39-41
I-Nomination of Central Regional Director Doug Skiles by NE.....	42-44
I-Board of Director Meeting Minutes January 20, 2012.....	45-56
I-Board of Director Meeting Highlights April 27, 2012.....	57-59
I-Executive Summary and Responses to Regional Directors Focus Questions.....	60-83

EXECUTIVE SESSION

Equivalent Reviews and PROC Report for Board Approval.....	Spt. Pkt.
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FUTURE MEETING DATES (all times CT)

July – 9:00 – Conference Call

August 15 – 8:30 – Sioux Falls - Holiday Inn Downtown, Conference Room

September 17 – 9:00 – Conference Call

October 15 – 8:30 – Tentative (Pierre)



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South Dakota Board of Accountancy
Minutes of Meeting
Department of Legislative Audit – Conference Room
April 30, 2012-8:30 a.m.

The Board of Accountancy held a meeting at the Department of Legislative Audit in Pierre, SD on Monday, April 30, 2012. Chair Holly Brunick called the meeting to order at 8:39 a.m.

The following members were present: Holly Brunick, Marty Guindon, John Linn, Jr., John Mitchell, and John Peterson. A quorum was present.

Also present were Nicole Kasin, Executive Director; Julie Iverson, Senior Secretary; Tricia Nussbaum, Secretary; Aaron Arnold, Legal Counsel; and Laura Coome, SD CPA Society.

Chair Holly Brunick asked if there were any additions to the agenda. The following additions were added:

Additions to Peer Review

A motion was made by John Linn, Jr. and seconded by Marty Guindon to approve the March 26, 2012, meeting minutes. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Mitchell to approve the issuance of individual certificates and firm permits through April 24, 2012. The motion unanimously carried.

A motion was made by John Peterson and seconded by John Linn, Jr. to approve the financial statements through March 2012. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Mitchell to approve the CPA Exam scores for the 32nd CPA Exam window through March 2012. The motion unanimously carried.

Executive Director Kasin introduced each of the topics from her report separately to the Board members, leading them to broader discussions after each item was introduced. The topics on the report included website updates, firm data, CPE audits, CPA Exam fees, and Kent Smoll's request for support.

Board staff has been working with DLR staff to convert our web page. The page has been completed and there is some backside technology issues being resolved and then the new webpage will be implemented shortly in the future.

There is one outstanding CPE audit without resolution. A hearing will be scheduled for a future date. We have received notice from the AICPA and NASBA regarding the cost of the CPA Exam. The Prometric seat fee will not change in 2013. The cost of scoring the exam will decrease by \$5 from the AICPA and there are no changes in fees from NASBA. The lower fee will become effective July 21, 2012 in South Dakota.

Kent Smoll, prior Kansas Board member, has asked for the Board to support him for NASBA Director at Large by writing a letter of support to the NASBA Board of Directors. Kent has been a Director at Large for the past 3 years and is looking to get reappointed. The Board tabled this discussion.

A motion was made by John Linn, Jr. and seconded by John Peterson to enter into executive session for the deliberative process for peer reviews. The motion unanimously carried.

The Board came out of executive session.

A motion was made by John Mitchell and seconded by Marty Guindon to accept the peer reviews as discussed in executive session. The motion unanimously carried.

At 9:00 a.m. Janice Gray joined the meeting.

Laura Coome, with the SD CPA Society, presented her firm data to the Board. The Board and Coome discussed in great detail possible changes to the firm fee structure. Any changes would require a statute and rule changes. John Peterson and Executive Director Kasin will move forward with Laura Coome on working more scenarios and present to the Board at a later date. The discussion was tabled.

At 10:00 a.m. James Brackens joined the meeting.

James Brackens from the AICPA and Janice Gray from the Oklahoma Board of Accountancy gave a presentation on Peer Review. The Board discussed the Peer Review process.

Hearing at 11:30 a.m. for Dawn Imrie

Present were Board Legal Counsel Aaron Arnold, Board Chair Holly Brunick, Vice Chair John Linn, Jr., Secretary-Treasurer John Peterson, Board Members John Mitchell, and Marty Guindon. Others present were staff members Nicole Kasin, Executive Director; Julie Iverson, Senior Secretary; Tricia Nussbaum, Secretary; and Laura Coome, SD CPA Society.

Board Legal Counsel Aaron Arnold presented the Board's case. The Board closed the hearing at 11:45 a.m. and was to render a decision.

A motion was made by John Linn, Jr. and seconded by Marty Guindon to enter into executive session for the purpose of deliberating.

The Board came out of executive session.

A motion was made by John Peterson and seconded by Marty Guindon to revoke the certificate of Dawn Imrie and order her to pay an administrative fine in the amount of \$500 by June 30, 2012. The motion unanimously carried. Aaron Arnold will prepare the findings of fact and conclusions of law.

The Board resumed the regular Board Meeting at 12:00 p.m.

The Board briefly discussed the AICPA's Annual Report for the AICPA Peer Review Program and NASBA's Compliance Assurance Committee Report on the AICPA National Peer Review Committee

FUTURE MEETING DATES (all times CT)

June 12, 2012 – 9:00 a.m. Conference Call

July 16, 2012 – 9:00 a.m. Conference Call

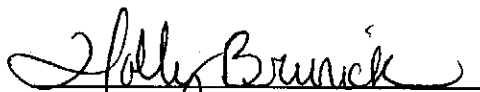
August 15, 2012 – 8:30 a.m. Sioux Falls, Location to be determined


September 17, 2012 – 9:00 a.m. Conference Call

October 15, 2012 – 8:30 a.m. Pierre, Tentative

A motion was made by John Linn, Jr. and seconded by Marty Guindon to adjourn the meeting. The motion unanimously carried.

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 1:05 p.m.


Holly Brunick, CPA, Chair

Attest: 
Nicole Kasin, Executive Director


John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through June 6, 2012

Number	Name	Date Issued	Location
3025	Brian S. Reid	5/7/12	Sioux Falls, SD
3026	John Donahoe Fokken	5/11/12	Sioux Falls, SD
3027	Kristen Brands	5/15/12	Sioux Falls, SD

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 04/30/2012

PAGE 134

AGENCY: 10 LABOR & REGULATION
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT
6503	103100061802	1140000
COMPANY/SOURCE TOTAL 6503 618		
COMP/BUDG UNIT TOTAL 6503 1031		
BUDGET UNIT TOTAL 1031		

BALANCE	DR/CR	CENTER DESCRIPTION
309,180.87	DR	BOARD OF ACCOUNTANCY
309,180.87	DR *	
309,180.87	DR **	
309,180.87	DR ***	

AGENCY 10 LABOR
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	51010100	CGEX120411	04/18/2012					2,481.60	DR
	OBJSUB: 5101010	F-T EMP SAL & WAGES								
6503	103100061802	51010200	CGEX120406	04/06/2012					2,481.60	DR *
6503	103100061802	51010200	CGEX120411	04/18/2012					253.00	DR
									666.07	DR
6503	103100061802	51010300	CGEX120411	04/18/2012					919.07	DR *
	OBJSUB: 5101020	P-T/TEMP EMP SAL & WAGES							180.00	DR
6503	103100061802	51020100	CGEX120411	04/04/2012	086864				180.00	DR *
	OBJSUB: 5101030	BOARD & COMM MBRS FEES								
	OBJECT: 5101	EMPLOYEE SALARIES							3,580.67	DR **
6503	103100061802	51020100	CGEX120403	04/06/2012	088820				.69	DR
6503	103100061802	51020100	CGEX120405	04/06/2012					1.07	DR
6503	103100061802	51020100	CGEX120406	04/06/2012					19.36	DR
6503	103100061802	51020100	CGEX120411	04/18/2012					234.49	DR
6503	103100061802	51020200	CGEX120406	04/06/2012					255.61	DR *
6503	103100061802	51020200	CGEX120411	04/18/2012					15.18	DR
									188.86	DR
6503	103100061802	51020600	CGEX120411	04/18/2012					204.04	DR *
	OBJSUB: 5102020	RETIREMENT-ER SHARE							766.89	DR
6503	103100061802	51020800	CGEX120411	04/18/2012					766.89	DR *
	OBJSUB: 5102060	HEALTH/LIFE INS.-ER SHARE							8.80	DR
6503	103100061802	51020900	CGEX120411	04/18/2012					8.80	DR *
	OBJSUB: 5102080	WORKER'S COMPENSATION							3.16	DR
6503	103100061802	52030100	MP202054	04/25/2012					3.16	DR *
	OBJSUB: 5102090	UNEMPLOYMENT COMPENSATION							1,238.50	DR **
	OBJECT: 5102	EMPLOYEE BENEFITS							4,819.17	DR ***
	GROUP: 51	PERSONAL SERVICES							146.24	DR
6503	103100061802	52030300	CGEX120403	04/04/2012	086864				146.24	DR *
	OBJSUB: 5203030	AUTO-STATE OWNED-IN STATE							145.78	DR
6503	103100061802	52031400	CGEX120403	04/04/2012	086864				145.78	DR *
6503	103100061802	52031400	CGEX120405	04/06/2012	088820				9.00	DR
									14.00	DR
6503	103100061802	52032600	CGEX120405	04/06/2012	088820				23.00	DR *
	OBJSUB: 5203140	TAXABLE MEALS/IN-STATE							436.40	DR
6503	103100061802	52032800	CGEX120405	04/06/2012	088820				436.40	DR *
	OBJSUB: 5203260	AIR-COMM-OUT-OF-STATE							36.00	DR

South Dakota Board of Accountancy
Balance Sheet
As of April 30, 2012

	Apr 30, 12
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	1,185.58
1140000 · Pool Cash State of SD	309,180.87
Total Checking/Savings	310,366.45
Other Current Assets	
1131000 · Cash-Security Lending Collatera	14,957.90
1213000 · Investment Income Receivable	1,806.99
Total Other Current Assets	16,764.89
Total Current Assets	327,131.34
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-102,846.09
Total 1670000 · Computer Software	37,217.14
Total Fixed Assets	37,217.14
TOTAL ASSETS	364,348.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	8,645.94
Total Accounts Payable	8,645.94
Other Current Liabilities	
2810000 · Amounts Held for Others	24,883.74
Total Other Current Liabilities	24,883.74
Total Current Liabilities	33,529.68
Long Term Liabilities	
2960000 · Compensated Absences Payable	12,338.53
Total Long Term Liabilities	12,338.53
Total Liabilities	45,868.21
Equity	
3220000 · Unrestricted Net Assets	219,141.60
3300100 · Invested In Capital Assets	37,217.14
3900 · Retained Earnings	30,235.30
Net Income	31,886.23
Total Equity	318,480.27
TOTAL LIABILITIES & EQUITY	364,348.48

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2011 through April 2012

	Jul '11 - Apr 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,725.00	3,000.00	-1,275.00	57.5%
4293551 · Certificate Renewals-Active	54,190.00	49,000.00	5,190.00	110.6%
4293552 · Certificate Renewals-Inactive	20,350.00	19,500.00	850.00	104.4%
4293553 · Certificate Renewals-Retired	670.00	700.00	-30.00	95.7%
4293554 · Initial Firm Permits	1,150.00	1,250.00	-100.00	92.0%
4293555 · Firm Permit Renewals	19,750.00	18,350.00	1,400.00	107.6%
4293557 · Initial Audit				
5208011 · REFUNDS	-30.00			
4293557 · Initial Audit - Other	750.00	600.00	150.00	125.0%
Total 4293557 · Initial Audit	720.00	600.00	120.00	120.0%
4293558 · Re-Exam Audit	2,220.00	1,890.00	330.00	117.5%
4293560 · Late Fees-Initial Certificate	100.00			
4293561 · Late Fees-Certificate Renewals	2,850.00	4,000.00	-1,150.00	71.3%
4293563 · Late Fees-Firm Permit Renewals	600.00	800.00	-200.00	75.0%
4293564 · Late Fees-Peer Review	1,000.00	1,100.00	-100.00	90.9%
4293566 · Firm Permit Individual	72,280.00	64,000.00	8,280.00	112.9%
4293567 · Peer Review Admin Fee	1,350.00	5,650.00	-4,300.00	23.9%
4293568 · Firm Permit Name Change	465.00	100.00	365.00	465.0%
4293569 · Initial FAR	630.00	990.00	-360.00	63.6%
4293570 · Initial REG	450.00	530.00	-80.00	84.9%
4293571 · Initial BEC	480.00	780.00	-300.00	61.5%
4293572 · Re-Exam FAR	1,500.00	1,710.00	-210.00	87.7%
4293573 · Re-Exam REG	2,010.00	1,800.00	210.00	111.7%
4293574 · Re-Exam BEC	1,830.00	1,920.00	-90.00	95.3%
4491000 · Interest and Dividend Revenue	11,505.78	15,000.00	-3,494.22	76.7%
4896021 · Legal Recovery Cost	2,355.00	1,000.00	1,355.00	235.5%
Total Income	200,180.78	193,670.00	6,510.78	103.4%
Gross Profit	200,180.78	193,670.00	6,510.78	103.4%
Expense				
5101010 · F-T Emp Sal & Wages	54,984.00	66,239.00	-11,255.00	83.0%
5101020 · P-T/Temp Emp Sal & Wages	14,264.76	19,380.00	-5,115.24	73.6%
5101030 · Board & Comm Mbrs Fees	2,640.00	4,020.00	-1,380.00	65.7%
5102010 · OASI-Employer's Share	5,187.81	6,549.00	-1,361.19	79.2%
5102020 · Retirement-ER Share	4,938.32	5,147.00	-208.68	95.9%
5102060 · Health /Life Ins.-ER Share	14,222.36	17,869.00	-3,646.64	79.6%
5102080 · Worker's Compensation	179.15	133.00	46.15	134.7%
5102090 · Unemployment Insurance	64.05	55.00	9.05	116.5%
5203010 · Auto--State Owned	281.67	1,000.00	-718.33	28.2%
5203020 · Auto-Private-Owens Low Mileage	452.00	300.00	152.00	150.7%
5203030 · In State-Auto- Priv. High Miles	1,284.64	1,700.00	-415.36	75.6%
5203100 · In State-Lodging	1,086.74	1,000.00	86.74	108.7%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not OverNigt	32.00	100.00	-68.00	32.0%
5203150 · InState-Non-Tax Meals OverNigt	425.00	500.00	-75.00	85.0%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,286.20	6,700.00	-4,413.80	34.1%
5203280 · OS-Other Public Carrier	235.35	500.00	-264.65	47.1%
5203300 · OS-Lodging	4,568.23	7,800.00	-3,231.77	58.6%
5203320 · OS-Incidentals to Travel	294.01	350.00	-55.99	84.0%
5203350 · OS-Non-Taxable Meals Overnight	574.00	1,000.00	-426.00	57.4%
5204010 · Subscriptions	452.99	1,500.00	-1,047.01	30.2%
5204020 · Dues and Membership Fees	3,350.00	3,900.00	-550.00	85.9%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204160 · Workshop Registration Fees	3,799.00	5,400.00	-1,601.00	70.4%
5204180 · Computer Services-State	627.00	600.00	27.00	104.5%
5204181 · Computer Development Serv-State	4,334.60	10,400.00	-6,065.40	41.7%
5204200 · Central Services	4,967.62	7,000.00	-2,032.38	71.0%
5204220 · Equipment Service & Maintenance	48.82	300.00	-251.18	16.3%
5204230 · Janitorial/Maintenance Services	1,198.60	1,560.00	-361.40	76.8%
5204340 · Computer Software Maintenance	864.55	1,000.00	-135.45	86.5%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publishing	0.00	1,100.00	-1,100.00	0.0%

South Dakota Board of Accountancy

Profit & Loss Budget vs. Actual

July 2011 through April 2012

	Jul '11 - Apr 12	Budget	\$ Over Budget	% of Budget
5204460 - Equipment Rental	2,727.00	4,500.00	-1,773.00	60.6%
5204480 - Microfilm and Photography	502.66	700.00	-197.34	71.8%
5204490 - Rents Privately Owned Property	12,694.50	15,531.00	-2,836.50	81.7%
5204530 - Telecommunications Services	1,877.08	2,500.00	-622.92	75.1%
5204540 - Electricity	594.04	865.00	-270.96	68.7%
5204560 - Water	156.45	240.00	-83.55	65.2%
5204590 - Insurance Premiums/Surety Bonds	1,666.45	1,710.00	-43.55	97.5%
5204740 - Bank Fees and Charges	2,754.65	2,700.00	54.65	102.0%
5205020 - Office Supplies	639.07	1,700.00	-1,060.93	37.6%
5205310 - Printing State	0.00	500.00	-500.00	0.0%
5205320 - Printing/Duplicating/Binding Co	198.07	1,000.00	-801.93	19.8%
5205330 - Supplemental Publications	630.00	700.00	-70.00	90.0%
5205340 - Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 - Postage	1,005.85	3,100.00	-2,094.15	32.4%
5207430 - Office Machines	0.00	100.00	-100.00	0.0%
5207900 - Computer Hardware	0.00	4,800.00	-4,800.00	0.0%
5207950 - System Development	0.00	500.00	-500.00	0.0%
5207955 - Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 - Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 - Operating Transfers Out-NonBudg	5,146.66	7,400.00	-2,253.34	69.5%
5228030 - Depreciation Expense	10,058.60	12,070.40	-2,011.80	83.3%
Total Expense	168,294.55	237,818.40	-69,523.85	70.8%
Net Ordinary Income	31,886.23	-44,148.40	76,034.63	-72.2%
Net Income	31,886.23	-44,148.40	76,034.63	-72.2%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
April 2012

	<u>Apr 12</u>	<u>Apr 11</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	50.00	50.00	0.00	0.0%
4293551 · Certificate Renewals-Active	0.00	50.00	-50.00	-100.0%
4293552 · Certificate Renewals-Inactive	0.00	50.00	-50.00	-100.0%
4293553 · Certificate Renewals-Retired	0.00	10.00	-10.00	-100.0%
4293554 · Initial Firm Permits	50.00	50.00	0.00	0.0%
4293557 · Initial Audit	90.00	120.00	-30.00	-25.0%
4293558 · Re-Exam Audit	240.00	270.00	-30.00	-11.1%
4293561 · Late Fees-Certificate Renewals	0.00	50.00	-50.00	-100.0%
4293564 · Late Fees-Peer Review	200.00	0.00	200.00	100.0%
4293566 · Firm Permit Individual	130.00	390.00	-260.00	-66.7%
4293567 · Peer Review Admin Fee	75.00	75.00	0.00	0.0%
4293568 · Firm Permit Name Change	145.00	0.00	145.00	100.0%
4293569 · Initial FAR	60.00	60.00	0.00	0.0%
4293570 · Initial REG	30.00	30.00	0.00	0.0%
4293571 · Initial BEC	30.00	30.00	0.00	0.0%
4293572 · Re-Exam FAR	240.00	150.00	90.00	60.0%
4293573 · Re-Exam REG	240.00	240.00	0.00	0.0%
4293574 · Re-Exam BEC	120.00	300.00	-180.00	-60.0%
4896021 · Legal Recovery Cost	175.00	1,000.00	-825.00	-82.5%
Total Income	<u>1,875.00</u>	<u>2,925.00</u>	<u>-1,050.00</u>	<u>-35.9%</u>
Gross Profit	1,875.00	2,925.00	-1,050.00	-35.9%
Expense				
5101010 · F-T Emp Sal & Wages	2,481.60	8,139.71	-5,658.11	-69.5%
5101020 · P-T/Temp Emp Sal & Wages	919.07	2,181.91	-1,262.84	-57.9%
5101030 · Board & Comm Mbrs Fees	180.00	240.00	-60.00	-25.0%
5102010 · OASI-Employer's Share	255.61	760.86	-505.25	-66.4%
5102020 · Retirement-ER Share	204.04	619.29	-415.25	-67.1%
5102060 · Health /Life Ins.-ER Share	766.89	2,300.67	-1,533.78	-66.7%
5102080 · Worker's Compensation	8.80	17.56	-8.76	-49.9%
5102090 · Unemployment Insurance	3.16	8.77	-5.61	-64.0%
5203030 · In State-Auto- Priv. High Miles	244.94	0.00	244.94	100.0%
5203100 · In State-Lodging	279.00	0.00	279.00	100.0%
5203150 · InState-Non-Tax Meals OverNight	156.00	0.00	156.00	100.0%
5203280 · OS-Other Public Carrier	50.00	0.00	50.00	100.0%
5203300 · OS-Lodging	464.66	0.00	464.66	100.0%
5203320 · OS-Incidentals to Travel	45.00	0.00	45.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	70.00	0.00	70.00	100.0%
5204010 · Subscriptions	0.00	204.50	-204.50	-100.0%
5204160 · Workshop Registration Fees	0.00	2,780.00	-2,780.00	-100.0%
5204180 · Computer Services-State	75.00	57.00	18.00	31.6%
5204181 · Computer Development Serv-State	2,479.40	0.00	2,479.40	100.0%
5204200 · Central Services	215.75	135.40	80.35	59.3%
5204220 · Equipment Service & Maintenance	2.75	2.78	-0.03	-1.1%
5204230 · Janitorial/Maintenance Services	119.86	119.86	0.00	0.0%
5204340 · Computer Software Maintenance	0.00	52.50	-52.50	-100.0%
5204460 · Equipment Rental	93.60	93.60	0.00	0.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	194.96	177.65	17.31	9.7%
5204540 · Electricity	42.45	62.31	-19.86	-31.9%
5204560 · Water	22.35	0.00	22.35	100.0%
5204590 · Insurance Premiums/Surety Bonds	8.95	0.00	8.95	100.0%
5204740 · Bank Fees and Charges	31.00	31.00	0.00	0.0%
5205020 · Office Supplies	80.13	805.43	-725.30	-90.1%
5205320 · Printing/Duplicating/Binding Co	34.50	283.98	-249.48	-87.9%
5205350 · Postage	0.00	483.78	-483.78	-100.0%
5228000 · Operating Transfers Out-NonBudg	940.88	497.47	443.41	89.1%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>12,745.66</u>	<u>22,331.34</u>	<u>-9,585.68</u>	<u>-42.9%</u>
Net Ordinary Income	<u>-10,870.66</u>	<u>-19,406.34</u>	<u>8,535.68</u>	<u>44.0%</u>
Net Income	<u>-10,870.66</u>	<u>-19,406.34</u>	<u>8,535.68</u>	<u>44.0%</u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2011 through April 2012

	Jul '11 - Apr 12	Jul '10 - Apr 11	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	1,725.00	1,800.00	-75.00	-4.2%
4293551 · Certificate Renewals-Active	54,190.00	54,900.00	-710.00	-1.3%
4293552 · Certificate Renewals-Inactive	20,350.00	20,200.00	150.00	0.7%
4293553 · Certificate Renewals-Retired	670.00	660.00	10.00	1.5%
4293554 · Initial Firm Permits	1,150.00	950.00	200.00	21.1%
4293555 · Firm Permit Renewals	19,750.00	20,050.00	-300.00	-1.5%
4293557 · Initial Audit	720.00	690.00	30.00	4.4%
4293558 · Re-Exam Audit	2,220.00	2,400.00	-180.00	-7.5%
4293560 · Late Fees-Initial Certificate	100.00	50.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,850.00	6,000.00	-3,150.00	-52.5%
4293563 · Late Fees-Firm Permit Renewals	600.00	1,100.00	-500.00	-45.5%
4293564 · Late Fees-Peer Review	1,000.00	600.00	400.00	66.7%
4293566 · Firm Permit Individual	72,280.00	71,070.00	1,210.00	1.7%
4293567 · Peer Review Admin Fee	1,350.00	1,650.00	-300.00	-18.2%
4293568 · Firm Permit Name Change	465.00	150.00	315.00	210.0%
4293569 · Initial FAR	630.00	1,020.00	-390.00	-38.2%
4293570 · Initial REG	450.00	450.00	0.00	0.0%
4293571 · Initial BEC	480.00	840.00	-360.00	-42.9%
4293572 · Re-Exam FAR	1,500.00	1,350.00	150.00	11.1%
4293573 · Re-Exam REG	2,010.00	1,680.00	330.00	19.6%
4293574 · Re-Exam BEC	1,830.00	1,950.00	-120.00	-6.2%
4491000 · Interest and Dividend Revenue	11,505.78	16,547.72	-5,041.94	-30.5%
4896021 · Legal Recovery Cost	2,355.00	1,000.00	1,355.00	135.5%
Total Income	200,180.78	207,107.72	-6,926.94	-3.3%
Gross Profit	200,180.78	207,107.72	-6,926.94	-3.3%
Expense				
5101010 · F-T Emp Sal & Wages	54,984.00	53,451.25	1,532.75	2.9%
5101020 · P-T/Temp Emp Sal & Wages	14,264.76	14,493.18	-228.42	-1.6%
5101030 · Board & Comm Mbrs Fees	2,640.00	2,778.00	-138.00	-5.0%
5102010 · OASI-Employer's Share	5,187.81	5,115.09	72.72	1.4%
5102020 · Retirement-ER Share	4,938.32	4,076.69	861.63	21.1%
5102060 · Health /Life Ins.-ER Share	14,222.36	14,992.70	-770.34	-5.1%
5102080 · Worker's Compensation	179.15	115.54	63.61	55.1%
5102090 · Unemployment Insurance	64.05	57.72	6.33	11.0%
5203010 · Auto--State Owned	281.67	232.82	48.85	21.0%
5203020 · Auto-Private-Ownes Low Mileage	452.00	294.20	157.80	53.6%
5203030 · In State-Auto- Priv. High Miles	1,284.64	398.12	886.52	222.7%
5203100 · In State-Lodging	1,086.74	143.46	943.28	657.5%
5203140 · InState-Tax Meals Not OverNigt	32.00	36.00	-4.00	-11.1%
5203150 · InState-Non-Tax Meals OverNight	425.00	163.00	262.00	160.7%
5203260 · OS-Air Commercial Carrier	2,286.20	3,515.81	-1,229.61	-35.0%
5203280 · OS-Other Public Carrier	235.35	267.00	-31.65	-11.9%
5203300 · OS-Lodging	4,568.23	5,805.87	-1,237.64	-21.3%
5203320 · OS-Incidentals to Travel	294.01	241.00	53.01	22.0%
5203350 · OS-Non-Taxable Meals Overnight	574.00	799.00	-225.00	-28.2%
5204010 · Subscriptions	452.99	628.75	-175.76	-28.0%
5204020 · Dues and Membership Fees	3,350.00	3,350.00	0.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	6,200.00	-6,200.00	-100.0%
5204160 · Workshop Registration Fees	3,799.00	6,635.00	-2,836.00	-42.7%
5204180 · Computer Services-State	627.00	570.00	57.00	10.0%
5204181 · Computer Development Serv-State	4,334.60	3,384.00	950.60	28.1%
5204200 · Central Services	4,967.62	4,990.45	-22.83	-0.5%
5204220 · Equipment Service & Maintenance	48.82	50.99	-2.17	-4.3%
5204230 · Janitorial/Maintenance Services	1,198.60	1,198.60	0.00	0.0%
5204340 · Computer Software Maintenance	864.55	950.00	-85.45	-9.0%
5204440 · Newsletter Publishing	0.00	982.99	-982.99	-100.0%
5204460 · Equipment Rental	2,727.00	3,324.00	-597.00	-18.0%
5204480 · Microfilm and Photography	502.66	0.00	502.66	100.0%
5204490 · Rents Privately Owned Property	12,694.50	12,694.50	0.00	0.0%
5204530 · Telecommunications Services	1,877.08	1,769.28	107.80	6.1%
5204540 · Electricity	594.04	643.17	-49.13	-7.6%
5204560 · Water	156.45	93.40	63.05	67.5%
5204590 · Insurance Premiums/Surety Bonds	1,666.45	0.00	1,666.45	100.0%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2011 through April 2012

	<u>Jul '11 - Apr 12</u>	<u>Jul '10 - Apr 11</u>	<u>\$ Change</u>	<u>% Change</u>
5204740 · Bank Fees and Charges	2,754.65	2,248.59	506.06	22.5%
5205020 · Office Supplies	639.07	1,814.60	-1,175.53	-64.8%
5205310 · Printing State	0.00	76.18	-76.18	-100.0%
5205320 · Printing/Duplicating/Binding Co	198.07	706.65	-508.58	-72.0%
5205330 · Supplemental Publications	630.00	598.75	31.25	5.2%
5205350 · Postage	1,005.85	2,013.72	-1,007.87	-50.1%
5207900 · Computer Hardware	0.00	5,197.22	-5,197.22	-100.0%
5228000 · Operating Transfers Out-NonBudg	5,146.66	4,789.27	357.39	7.5%
5228030 · Depreciation Expense	10,058.60	10,058.60	0.00	0.0%
Total Expense	<u>168,294.55</u>	<u>181,945.16</u>	<u>-13,650.61</u>	<u>-7.5%</u>
Net Ordinary Income	<u>31,886.23</u>	<u>25,162.56</u>	<u>6,723.67</u>	<u>26.7%</u>
Net Income	<u>31,886.23</u>	<u>25,162.56</u>	<u>6,723.67</u>	<u>26.7%</u>

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

Website Updates

The new layout for the Board of Accountancy page is now available. Please view it and provide any feedback.

Firm Data

A conference call was held with John Peterson, Laura Coome, and Nicole on 5-29-12. The following questions need to be addressed by the Board to provide further guidance on the path to take for possible changes to the firm fees:

1. Where should the burden of financing come from for the Board?
 - a. In state CPAs (active, inactive, retired)
 - b. In state CPA firms
 - c. Out of state CPA firms
 - d. Candidates
2. Where is the reliance of money the Board collects from?
3. A small discussion has begun on firm mobility (firms registering only in their home states) what is the Boards thoughts on this?
4. In the discussion of firm fee changes is there a preference of a sliding scale or tiered pricing?
 - a. Use on the number of CPAs or number of owners?
5. What is best for the Board to maintain stability into the future?

AICPA PROC Follow-up

After the presentation from the April Board meeting from Jim Brackens, does the board need to consider performing a more in-depth (either randomly or case specific) review of materials from the South Dakota reviews?

CPE Audits

There is one outstanding CPE audit without resolution. A hearing will be scheduled at the next in-person meeting.

Request for Support

I received a call from Ted Lodden, prior Iowa Board member, in regards to running for NASBA Director at Large. He has asked for the Board to support him and write a letter of support to the NASBA Board of Directors, for the Director at Large position.

NASBA Central Region Positions

Central Regional Director – must be current board member. Term is 1 year (up to 3 terms).

Nominating Committee Representative – must have served at least 2 years on a state board, attended at least one regional and one annual meeting, and served on a NASBA committee. Term is 2 years (up to 2 terms).

NASBA Central Region-Nominating Committee Report --June 2012

Every year it seems like the month of March gets here faster. Every year we are so fortunate to have NASBA members willing to serve our 55 jurisdictions in various capacities. This year was no exception. We had four very capable candidates ---exceptional individuals-- wanting to serve as the next vice chair. They were: Walter Davenport, Carlos Johnson, Kathy Smith and Ted Long.

By now you should have received your NASBA email and newsletter. The Nominating Committee recommended Carlos Johnson for the vice chair position for 2012-13.

The Nominating Committee charge is to: Nominate officers and directors for the next year in accordance with the Bylaws. Michael Daggett, past chair, serves as the committee chair and tie-breaker for the 2012 nominations and selection process.

The regional directors and board of directors-at-large selections will take place at the western regional meeting in June, followed by the final election at the annual meeting in October.

It is so important for candidates to personally share their intentions and get to know all the nominating committee members at meetings and through committee assignments. Every candidate has the same opportunity to express their reasons to serve. Nine people on the Nominating Committee need to know who you are and what you want to accomplish as a leader in our NASBA organization.

Please contact me if you have questions or concerns about the Nominating Committee and the selection for recommendation process. It has been my pleasure serving our region these past four years. Your support and cooperation have been greatly appreciated.

Respectfully submitted,

Marianne Mickelson

Central Region Nominating Committee Member

scmickel@mchsi.com

Phone: 515-224-5845



STATE OF WASHINGTON
BOARD OF ACCOUNTANCY

PO Box 9131 • Olympia, Washington 98507-9131
(360) 753-2585 • FAX (360) 664-9190 • www.cpaboard.wa.gov

April 26, 2012

Michael T. Daggett, CPA
Chairman, Nominating Committee
NASBA
150 4th Avenue North Suite 1300
Nashville, TN 37219-2417

Re: Recommendation of Raymond N. Johnson, CPA for NASBA Director-at-Large

Dear Mr. Daggett and Members of the Nomination Committee:

At its April 26, 2012, public meeting, the Washington State Board of Accountancy unanimously voted to recommend Dr. Ray N. Johnson, CPA, as the nominee for a Director-at-Large position on NASBA's Board of Directors.

Mr. Johnson's endorsement by the Oregon Board and the documents submitted therewith speak for themselves. His scope of involvement in the profession, the business and educational communities as well as within NASBA vividly illustrates the breadth of personal commitment, depth of character, leadership skills and breadth of knowledge that Mr. Johnson would continue to bring to the NASBA Board.

The members of the Washington State Board of Accountancy are pleased to add our support for the nomination of Raymond N. Johnson for NASBA Director-at-Large. We respectfully urge you to give his nomination your fullest consideration.

Board member Ed Jolicoeur, a member of NASBA's Nominating Committee, recused himself from deliberations and the vote. He does not endorse any candidate.

Sincerely,

Donald F. Aubrey, CPA
Chair

dfa/cms

Enclosures

Copy: Executive Directors, Board of Accountancy
Louise Dratler Haberman



Dr. Raymond N. Johnson, CPA

Harry C. Visse Excellence in Teaching Fellow

Professor of Accounting, Portland State University, School of Business Administration

Dr. Raymond Johnson is an Oregon CPA and teaches auditing concepts and practices and financial statement analysis at Portland State University. Dr. Johnson previously served as staff to the U.S. Auditing Standards Board, he authored an auditing textbook, and he has written numerous academic and professional articles. Most recently he co-authored an article with Gaylen Hansen entitled *Audit Fees and Engagement Profitability: An Approach to Strengthen Compliance with Standards of Ethical Behavior* that appeared in the August 2011 *CPA Journal*. His current research interests focus on the development of critical thinking skills in the accounting curriculum and on strengthening ethical behavior in the accounting profession. Dr. Johnson is the first recipient of the Harry C. Visse Excellence in Teaching Fellowship.

Dr. Johnson is currently the Western Region Director for the National Association of State Boards of Accountancy (NASBA). He served on the Oregon Board of Accountancy for seven years. He is a past chair of the Oregon Board of Accountancy and a past president of the Oregon Society of CPAs. Dr. Johnson currently chairs the NASBA Ethics and Strategic Professional Issues Committee. He is also the current NASBA representative on the International Accounting Education Standards Board Consultative Advisory Group and he currently represents the AICPA on the International Qualifications Assessment Board. He continues to be a member on NASBA's regulatory response committee.

In the past Dr. Johnson has served on three committees of the NASBA, the Ethics and Strategic Professional Issues Committee, the State Board Relevance and Effectiveness Committee, and the Regulatory Response Committee. He chaired the Ethics and Strategic Professional Issues subcommittee that developed a NASBA position paper entitled "Audit Fees and Engagement Profitability: A Threats and Safeguards Approach to Strengthen Compliance with Standards of Ethical Behavior" and he chaired a NASB Ethics subcommittee looking at how to heighten the awareness among CPAs of their public interest responsibilities. He also chaired a subcommittee of the State Board Relevance and Effectiveness Committee that developed a legislative template for semi-independent State Boards of Accountancy.

Dr. Johnson's recent university services includes leading a disciplinary initiative on assurances of learning, he sat on the Portland State University Financial Futures Committee and the Portland State University subcommittee developing a new university budget model. He is also a recent past chair of the faculty senate's Educational Policy Committee.

Dr. Johnson has taught numerous CPE courses in accounting and auditing, and has served on numerous committees of the Oregon Board of Accountancy and the Oregon Society of CPAs. He has a B.S. from University of Oregon, an M.A.S. from University of Illinois, and a Ph.D. from University of Oregon. He had nine years of public accounting experience before entering higher education.

Dr. Raymond N. Johnson, CPA

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Curriculum Vitae

Dr. Raymond N. Johnson, CPA
Harry C. Visse Excellence in Teaching Fellow
School of Business, Portland State University

March 1, 2012

EDUCATION

Doctor of Philosophy, 1981, University of Oregon (Discipline: Accounting with Minors
in Finance and Behavioral Science Research)
Master of Accounting Science, 1974, University of Illinois
Bachelor of Science, 1972, University of Oregon (Discipline: Accounting)

PROFESSIONAL QUALIFICATION

Certified Public Accountant with an active license in Oregon since 1975

EMPLOYMENT

- Visiting Professor, University of Queensland, January – June 2012.
- Professor of Accounting, Portland State University, July 1996-present.
- Visiting Professor, University of Queensland, January – June 2008.
- Visiting Professor, The Australian National University, January – June 2001.
- Special Assistant to the Provost and Professor of Accounting, Portland State University, July 1994-July 1996.
- American Council on Education Fellow, Kent State University, July 1993 – July 1994.
- Special Assistant to the Vice President of Finance and Administration and Professor of Accounting, Portland State University, July 1991 – July 1993.
- Accounting Department Chair and Professor of Accounting, Portland State University, July 1989 – July 1991.
- Academic Fellow and Staff to Auditing Standards Board, American Institute of CPAs, 1988.
- Associate and Assistant Professor of Accounting, Portland State University, December 1981 – January 1987.
- Arthur Young McClelland Moores Post-Doctoral Fellow, University of Southampton, September 1982 – September 1983.
- Faculty Associate, Deloitte, Haskins and Sells, December 1979 – July 1980.
- Graduate Teaching Fellow, University of Oregon, July 1977 – September 1979.
- Senior Accountant (Part-time working on particular audit engagements), Derickson and Gault, CPAs, December 1977 – September 1978.
- Senior Accountant, Peat, Marwick, Mitchell & Co., September 1973 – September 1977.
- Staff Accountant, Derickson and Gault, CPAs, Summer of 1971 and 1972.

DISSERTATION

Audit Risk in Inventory Audits, an Empirical Study, August 1981, Van Ballew, Committee Chairman.

REFEREED PUBLICATIONS OR OTHER CREATIVE ACHIEVEMENTS

1. Books

Johnson, Raymond N., *Guide for Consideration of Internal Control Structure in a Financial Statement Audit*, AICPA, New York, New York, May 1990.

2. Articles

Johnson, Raymond N. and Hansen, Gaylen R., "Audit Fees and Engagement Profitability: An Approach to Strengthen Compliance with Standards of Ethical Behavior," *The CPA Journal*, August 2011, pp. 64-67.

Johnson, Raymond N., and Wamser, Carl, "Respecting Diverse Scholarly Work: The Key to Advancing the Multiple Missions of the Urban University," *Metropolitan Universities*, Spring 1997, pp. 43-59.

Johnson, Raymond N., "Are You Ready to Apply the New SAS on Internal Controls in Your Audits," *Journal of Accountancy*, (August 1991), pp. 56-66.

Johnson, Raymond N., "Practical Application of SAS 55," *The CPA Journal* (May 1990), pp. 14 - 27.

Johnson, Raymond N., "Attest Engagements: The New Frontier of Auditing," *Journal of Accountancy* (November 1988), pp. 118-121.

Johnson, Raymond N., "Auditor Detected Errors and Related Client Traits -- A Sample of U.K. Audits," *The Journal of Business, Finance, and Accounting*, (Spring 1987), pp. 39-64.

Johnson, Raymond N., "Practical Evaluation of Audit Risk," *Accountancy*, (February 1987), pp. 124-125.

Johnson, Raymond N., "Sampling, Use Your Professional Judgment," *Accountancy*, (January 1984), pp. 70-73.

Murray, Dennis and Johnson, Raymond, "Differential GAAP and the FASB's Conceptual Framework," *Journal of Accounting, Auditing, and Finance* (Fall 1983), pp. 4-15.

Johnson, Raymond N., "The Role of Prior Workpapers in Audit Planning," *Accountancy* (July 1983), pp. 92-93.

NON-REFEREED PUBLICATIONS OR OTHER CREATIVE ACHIEVEMENTS

1. Books:

Boynton, William, and Johnson, Raymond N., *Modern Auditing, 8th Edition*, John Wiley & Sons, New York, New York, 2005.

Boynton, William, Johnson, Raymond N., and Walter Kell, *Modern Auditing, 7th Edition*, John Wiley & Sons, New York, New York, 2000.

2. Articles

Johnson, Raymond N., "What do the New Independence Requirements Mean for You?" *Oregon Certified Public Accountant*, March 2002, pp. 9 -12.

Johnson, Raymond N., "Shedding Light on the Future: CPAs Growing the Oregon Economy," *Oregon Certified Public Accountant*, November, 1998, pp. 7-10.

Dye, Nancy, Johnson, Raymond N., Johnstone, Bruce, "Collaborative Leadership for Institutional Change," *Liberal Education*, Spring 1998.

Johnson, Raymond N., "Pathways to the Accounting Profession: Oregon Adopts New Experience Requirement," *Oregon Certified Public Accountant*, July, 1997, pp. 17-20.

Series on the Future of the Accounting Profession published in the *Oregon Certified Public Accountant*.

- *Bridges to the Future*, January 1996.
- *Reengineering for the Future: Closing the "Certification GAP,"* July 1995.
- *Reengineering Your Tax Department: Making Your Clients the Top Priority*, with Richard Hawkins, May 1995
- *The Future of Auditing: Discontinuous Thinking*, with Donald Watne, March 1995.
- *An International Future: The Horizon Approaches!*, with Leighton Platt, February 1995.
- *Is the Road to the Future Paved with Permanent Whitewater?*, January 1995.

Johnson, Raymond N., "The New Auditor's Report, What it Says and Means for Bankers," *The Journal of Commercial Bank Lending* (January 1989), pp. 43-53. Reprinted November 1991 and again in Special Collection of the Journal in 1994.

Johnson, Raymond N., "Special Reports: An Avenue to Better Client Service," *The Practical Accountant* (October 1983), pp. 31-38.

Presentations at Professional Meetings

Johnson, Raymond N., "What does 'Public Interest' Mean?" National Association of State Boards of Accountancy, Eastern Region Meeting, Point Clear, AL, June 22-24, 2011.

Johnson, Raymond N., "Missing Fraud: Could it Happen to Me?" Oregon Association of Certified Fraud Examiners, Portland, OR, May 4, 2011.

Johnson, Raymond N., "Audit Fees and Engagement Profitability: A Threats and Safeguards Approach to Strengthen Compliance with Ethical Standards, National Association of State Boards of Accountancy, Eastern Region Meeting, Charlotte, SC, June 7-9, 2010.

Johnson, Raymond N., "Audit Fees and Engagement Profitability: A Threats and Safeguards Approach to Strengthen Compliance with Ethical Standards," National Association of State Boards of Accountancy, Western Region Meeting, Seattle, WA, June 23-25, 2010.

Johnson, Raymond N., "Developing a Template for Semi-Independent Boards of Accountancy," National Association of State Boards of Accountancy, Western Region Meeting, Seattle, WA, June 23-25, 2010.

Johnson, Raymond N., "International Financial Reporting Standards Update," American Society of Women Accountants, Northwest Regional Conference, Portland, OR, June 18-19, 2010.

Johnson, Raymond N., "Audit Fees and Engagement Profitability: A Threats and Safeguards Approach to Strengthen Compliance with Ethical Standards, National Association of State Boards of Accountancy, Eastern Region Meeting, Charlotte, SC, June 7-9, 2010.

Johnson, Raymond N., "Developing a Template for Semi-Independent Boards of Accountancy," National Association of State Boards of Accountancy, Eastern Region Meeting, Charlotte, SC, June 7-9, 2010.

Raymond N. Johnson, Ph.D., CPA, L. Patrick Hearn, Thomas Sadler, CPA, ABV, CFF, CFE, Richard C. Sweeney, CPA, "State Regulation of Public Accountancy: Consequences for the Public Interest in an Age of Mobility" presented at the Western Region American Accounting Association Meeting, Portland, Ore. April 30, 2010.

Johnson, Raymond N., "Recent Evidence on Earnings Restatements and What it Means for Auditors," Institute of Internal Auditors, Portland, Oregon, February 20, 2007.

Johnson, Raymond N., "A Culture of Ethics and Fraud Prevention," presented to the Target Fraud Conference, American Association of Fraud Examiners, Wilsonville, Oregon, December 1, 2004.

Johnson, Raymond N., "Moving Complex Problems from Practice to the Classroom: A Framework for Evaluating Solutions and the Process of Developing Solutions," Presented at the Third Annual Conference on Critical Thinking in Undergraduate Education, SUNY Stonybrook, June 22, 2001.

Johnson, Raymond N., "Moving Complex Problems from Practice to the Classroom: A Framework for Evaluating Critical Thinking," Presented at the Australian National University Seminar Series, May 25, 2001.

Johnson, Raymond N., "Technology, The Faculty Role, and its Rewards," presented at the annual meeting of the Faculty Governance Association, April 1998.

Johnson, Raymond N., "Strategic Resource Management," presented at American Council on Education workshop on Chairing the Academic Department, San Diego, CA, February, 1998.

Johnson, Raymond N., Taylor, Phil, and Tucker, Richard, "Faculty Governance – Engaging Faculty in the Accomplishment of Institutional Mission," presented at AAHE Faculty Roles and Rewards Forum, January, 1998.

Dye, Nancy, Johnson, Raymond N., Johnstone, Bruce, "Collaborative Leadership for Institutional Change," a plenary session presented at the annual meeting of the Association of American Colleges and Universities, January 1998.

Diamond, Robert and Johnson, Raymond N. "Empowering the Mosaic of Faculty Talent in Today's Universities," presented to the Western States Association of Faculty Governance, February, 1997.

Johnson, Raymond N., Lieberman, Deborah, and McMahon, Joan, "Personal and Professional Rewards for Teaching Scholars: Experiences of Two Campuses," presented at AAHE Faculty Roles and Rewards Forum, January, 1997.

Driscoll, Amy and Johnson, Raymond, N., "Recognizing and Rewarding the Scholarship of Professional Service and Outreach in the Promotion and Tenure Process," a workshop presented at AAHE Faculty Roles and Rewards Forum, January, 1997.

Johnson, Raymond N., "New Developments on the Auditing Front," presented at the OSCP Accounting and Auditing Conference, June, 1996.

Johnson, Raymond N. and Suran, Sandra, "New Assurance Services, Transforming Compliance Work into Value Added Services," presented at the OSCP Accounting and Auditing Conference, June, 1996.

Johnson, Raymond N., Lieberman, Deborah, and Wamser, Carl, "Developing Faculty to Support the Multiple Missions of the University," presented at AAHE Faculty Roles and Rewards Forum, January, 1996.

Driscoll, Amy and Johnson, Raymond, N., "Supporting Faculty Community Outreach by Revising Promotion and Tenure Guidelines and Review Processes," a workshop presented at AAHE Faculty Roles and Rewards Forum, January, 1996.

Johnson, Raymond N., "Applying Benchmarking in Governmental Organizations," OSCP Governmental Accounting and Auditing Conference, June 1995.

Johnson, Raymond N., Perrin, Nancy, and Wamser, Carl, "The Role of Faculty and Administration in a Changing University," presented at AAHE Faculty Roles and Rewards Forum, January, 1995.

Information about presentations prior to January 1, 1995 are available upon request.

Recent Invited Presentations

Johnson, Raymond N., "The role of financial statement analysis in financial statement audit," Presented to Deloitte and Touche, Brisbane, Australia, 11 June 2008

Johnson, Raymond N., "Professional Accountability and the Role of State Boards of Accountancy in the United States: The Perspectives of a Regulator" University of Queensland Workshop Series, 30 May 2008.

Johnson, Raymond N., "Assessment of Learning" presented to the conference of AACSB Deans in Southeast Asia, Brisbane, Australia, 15 May, 2008

"The Role of Ethics in Financial Reporting: The Good, The Bad, and the Ugly," Presented to the Western Regional Meeting of the Turnaround Management Association, 14 September 2008, Portland, OR.

"Professional Accountability and the Role of State Boards of Accountancy in the United States: The Perspectives of a Regulator" University of Queensland Workshop Series, 30 May 2008.

"Assessment of Learning," The Conference of Assembly of Collegiate Schools of Business Deans in Southeast Asia, Brisbane, Australia, 15 May, 2008.

"The Role of Financial Statement Analysis in Financial Statement Audit," Deloitte and Touche, Brisbane, Australia, 11 June 2008.

WORK IN PROGRESS

Critical Thinking in the Accounting Curriculum

I am working on a paper on critical thinking in the accounting curriculum, jointly with Janet Hamilton of Portland State University. This paper proposes a variation of the critical thinking model developed originally by Bloom and Krathwohl (2002). Following the work of Hamilton and Klebba (2011), this paper provides both a substantial literature review and proposes a framework for articulating the key dimensions of critical thinking in a business context. The paper then proposes an experiential learning model for moving students from highly structured problems with moderate levels of realism to unstructured cases and experiences with high levels of realism, ambiguity and complexity.

Ethics in Accounting Education

I developed the first draft of a paper "Toward a Normative Theory of Ethics in Financial Reporting." This paper is waiting on the development of a "public interest" section. I am currently working with a group of CPAs affiliated with the National Association of State Boards of Accountancy to better flush out the public interest role of the accounting profession. I expect that I should have a paper to submit to for review by spring of 2012.

HONORS, GRANTS, AND FELLOWSHIPS

- Harry C. Visse Excellence in Teaching Fellow: 2010-2015.
- American Council on Education Fellow: 1993-94, Kent State University.
- Peat Marwick Mitchell Foundation Research Opportunities in Auditing grant recipient, 1985.
- Earl Wantland Outstanding Business Professor, Portland State University, June 1984.

- Arthur Young McClelland Moores Post-Doctoral Fellow, University of Southampton, Southampton, England, 1982-3.
- Certified Public Accountant, Licensed in Oregon since 1975.

OTHER TEACHING, MENTORING AND CURRICULAR ACHIEVEMENTS

New Course Development

- Developed new course for the accounting curriculum, Accounting 495, Integrated Accounting Issues. The course integrates the topics from other parts of the accounting curriculum in a series of cases that do not have clear cut solutions. Major topics address analyzing business performance, developing forecasts and projections, business valuation, and making business decisions considering the financial reporting and tax ramifications such as structuring the acquisition of a small business, lease / purchase decisions, or structuring stock options.
- Co-developed a course for the sophomore inquiry course for University Studies on the role of professions in society. In 1900 less than 4% of our workforce work in licensed professions. Today nearly 30% of the U.S. workforce works in licensed professions and over 60% of the workforce is performing knowledge based work. This course is designed to meet the general education needs of the university while exploring these changes in the workforce and trends that are likely to influence professional work in the 21st Century.

OTHER PORTLAND STATE UNIVERSITY ACHIEVEMENTS

I co-chaired a PSU task force that proposed new Promotion and Tenure Guidelines for Portland State University. The end result was to broaden the pathways to promotion and tenures and accept a wider diversity of scholarship, while maintaining high academic standards for the level of achievement in terms of contributions to knowledge. This has had a significant impact on bringing promotion and tenure guidelines in keeping with the university's mission.

OTHER COMMUNITY OUTREACH ACHIEVEMENTS

I am leading an Oregon Board of Accountancy - Oregon Society of CPA effort to make the Oregon Board of Accountancy a semi-independent state agency. Legislation has been drafted and was introduced in the 2011 legislative session with limited success. We will work on submitting the legislation again in 2013.

I led a joint Oregon Board of Accountancy - Oregon Society of CPA Task Force that proposed an alternative to the existing audit experience requirement. Prior to July 1998 the only way to become a CPA in Oregon was to have experience performing a number of audit tasks. Today the Oregon Board of Accountancy has adopted an experience requirement that is based on seven competencies, rather than the performance of specific tasks. The competencies can be developed while performing auditing, tax, consulting services, internal auditing, or a variety of other services performed by CPAs. This has opened up new pathways to the accounting profession and created a number of new opportunities for candidates to earn the CPA credential. This has had an impact on over 400 new CPAs a year in Oregon.

GOVERNANCE AND OTHER PROFESSIONALLY RELATED SERVICE

SUMMARY OF KEY BOARD POSITIONS AND LEADERSHIP ROLES

- Western Region Director, National Association of State Boards of Accountancy, (2011-12).
- Chair, NASBA Ethics and Strategic Professional Issues Committee, (2011-12).
- NASBA representative to the Consultative Advisory Group of the International Accounting Education Standards Board (2011-2014).
- Chair, Oregon Board of Accountancy, 2010-2011.
- Vice Chair, Oregon Board of Accountancy, 2009.
- Board Liaison to the following Oregon Board of Accountancy Committees.
 - Complaints committee (2009)
 - Code of Professional Conduct Committee (2006-2009)
- Co-Treasurer, Oregon Board of Accountancy, 2008.
- Treasurer, Chair of the Finance Committee and member of the Board of Directors, Portland Center Stage, January 2003 to 2006.
- Chair of the Audit Committee and member of the Portland State Bookstore Board of Directors, July 2001 to July 2003.
- Past President and Member of the Board of Directors, Oregon Society of CPAs, April 2000 to April 2001.
- President and Member of the Board of Directors, Oregon Society of CPAs, April 1999 to April 2000.
- President Elect and Member of the Board of Directors, Oregon Society of CPAs, April 1998 to April 1999.
- Vice President and Member of the Board of Directors, Oregon Society of CPAs, April 1997 to April 1998.
- Secretary and Member of the Board of Directors, Oregon Society of CPAs, April 1995 to April 1996.
- Member of the Board of Directors, Oregon Society of CPAs, April 1991 to April 1995.
- Special Assistant to the Provost and Professor of Accounting, Portland State University, July 1994-July 1996.
- American Council on Education Fellow, Kent State University, July 1993 – July 1994.
- Special Assistant to the Vice President of Finance and Administration and Professor of Accounting, Portland State University, July 1991 – July 1993.
- Accounting Department Chair and Professor of Accounting, Portland State University, July 1989 – July 1991.
- I have also chaired a number of university or school of business committees or task forces, including the university committee that changed promotion and tenure guidelines to better fit PSU's urban mission and the university budget committee.

GOVERNANCE ACTIVITIES FOR THE UNIVERSITY, COLLEGE, DEPARTMENT IN THE LAST 5 YEARS

2010-11

- Chair, PSU Educational Policies Committee
- Member, PSU Faculty Senate
- Member, PSU Financial Future Committee
- Member, PSU Budget Model Committee

2009-10

- Member, PSU Educational Policies Committee
- Member, PSU Financial Future Committee

2007-2008

- I was on sabbatical from Portland State University during the 2007-08 academic year.

2006-2007

- Chair, PSU Budget Committee
- Chair, School of Business, Advancement, Development, Promotion and Tenure Committee
- Member, School of Business Building Committee
- Member, PSU Committee related to the PCAT building project
- Member, PSU Educational Policies Committee
- Member, PSU Faculty Senate

2005-2006

- Chair, PSU Budget Committee
- Chair, School of Business, Advancement, Development, Promotion and Tenure Committee
- Member, PSU Educational Policies Committee

A list of leadership roles activities prior to 2005-2006 are available upon request.

PROFESSIONALLY-RELATED SERVICE

- Member, National Association of State Boards of Accountancy, Regulatory Response Committee, 2007-2012.
- Member, U.S. International Qualifications Assessment Board (2011-12).
- Member, National Association of State Boards of Accountancy, Ethics and Strategic Issue Committee, 2008-2011.
- Member, National Association of State Boards of Accountancy, State Board Effectiveness Committee, 2010-2011.
- 2004 to 2011, Appointed by the Governor as a member of the Oregon Board of Accountancy
- 2004, Chair, Oregon Board of Accountancy, Independence and Ethics Committee.
- 2002, Member, Oregon Board of Accountancy, Independence Task Force
- 2000-2001, Chair of Oregon Legislative Action Committee and Past President of the Oregon Society of CPAs
- 1999-2000, Member of AICPA Council
- 1999-2000, President, Oregon Society of CPAs
- 1998-1999, President-Elect, Oregon Society of CPAs
- 1997-1998, Vice-President, Oregon Society of CPAs
- 1995-1996, Secretary, Oregon Society of CPAs
- 1991 – 1995, Board Member, Oregon Society of CPAs

A list of offices and activities prior to 1994 are available upon request.

OTHER COMMUNITY SERVICE

- 2003 – Present, Board Member and Chair of the Finance Committee, Portland Center Stage.
- 2001 - 2003, Board Member and Chair of the Audit Committee, PSU Bookstore.

MEMBERSHIPS IN PROFESSIONAL SOCIETIES

- American Institute of CPAs.
- Oregon Society of CPAs.
- American Accounting Association
- American Association of Higher Education



STATE OF IOWA

GOVERNOR TERRY E. BRANSTAD
LT. GOVERNOR KIM REYNOLDS

IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING & REGULATION

May 16, 2012

Michael T. Daggett, CPA
Chair, NASBA Nominating Committee
NASBA
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

RE: Nomination of Telford A. Lodden, CPA,
For 2012-2015 Director-at-Large of NASBA

At the May 15, 2012 meeting, the Iowa Accountancy Examining Board voted to endorse and support Telford "Ted" Lodden, CPA, of Iowa to serve as a Director-At-Large of NASBA.

Mr. Lodden just completed his 9th year serving on the Iowa Accountancy Examining Board. He served as the Board Chair for 7 of those years. He also served on the disciplinary committee and as the chair of that committee during those years.

Mr. Lodden is serving his third term as the Central Regional Director of NASBA for the 2011-2012 fiscal year. He is also currently serving as the Chair of NASBA's Relations with Member Boards Committee and as Chair of NASBA's CPE Advisory Committee. He is also representing NASBA as a member of a FAF panel regarding establishment of standards for private companies.

Mr. Lodden has chaired the CPE Advisory Committee and CPE Task Force and co-chaired the Joint NASBA/AICPA Committee for the past two years in the establishment of new CPE standards. We believe his technical expertise and leadership skills will be a valuable asset to NASBA.

Mr. Lodden is an active participant in Board matters and his input indicates that he invests quality time in reviewing details of issues before making recommendations. Attached is a biographic summary that will give you a broad overview of his qualifications.

The Iowa Accountancy Examining Board takes an active role in NASBA, as demonstrated by the participation of our current and prior Board Members and Executive Director on NASBA committees as well as our attendance at NASBA meetings. We desire to continue our call to service with the endorsement of Mr. Lodden.

The Iowa Accountancy Examining Board is honored to have a candidate with Mr. Lodden's qualifications, experience, and leadership skills. We are proud to submit his name for consideration as a Director-at-Large of NASBA for 2012-2015. We respectfully request that the Nominating Committee of NASBA take positive consideration of our recommendation.

If you have any questions, please let us know.

Sincerely,

A handwritten signature in cursive script that reads "Toni A. Bright".

Toni Bright, Executive Officer
Iowa Accountancy Examining Board
Email: toni.bright@iowa.gov

TED LODDEN

BIOGRAPHY

Ted Lodden is the managing partner of Brooks Lodden, P.C., a large Iowa based CPA firm employing 35 professionals. He is also the managing member of Millennium Financial Advisors, LLC, which has assets under management approximating \$115 million.

Ted has been very active in NASBA where he has served as a regional director for the past three years. During this time, he has visited each state in the central region and has held numerous phone conferences with the states on important issues. He has also participated in training new board members at each regional meeting as well as moderating and presenting at several sessions. Concurrently, Ted has chaired the CPE Advisory Committee and the CPE Task Force and co-chaired the joint AICPA/NASBA CPE Committee. These groups developed the new CPE standards that were recently adopted by the AICPA and NASBA as well as the Best Practices Document which will soon be available on the NASBA website. In the current year, Ted chairs both the Relations with Board Members Committee and the CPE Advisory Committee. He recently represented NASBA on a Financial Accounting Foundation panel discussing the proposed standards for non-public entities. Ted previously participated in phone conferences with NASBA representatives on the Blue Ribbon Panel.

Ted is finishing his final year of three terms (9 years total) on the Iowa Board of Accountancy. He has chaired the Ethics Committee and the board for seven of those nine years. During his tenure, he has implemented online registration and renewals, CPE audits, a joint task force with the ISCPA, successfully passed mobility, worked to get Iowa's database on the ALD, and rewritten the ethics and education section of the administrative rules. The relationship with the ISCPAs has greatly improved which has allowed the board to pass mobility and other changes in the law and rules more effectively and efficiently. During the current year, much progress has been made in improving the website and establishing a Facebook page. All of this has been accomplished with gradually decreasing staffing in the professional licensing bureau.

Prior to his service on the Iowa Board of Accountancy, Ted was the president of the Iowa Society of CPAs. During his presidency, he traveled the state of Iowa giving presentations at each of the ten chapters of the ISCPA on the UAA, allowing Iowa to be one of the first states to pass the legislation. He also established the Insurance Industry Conference which has become very successful. Previously, Ted chaired every committee of the ISCPA, winning the leadership award for his development of the national award winning Public Relations Program. Ted also served on the governing council of the AICPA as well as the Vision Committee of the AICPA.

Ted is currently on the ISU Advisory Council, the John Stoddard Cancer Center board, the Corporation for Economic Development board, the Central Iowa Taxpayer's Association board as well as boards of other Iowa based entities. He is the past president of the Financial Planning Association of Iowa (FPA) where he led them to their first gold medal award from the FPA. He has chaired most of the organizations in which he has participated.

Ted has degrees from Grandview College and Iowa State University as well as a Master's degree from Drake University as well as numerous professional certifications. Additionally, he holds security and insurance licenses.

Finally, Ted is most proud of his family. His wife is a self-employed marital and family therapist. They have two sons; Grant, who is a Ph.D. employed as a research scientist for Honeywell Aerospace and Nolan, who will attend George Washington University in Washington D.C. in the fall to study engineering and also play baseball.

EDUCATION

AA Grand View College
BS Iowa State University (Industrial Administration, Industrial Engineering and Administration)
MBA Drake University (with honors)
CPA State of Iowa
CFP College for Financial Planning, Denver, Colorado
CEA American Institute of Certified Public Accountants in Business Valuation
CVA Certified Valuation Analyst (NACVA, National Association of Certified Valuation Analysts)
ABV Accredited in Business Valuation (AICPA, American Institute of Certified Public Accountants)
CFF Certified in Financial Forensics (AICPA)

HONORARY ORGANIZATIONS

SIGMA IOTA EPSILON
BETA GAMA SIGMA
BETA ALPHA PSI
Outstanding Chairperson of the Year, Iowa Society of Certified Public Accountants (May 1990)

EMPLOYMENT

1984 - Present	Brooks Lodden, P.C.	Managing partner, head of Management Advisory Services
1978 - 1984	Augustine & Co.	Partner, Audit, and Management Services
1974 - 1978	Augustine & Co.	Staff, moving from staff to Manager in Audit Department
1972 - 1974	Augustine & Co.	Part-time, Tax Department staff

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants
Iowa Society of Certified Public Accountants
International Association of Certified Financial Planners
National Association of Certified Valuation Analysts
AICPA Division for Management Advisory Services
AICPA Division for Personal Financial Planning
AICPA Division for Business Valuation
Institute of Business Appraisers
Management Design Associates (Completed all Business Consulting Coursework)

OTHER ACTIVITIES

Past President of Iowa Society of CPAs (1999-2000)
Past President of Central Iowa Chapter of the Iowa Society of CPAs
Member of Advisory Board at Iowa State University
Past President of Des Moines Estate Planning Council
Past President of Financial Planning Association of Iowa
Board Member and Past Chair of the Economic Development Corporation of Des Moines
Past Chair of the Polk Des Moines Taxpayers Association
Member of the John Stoddard Cancer Board and Finance Committee
Mayors Select Committee
AICPA Governing Council Member (1999-2000)
AICPA Vision Participant (1998-1999, 1999-2000)
Chairman of the Board of Accountancy - State of Iowa
Chair of the Ethics Committee of the Iowa Board of Accountancy
Member of the NASBA Board of Directors
City of West Des Moines' CIP Committee
Board member - several Des Moines organizations
Frequent speaker at many Des Moines organizations



Susan L. Somers, Executive Director

Board of Accountancy

Sam Brownback, Governor

May 23, 2012

Michael Daggett, Chair
NASBA Nominating Committee
150 Fourth Ave. North, Ste. 700
Nashville, TN 37219-2417

Re: Nomination of Telford A. Lodden, CPA
As NASBA Director-at-Large

Dear Mr. Daggett:

The Kansas Board of Accountancy is pleased to nominate Telford A. Lodden, CPA for Director at Large.

Mr. Lodden is serving his third term as the Central Regional Director of NASBA, and is also currently serving as Chair of NASBA's relations with Member Board Committee and Chair of NASBA's CPE Advisory Committee.

In addition, Mr. Lodden has served for 9 years on the Iowa Accountancy Examining Board. In our opinion, this, coupled with his active participation with NASBA, renders him highly qualified to serve as a Director at Large.

We are very pleased to endorse Mr. Lodden for NASBA Director at Large.

Thank you for your favorable consideration.

Sincerely,

Rodney Van Norden, CPA
Chair

RVN:sls



Dave Heineman
Governor

STATE OF NEBRASKA

BOARD OF PUBLIC ACCOUNTANCY

P.O. Box 94725, Lincoln NE 68509

(402) 471-3595 or (800) 564-6111

Fax (402) 471-4484

Home Page: www.nbpa.ne.gov

May 23, 2012

Mr. Michael T. Daggett, CPA
Chair, NASBA Nominating Committee
NASBA
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Re: Nomination for Telford A. Lodden, CPA/
Director at Large

Dear Mr. Daggett:

The Nebraska State Board of Public Accountancy (Board) at their May 18th, 2012 meeting voted in support of Mr. Lodden's nomination to become a Director-at-Large on the NASBA Board of Directors for 2012-2015.

Several Board members spoke in strong support of Mr. Lodden based on his work the last three years as the Central Regional Director and his leadership as Chair of the NASBA CPE Advisory Committee. Mr. Lodden took the time, as Central Regional Director, and visited the Board on three separate occasions to assist in mobility efforts and to update and receive feedback from the Board regarding NASBA activities. He also has led important efforts to update the national CPE standards as Chair of the NASBA CPE Task Force.

Mr. Lodden brings many qualities to the CPA profession. From his grasp of current important issues the profession faces to his ability to listen and form consensus when necessary, he is an excellent candidate to continue his work as a member of the NASBA Board of Directors.

If you have any questions and/or need further information, do not hesitate to contact me.

For the Board,

A handwritten signature in dark ink, appearing to read "Douglas W. Skiles".

Douglas W. Skiles, CPA
Chair of the Board
Nebraska State Board of Public Accountancy



Texas State Board of Public Accountancy

333 Guadalupe, Tower III Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

May 18, 2012

Michael T. Daggett, CPA, Chair
NASBA Nominating Committee
c/o Anita Holt
150 Fourth Ave., Suite 700
Nashville, TN 37210-2417

RE: Appointment of Ted A. Lodden, CPA,
as NASBA Director-at-Large

Dear Mr. Daggett:

The Texas State Board of Public Accountancy whole-heartedly supports the candidacy of Ted A. Lodden, CPA, for appointment as a NASBA director-at-large. In his current role as Central Regional Director, he has visited each state in his region and shown himself to be an energetic and effective leader. He concurrently chaired the CPE Advisory Committee and the CPE Task Force and co-chaired the joint AICPA/NASBA CPE Committee. These groups developed the new CPE standards recently adopted by AICPA and NASBA. Lodden currently chairs both the Relations with Board Members Committee and the CPE Advisory Committee.

Ted Lodden earned a B.S. degree from Iowa State University and an MBA with honors from Drake University. He is managing partner and head of Management Advisory Services for Brooks Lodden, PC, an Iowa-based CPA firm employing 35 professionals. In addition, he holds several professional certifications and has been active in AICPA's Management Advisory Services, Personal Financial Planning, and Business Valuation divisions. He was also an AICPA Governing Council member and AICPA Vision Committee participant.

Lodden is a former chair of the Iowa Board of Accountancy and of its Ethics Committee, as well as former chair or president of a number of financial planning, taxation, and economic development entities at the local and state levels. In addition, he has served on the Advisory Board of Iowa State University, on the John Stoddard Cancer Board and Finance Committee, and as a board member and speaker for various Des Moines organizations.

We believe Ted Lodden would be a tremendous asset to NASBA as a director-at-large.

Sincerely yours,

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY

William Treacy
Executive Director

cc: Ted A. Lodden, CPA

Administration/
Accounting
(512) 305-7800

Automated
Information
(512) 305-7870

CPE
(512) 305-7844

Enforcement
(512) 305-7866

Licensing
(512) 305-7853

Qualifications
(512) 305-7850
(512) 305-7851

Peer
Review
(512) 305-7853

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(512) 305-7875
(512) 305-7854

www.tsbpa.state.tx.us

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STATE OF WASHINGTON
BOARD OF ACCOUNTANCY

PO Box 9131 • Olympia, Washington 98507-9131
(360) 753-2585 • FAX (360) 664-9190 • www.cpaboard.wa.gov

May 30, 2012

Michael T. Daggett, CPA
Chairman, Nominating Committee
NASBA
150 4th Avenue North Suite 1300
Nashville, TN 37219-2417

Re: Nomination of Telford A. Lodden, CPA, for 2012-2015 NASBA Director-at-Large

Dear Mr. Daggett and Nominating Committee Members:

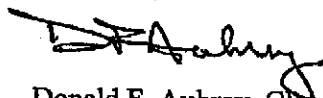
The Washington State Board of Accountancy previously submitted Board support for Dr. Raymond N. Johnson for one of the open NASBA Board Director-at-Large positions. The Board would also support Ted Lodden for an open NASBA Board Director-at-Large position.

Mr. Lodden's commitment to the profession and NASBA's mission is amply demonstrated by his background and participation in NASBA and other professional, educational, and civic organizations as previously submitted by Iowa. The Board members have evaluated that background and believe Mr. Lodden meets the qualifications and has the commitment to capably and responsibly serve as a NASBA Director at Large.

The Washington Board respectfully requests that this Board's support be given positive consideration by the Nominating Committee.

Board member Ed Jolicoeur, a member of NASBA's Nominating Committee, did not participate in the Board's consideration of Mr. Lodden's candidacy. He does not endorse any candidate.

Sincerely,


Donald F. Aubrey, CPA
Board Chair

dfa/cms

Enclosure

Copy: Executive Directors, Board of Accountancy



TED LODDEN

BIOGRAPHY

Ted Lodden is the managing partner of Brooks Lodden, P.C., a large Iowa based CPA firm employing 35 professionals. He is also the managing member of Millennium Financial Advisors, LLC, which has assets under management approximating \$115 million.

Ted has been very active in NASBA where he has served as a regional director for the past three years. During this time, he has visited each state in the central region and has held numerous phone conferences with the states on important issues. He has also participated in training new board members at each regional meeting as well as moderating and presenting at several sessions. Concurrently, Ted has chaired the CPE Advisory Committee and the CPE Task Force and co-chaired the joint AICPA/NASBA CPE Committee. These groups developed the new CPE standards that were recently adopted by the AICPA and NASBA as well as the Best Practices Document which will soon be available on the NASBA website. In the current year, Ted chairs both the Relations with Board Members Committee and the CPE Advisory Committee. He recently represented NASBA on a Financial Accounting Foundation panel discussing the proposed standards for non-public entities. Ted previously participated in phone conferences with NASBA representatives on the Blue Ribbon Panel.

Ted is finishing his final year of three terms (9 years total) on the Iowa Board of Accountancy. He has chaired the Ethics Committee and the board for seven of those nine years. During his tenure, he has implemented online registration and renewals, CPE audits, a joint task force with the ISCPA, successfully passed mobility, worked to get Iowa's database on the ALD, and rewritten the ethics and education section of the administrative rules. The relationship with the ISCPAs has greatly improved which has allowed the board to pass mobility and other changes in the law and rules more effectively and efficiently. During the current year, much progress has been made in improving the website and establishing a Facebook page. All of this has been accomplished with gradually decreasing staffing in the professional licensing bureau.

Prior to his service on the Iowa Board of Accountancy, Ted was the president of the Iowa Society of CPAs. During his presidency, he traveled the state of Iowa giving presentations at each of the ten chapters of the ISCPA on the UAA, allowing Iowa to be one of the first states to pass the legislation. He also established the Insurance Industry Conference which has become very successful. Previously, Ted chaired every committee of the ISCPA, winning the leadership award for his development of the national award winning Public Relations Program. Ted also served on the governing council of the AICPA as well as the Vision Committee of the AICPA.

Ted is currently on the ISU Advisory Council, the John Stoddard Cancer Center board, the Corporation for Economic Development board, the Central Iowa Taxpayer's Association board as well as boards of other Iowa based entities. He is the past president of the Financial Planning Association of Iowa (FPA) where he led them to their first gold medal award from the FPA. He has chaired most of the organizations in which he has participated.

Ted has degrees from Grandview College and Iowa State University as well as a Master's degree from Drake University as well as numerous professional certifications. Additionally, he holds security and insurance licenses.

Finally, Ted is most proud of his family. His wife is a self-employed marital and family therapist. They have two sons; Grant, who is a Ph.D. employed as a research scientist for Honeywell Aerospace and Nolan, who will attend George Washington University in Washington D.C. in the fall to study engineering and also play baseball.

THELORD (THOMAS) A. LODDEN

Managing Partner, Brooks Ludden, P.C.

EDUCATION

AA Grand View College
BS Iowa State University (Industrial Administration, Industrial Engineering and Administration)
MBA Drake University (with honors)
CPA State of Iowa
CFP College for Financial Planning, Denver, Colorado
CEA American Institute of Certified Public Accountants in Business Valuation
CVA Certified Valuation Analyst (NACVA, National Association of Certified Valuation Analysts)
ABV Accredited in Business Valuation (AICPA, American Institute of Certified Public Accountants)
CFF Certified in Financial Forensics (AICPA)

HONORARY ORGANIZATIONS

SIGMA IOTA EPSILON

BETA GAMA SIGMA

BETA ALPHA PSI

Outstanding Chairperson of the Year, Iowa Society of Certified Public Accountants (May 1990)

EMPLOYMENT

1984 - Present	Brooks Ludden, P.C.	Managing partner, head of Management Advisory Services
1978 - 1984	Augustine & Co.	Partner, Audit, and Management Services
1974 - 1978	Augustine & Co.	Staff, moving from staff to Manager in Audit Department
1972 - 1974	Augustine & Co.	Part-time, Tax Department staff

PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants

Iowa Society of Certified Public Accountants

International Association of Certified Financial Planners

National Association of Certified Valuation Analysts

AICPA Division for Management Advisory Services

AICPA Division for Personal Financial Planning

AICPA Division for Business Valuation

Institute of Business Appraisers

Management Design Associates (Completed all Business Consulting Coursework)

OTHER ACTIVITIES

Past President of Iowa Society of CPAs (1999-2000)

Past President of Central Iowa Chapter of the Iowa Society of CPAs

Member of Advisory Board at Iowa State University

Past President of Des Moines Estate Planning Council

Past President of Financial Planning Association of Iowa

Board Member and Past Chair of the Economic Development Corporation of Des Moines

Past Chair of the Polk Des Moines Taxpayers Association

Member of the John Stoddard Cancer Board and Finance Committee

Mayors Select Committee

AICPA Governing Council Member (1999-2000)

AICPA Vision Participant (1998-1999, 1999-2000)

Chairman of the Board of Accountancy - State of Iowa

Chair of the Ethics Committee of the Iowa Board of Accountancy

Member of the NASBA Board of Directors

City of West Des Moines' CIP Committee

Board member - several Des Moines organizations

Frequent speaker at many Des Moines organizations

900 SW Jackson, Ste. 556
Topeka, KS 66612-1239
www.ksboa.org



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Susan L. Somers, Executive Director

Board of Accountancy

Sam Brownback, Governor

April 30, 2012

Michael Daggett, Chair
NASBA Nominating Committee
150 Fourth Ave. North, Ste. 700
Nashville, TN 37219-2417

Re: Nomination of E. Kent Smoll, CPA
As NASBA Director at Large

Dear Mr. Daggett:

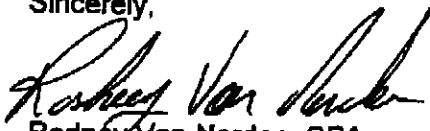
The Kansas Board of Accountancy is pleased to nominate E. Kent Smoll, CPA of Kansas for Director at Large.

Mr. Smoll served on the Kansas Board of Accountancy for 15 years, with his term ending in 2011. He is currently serving as Chair of NASBA's Administration and Finance Committee and Director at Large. He has previously served as Regional Director, member of the Legislative Support Committee, Nominating Committee and Alternative Practice Structures Committee of NASBA, and is and has been very involved in community activities. We have enclosed his bio for your information.

Mr. Smoll is very knowledgeable of the issues facing the state Boards and the profession and is truly dedicated to the NASBA organization and its goals and missions. We are pleased to nominate Mr. Smoll as Director at Large.

Your favorable consideration is appreciated.

Sincerely,


Rodney Van Norden, CPA
Chair

cc: E. Kent Smoll, CPA

E. Kent Smoll, CPA/PFS

2410 Central
Dodge City, Kansas 67801

Phone (620) 225-6100
Fax (620) 225-5007
E-mail esmol@smolbanning.com

Education	May 1974 Bachelor of Science in Accounting Kansas State University Manhattan, Kansas
Employment	1974-1979 Fox & Co. Staff Accountant 1979 - 1981 Lindburg & Vogel Shareholder in charge of the regional office 1981-Present Smoll & Banning, CPA's, LLC Managing Member
Professional experience	1996 - 2011 Member, Kansas State Board of Accountancy Chairperson 1999, Vice Chairperson 2010-2011 National Association of State Boards of Accountancy (NASBA) Activities 2010-Present Director at Large, NASBA 2007 - 2009 Regional Director, NASBA 2005 - Present Member, NASBA Administration and Finance Committee Chairperson - Current 2007 - 2008 Member, NASBA Legislative Support Committee 1999 - 2004 Member, NASBA Nominating Committee 1997 - 1998 Member, NASBA Alternative Practice Structures Committee
Additional professional activities	Past Board of Directors - Kansas Society of CPA's Past Chairperson - Federal and State Taxation committee - Kansas Society of CPA's
Professional memberships	American Institute of Certified Public Accountants Kansas Society of Certified Public Accountants
Community activities	2010 - 2011 Mayor of Dodge City 2006 - 2009 Mayor of Dodge City 2006 - Present Dodge City, City Commissioner 1998 Chairperson of the Dodge City Area Chamber of Commerce 1990 - 1997 Treasurer Dodge City Area Chamber of Commerce 1988 - 1992 Dodge City, City Commissioner 1991 - 1992 Mayor of Dodge City Various Treasurer and served on the Administrative Board of the First United Methodist Church
Hobbies	Traveling and Scuba Diving
Family	Wife - Dee Daughters - Jennifer, 32; Katie, 30



Texas State Board of Public Accountancy

333 Guadalupe, Tower III Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

May 18, 2012

Michael T. Daggett, CPA, Chair
NASBA Nominating Committee
c/o Anita Holt
150 Fourth Ave., Suite 700
Nashville, TN 37210-2417

RE: Reappointment of E. Kent Smoll, CPA/PFS
as NASBA Director-at-Large

Dear Mr. Daggett:

The Texas State Board of Public Accountancy strongly supports the candidacy of E. Kent Smoll, CPA/PFS, for reappointment as a NASBA director-at-large.

A graduate of Kansas State University, Mr. Smoll has practiced with Fox & Co., 1974-79; Lindburg & Vogel, 1979-81; and, since 1981, with Smoll & Banning, Dodge City, where he is managing partner. He has been chair and vice chair of the Kansas State Board of Accountancy, on which he served 15 years. He is also a former board member of the Kansas Society of CPAs and past chair of the KSCPA Federal and State Taxation Committee.

Mr. Smoll's involvement with NASBA has included terms as director-at-large and as regional director. He chairs NASBA's Administration and Finance Committee and has been a member of the Legislative Support, Nominating, and Alternative Practice Structures committees.

In addition to his professional activities, Mr. Smoll has served thrice as mayor of Dodge City and twice as city commissioner. His civic involvement has also included chairing the Dodge City Area Chamber of Commerce and serving as treasurer and board member of the First Methodist Church in Dodge City.

Kent Smoll's experience and insight will serve him well in another term as a NASBA director-at-large.

Sincerely yours,

TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY

A handwritten signature in cursive script, reading "William Treacy".

William Treacy
Executive Director

cc: E. Kent Smoll, CPA

Administration/
Accounting
(512) 305-7800

Automated
Information
(512) 305-7870

CPE
(512) 305-7844

Enforcement
(512) 305-7866

Licensing
(512) 305-7853

Qualifications
(512) 305-7850
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Dave Heineman
Governor

STATE OF NEBRASKA

BOARD OF PUBLIC ACCOUNTANCY
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Fax (402) 471-4484
Home Page: www.nbpa.ne.gov

May 25, 2012

Mr. Michael T. Daggett, CPA
Chair, NASBA Nominating Committee
NASBA
150 Fourth Avenue North, Suite 700
Nashville, TN 37219-2417

Re: Nomination for Douglas W. Skiles, CPA
Central Regional Director

Dear Mr. Daggett:

The Nebraska State Board of Public Accountancy (Board) hereby submits the name of Mr. Douglas W. Skiles for the position of NASBA Central Regional Director. Mr. Skiles has been an active member of the Board for the last nine years. He has served the last three years as Board Chair and has been a member of the Board's Executive Committee the last five years. He has also served as Chair of the Board's Legislative and Education & Examination Committee and been a member of the Quality Enhancement Program Committee.

Mr. Skiles has been an active NASBA participant by serving since 2005 on the Education Committee and served as the alternate to the Nominating Committee for the Central Region. Doug has attended all but one of the Regional and Annual NASBA meetings since joining the Board and has a solid understanding of the issues State Boards face. He would be an active, conscientious Regional Director for the Central Region.

Mr. Skiles has served as an accounting instructor for the University of Nebraska-Kearney and McCook Community College, continuing education instructor for Nebraska Real Estate Commission and Nebraska Insurance Commission and a panelist for CLE for the College of Law-University of Nebraska-Lincoln and has co-authored materials and instructed for the National Business Institute. He graduated from University of Nebraska-Kearney, receiving a comprehensive business major with a double emphasis in accounting and management. He has been a shareholder since 1981 with McPherron Skiles & Loop, CPAs PC, a firm with 5 offices in southwest Nebraska. Doug has extensive background in taxation for individuals, corporations, partnerships, LLCs, estates and trusts.


As for charitable organizations, Doug is a founding member and past president of the McCook Community Foundation and Past Chairman of the Prairie Plains CASA and TeamMates. Doug also serves as treasurer of the Nebraska United Methodist Foundation and the Nebraska United Methodist Audit Committee. He has certified as a lay speaker and is active serving area churches and is past-chair of the Endowment Committee at his local church.

Mr. Skiles founded and chaired the McCook United Way Road Race for 10 years and was Nebraska JayCees Cystic Fibrosis Program Manager, coordinating fund raising with 110 chapters in Nebraska. This is a good example of how he can interact and develop relationships that will serve him well if appointed to the position of Regional Director.

Doug and his wife Shary, have two children, Megan and Ben. Doug has enjoyed coaching youth sports for the last 15 yrs.

Mr. Skiles is well positioned to become the Central Regional Director and to continue to serve his chosen profession. If you have any questions and/or need further information, do not hesitate to contact the Board office.

For the Board,

A handwritten signature in black ink, appearing to read 'Dan Sweetwood', with a stylized, sweeping flourish extending from the end of the name.

Dan Sweetwood
Executive Director

attach (1)

DOUGLAS W. SKILES, CPA
McPherron, Skiles & Loop, CPAs

EDUCATION

AA – McCook Community College
BS – University of Nebraska – Kearney
Phi Beta Kappa Honors Society

EMPLOYMENT

1979-Present McPherron, Skiles & Loop, CPAs
1977-1979 Haney, Ramaekers & Ludwig, CPAs

PROFESSIONAL ORGANIZATIONS AND ACTIVITIES

American Institute of Certified Public Accountants
Nebraska Society of Certified Public Accountants
Association of Certified Fraud Examiners
Member NASBA Education Committee
Member NASBA Strategic Planning Committee
Chairman of the Nebraska Board of Public Accountancy
Chair of Legislative Committee Nebraska Board of Public Accountancy
Past Chair of Exam and Education Committee Nebraska Board of Accountancy
Past Member of Quality Enhancement Committee Nebraska Board of Accountancy
Co-Chair Experience Work Group Nebraska Board and Nebraska Society
University of Nebraska – Kearney, McCook Community College Accounting instructor
CLE Instructor College of Law – University of Nebraska – Lincoln
CLE Instructor Nebraska Real Estate Commission
CLE Instructor Nebraska Insurance Commission
CLE Instructor National Business Institute

OTHER ACTIVITIES

Nebraska Sports Arena Finance Board
McCook Municipal Airport Advisory Committee
McCook Municipal Revolving Loan Fund Committee
Treasurer Nebraska United Methodist Foundation
Member Nebraska United Methodist Audit Committee
Past Member Nebraska United Methodist Conference Finance & Admin. Committee
Past Chair Endowment Committee McCook United Methodist Church
Past Chair McCook Community College Business Advisory Committee
Past Chair McCook High School Business Advisory Committee
Past Chair McCook Community Foundation Fund
Past Nebraska JayCees Board of Directors
Past Nebraska JayCees Cystic Fibrosis Program Director
Past Nebraska JayCees District Director
Past United Way Road Race Director
CASA, TeamMates Board member
Youth Basketball coach and camp director

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors

January 20, 2012 – Key West, FL

1. Call to Order

A duly scheduled meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Mark Harris at 9:05 a.m. on Friday, January 20, 2012 at the Marriott Key West Beachside Hotel in Key West, Florida.

2. Report of Attendance

President Ken Bishop reported the following were present:

Officers

Mark P. Harris, CPA (LA), Chair
Gaylen R. Hansen, CPA (CO), Vice Chair
Michael T. Daggett, CPA (AZ), Past Chair
E. Kent Smoll, CPA (KS), Treasurer, Director-at-Large
Kenneth R. Odom, CPA (AL), Secretary, Director-at-Large

Directors-at-Large

Donald H. Burkett, CPA (SC)
Walter C. Davenport, CPA (NC)
Richard Isserman, CPA (NY)
Carlos E. Johnson, CPA (OK)
Theodore W. Long, Jr., CPA (OH)
Harry O. Parsons, CPA (NV)
Laurie J. Tish. CPA (WA)

Regional Directors

Jim Burkes, CPA (MS), Southeast
Jefferson Chickering, CPA (NH), Northeast
Janice Gray, CPA (OK), Southwest
Bucky Glover, CPA (NC), Middle Atlantic
Raymond Johnson, CPA (OR), Pacific
Telford A. Lodden, CPA (IA), Central
Karen F. Turner, CPA (CO), Mountain
Kim Tredinnick, CPA (WI), Great Lakes

Executive Directors' Liaison

Pamela Ives Hill, CPA (MO)

Staff

Ken L. Bishop, President and Chief Executive Officer

Colleen Conrad, CPA, Executive Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer
Ed Barnicott, Vice President of Strategic Planning and Program Development
Louise Dratler Haberman, Director - Information and Research
Thomas G. Kenny, Director – Communications
Noel L. Allen, Esq., Legal Counsel

3. Approval of Minutes

NASBA Secretary Odom presented the minutes of the October 2011 meeting. On a motion by Mr. Isserman seconded by Mr. Lodden, the minutes of the October NASBA Board of Directors' meeting were approved with corrections.

Based upon the minutes of the October meeting, Mr. Glover asked if the Center for the Public Trust is tied to a NASBA committee in some way. Mr. Bishop replied that he is the CEO of the CPT, and therefore holds the ultimate financial authority. Mr. Glover asked if the NASBA Board had any responsibility to the CPT. Chair Harris explained that the CPT Board has included NASBA Board members since its founding. In recent years, CPT's operations have become more independent of NASBA, as the CPT Board and management were given the mandate to manage their own budget, which, in addition to other outside support sources, includes a fixed level of funding approved by the NASBA Board.

4. Report of the Chair

Chair Harris reported the Executive Committee had discussed NASBA's restructuring and the Financial Accounting Foundation's roundtables, the first of which had been held in Atlanta that week. Chair Harris said he, Mr. Bishop and Past President David A. Costello had met with the FAF's John Brennan and Teresa Polley to express NASBA's interest in being involved in membership in the oversight council the FAF is developing and participation in the roundtables being planned. Mr. Hansen will be at the next roundtable in Dallas. Maryland Board Member Elizabeth Gantnier, Central Regional Director Ted Lodden and Past Chair Billy Atkinson will be participating in other future roundtables.

Vice Chair Hansen reported he and Ms. Conrad had met with Ms. Polley and FASB Chair Leslie Seidman in early December and they were very complimentary of NASBA's support for the FASB. They invited NASBA representatives to come to Connecticut to see the FASB's operations.

Chair Harris said he had attended a meeting of the Global Strategies Committee and the Ohio Board's retreat. He had also visited NASBA's Nashville office and reported that the people appeared "very comfortable" with the transition to Mr. Bishop's presidency. Chair Harris reported he attended the Administration and Finance Committee's meeting and the new NASBA Board member orientation session, the Executive Committee's meeting and the Relations with Member Boards Committee's meeting.

A new vetting procedure for NASBA response letters has been brought forward, Chair Harris explained. This brings the process back to the member Boards through their elected representatives. He distributed a flowchart detailing the new vetting process along with a letter approved via this process. That letter is being sent to Congress in support of the PCAOB transparency legislation in the House and Senate.

A summit meeting for NASBA and AICPA leadership is scheduled for February 6-7, 2012. NASBA representatives will include Messrs. Harris, Bishop, Bryant, Daggett, Hansen, and Kenny and Ms. Conrad and Haberman.

5. Report of the President

President Bishop reported that his first action upon beginning his term as president over the past few weeks was to make an assessment of the organization, institute some changes through “transitioning, restructuring and reorganizing” and then to stabilize as quickly as possible. He said he was very pleased with his decision to bring on Colleen Conrad as NASBA’s Executive Vice President and COO, as she has done a magnificent job. He explained that he had promoted Michael Bryant into the Senior Vice President and CFO position in recognition of the increased role and responsibilities he has been given and of the great job he did in managing the sale of Professional Credential Services, NASBA’s former wholly owned subsidiary. Mr. Bishop said he hired Daniel Dustin as Vice President – State Board Relations, to reach out as an ombudsman for the State Boards, to see what Board needs NASBA has not been meeting. Mr. Dustin is performing an objective evaluation of all Boards to develop a grid showing their comparative nexus to NASBA. He will first focus his attention on those Boards evidencing the weakest connections to the association.

A change in direction for CPE tracking, as well as the sale of PCS resulted in a need to reduce the number of staff in the areas of IT and Project Management. The staff reduction was successfully implemented with no disruption to any critical business or operational functions. The staff reductions provided the opening of a space that created an opportunity for improving staff placement and increasing efficiency. As an example, the Examinations division and IT group had been spread over two floors. With the reorganization, they are being relocated so that the Examinations team will all be on the seventh floor and the IT staff will all be on the eighth floor. A new staff performance evaluation system is being studied and hopefully will be completed in March.

Mr. Bishop said he believes in the “Fish” philosophy of supporting a fun working environment, but he also wants to ramp up accountability. He is exploring ways to give staff members an opportunity to work outside their normal job functions so their other skills can be assessed and utilized. Mr. Bishop quoted Dr. Norman Vincent Peale: “Change your thoughts and you change your world.” He explained that he wants to promote an atmosphere that allows employees to think outside the box.

Ed Barnicott, having been promoted to Vice President-Strategic Planning & Program Management will play key roles in improving NASBA’s processes and capability, Mr. Bishop said. For each Board of Directors meeting, Mr. Bishop intends to invite a different NASBA staff director to report on the activity of his or her area. Mr. Barnicott will be the first of those to make such a presentation at this meeting.

A legislative support person will be added to the staff in the first half of 2012, Mr. Bishop told the Board. He emphasized that he is working to have NASBA focus on the “back to our roots” initiative centered on its mission and relationships with State Boards of Accountancy in all it does. He acknowledged that the entrepreneurial spirit is important to the NASBA Board, and he said that new business will be explored, but that he would make sure that market analysis and due diligence was done before getting into any line of business.

President Bishop called on Ms. Conrad to report on NASBA’s operations.

Ms. Conrad reported NASBA had started two initiatives: Candidate Performance Data Products and the Foreign Education Evaluation Service. James Suh and the TAQ (Training, Analytics & Quality) group have reinvented the candidate statistics report so that it can come out more frequently and the information sliced in different ways to focus on what the client is looking for.

The Foreign Education Evaluation Service is something the State Boards have been looking for as candidates now need to wait 6-8 weeks to have their transcripts evaluated. NASBA has developed a business plan for the Service and an offer has gone out for a senior credentials person. Ms. Conrad said NASBA will be moving forward on this project too.

The NASBA CPE Sponsor Registry was the only accrediting organization approved by the IRS for continuing education courses for its registered tax preparers. This is a great value to Registry sponsors right now, Ms. Conrad said. Mr. Bishop said that could mean 400,000 extra customers for members of the Registry.

In January 2012 NASBA started rendering licensing services to New Hampshire, Ms. Conrad said. There are 23 states fully participating in CPAVerify and 20 more are getting ready to do so, she reported. Forty-eight states are participating in mobility, with California, Hawaii and the territories in the works. Over 99 percent of the CPA candidates are applying on line to take the Examination. All states, whether or not they are CPAES customers, have been given the option of having scores reported directly to candidates. Candidates can now take the Uniform CPA Examination in Brazil, including candidates from Argentina, Venezuela, and Colombia, and candidates from Yemen can use the testing sites in the Middle East.

Mr. Bishop announced that Alfonso Alexander had been named president of the Center for the Public Trust and Mr. Bishop will serve as CEO, so there is a nexus to the NASBA Board and ultimate financial responsibility. The CPT is exploring ways to improve its financial position. Mr. Alexander is developing strategies and meeting with some potential donors to help make this happen.

The NASBA staff's morale remains high, through changes associated with reorganization including the staff reductions, President Bishop reported. He had held a companywide meeting at the Nashville Library to review with all staff members the changes and expectations going forward. With the restructuring, build outs in the Nashville office space, and other expenses, NASBA is still meeting or exceeding its budget numbers, Mr. Bishop said. Mr. Glover asked how CPT plans to break out to get national recognition. Mr. Bishop replied that he would have Mr. Alexander come to the April meeting and tell the Board about the things he and his staff are doing.

Asked about the new foreign evaluator position, Mr. Bishop said the hire will take place soon but the promotion of the service will be implemented gradually, taking care not to bring in candidates quicker than the new service can do a good job.

6. Report from VP Strategic Planning and Program Management

Vice President Barnicott outlined his priorities for 2012 as directed by President Bishop. In the area of strategic planning they include: implement a broad-based strategic planning process; strengthen committee work; and improve issue management processes to ensure the resulting responses reflect the views of volunteer leadership. In the program management area, they are: develop enterprise program tracking; increase the value of the Project Management Office; and support business unit initiatives.

There will be a regular evaluation cycle that keeps NASBA focused on its core mission by constantly making course corrections as needed, Vice President Barnicott explained. He will step in to strengthen committee work when requested. Committees' work will be coordinated and support tools, such as GotoMeeting and Sharepoint, will be utilized in conjunction with conference calls.

Through enterprise program tracking, Mr. Barnicott said a snapshot of NASBA's operations can be presented to President Bishop, to enable him to easily see where he should be focusing his attention. The Program Management Office will guide projects, as they support committees and business unit initiatives. Mr. Barnicott's assistance with the Ethics Committee, Global Strategies Committee, Enforcement Resources Committee and CPT Board were praised by the NASBA Board members. Chair Harris suggested Mr. Barnicott's services could also be offered to State Boards as a resource.

7. Report of the Administration and Finance Committee

Treasurer Smoll reported the A&F Committee had met on January 19 and decided to retain its current committee charge. He called on Michael Bryant, CFO and Senior Vice President, to guide the group through the financial report in the Board's packet. Mr. Bryant reported on the two PCS Board of Directors meetings he had attended as NASBA's representative since the prior year's sale. One minor variance from budget related to the projected earnings from the 20 percent equity investment in its former wholly owned subsidiary. No provision in the budget was made for NASBA's share of earnings or loss from the PCS investment due to the timing of the sale, June 15, 2011, and the timing of the budget presentation in July. As for NASBA, although there has been some softness in the Uniform CPA Examination's sections this year, projections are expected to hold up partially because IQEX's volume has been higher than anticipated. Treasurer Smoll noted that the severance costs related to the restructuring had all been booked, and it is anticipated they will be recovered by the end of the year. Overall, Mr. Bryant summarized NASBA and CPT are projected to end the year with operational results that are very close to budgeted amounts.

The consolidation and reorganization of the Nashville office is on track from a timing standpoint, but additional capital expenditures above budget of \$65,000 are anticipated, Mr. Bryant said. He elaborated further by stating that the changes to improved efficiency through consolidating operations and leveraging the space availability related to the IT restructuring were the reason and, of course, the budget presented at the July 2011 meeting could not have anticipated these events. An eight-year lease for the New York City office has been signed including the addition of 670 feet of space for a conference room. Lease rates over the term remain the same per square foot, Mr. Bryant reported. Although some additional tenant improvement dollars were negotiated, there is a projected capital budget shortfall of approximately \$10,000. President Bishop explained that the additional space will enable NASBA to accommodate representatives of non-US bodies who want to meet with NASBA while they are in New York. Another increase of approximately \$30,000 to the capital budget, Mr. Bryant reported, is the acquisition of a library of materials on which to build NASBA's foreign transcript evaluation service.

The Investment Committee of the A&F Committee had met with adviser Jim Meek on January 18, Mr. Smoll reported. Although the November 30 financial statements showed an investment loss of over \$700,000, as of the preceding Wednesday, the loss as of the Board of

Directors' meeting date was \$300,000. The investment adviser, Mr. Meek, has tilted NASBA's portfolio to get it into the position he thinks it needs to be, anticipating weaker than previously expected corporate earnings for 2012. Mr. Smoll said the investment committee is monitoring Mr. Meek's decisions under the new discretionary investment model and Mr. Meek will address the Investment and A&F Committees at the April meeting.

Mr. Bryant asked all the Board members to sign the NASBA conflict of interest statement and to return it to him. Mr. Odom made a resolution to have Mr. Bishop replace David Costello, former NASBA president, as trustee for the NASBA 401 K plan. Mr. Daggett seconded and all approved.

8. Report of the Continuing Professional Education Advisory Committee

Committee Chair Lodden reported the task force on the revision of the CPE sponsor standards had met four times since the NASBA Board last met. They looked at hundreds of pages of comments to the exposure draft, which resulted in some clarifications of the proposed standards as well as some wordsmithing. The NASBA CPE Committee met and approved these changes and then two meetings were held with the AICPA. The resulting standards were voted on and approved by the AICPA Board of Directors.

The new standards make it clear that sponsors who want to grant a half credit for 25 minutes of program instruction need to check with the state where the program is offered to see if that is acceptable. Other added standards include guidance on when a course is purchased from another developer and using a word count method to calculate the credit to be awarded for a course. The joint CPE Task Force has recommended the implementation date for group study be July 1, 2012 and for self-study in development as of July 31, 2012 the implementation date be March 1, 2014. On a motion by Mr. Lodden, seconded by Mr. Burkes, the standards were approved with the implementation dates as recommended by the joint task force. Mr. Lodden said a press release will be sent out and most of the sponsors already have the new standards.

9. Report of the Uniform Accountancy Act Committee

UAA Committee Chair Carlos Johnson reported the issue of foreign auditors, who are not licensed in a state coming in and reporting on companies that are supposed to have their home office in that state, has become the subject of many discussions of a UAA Task Force. Questions about what is the nexus of the company to the state have been raised. A proposal was made that a Model Rule be drafted to state that the principal office's location identified in the SEC's 10K should be the determinant. Some of the task force members see a problem with this simple rule and its unintended consequences are being considered with the assistance of legal counsel. After this is resolved, the UAA Committee will consider how to modify the UAA so that a foreign firm would be able to register with a state. Currently there is no pathway for this type of registration, Dr. Johnson said.

Mr. Allen said the SEC relies on the audit where they believe the audit firm is qualified to render the report. This was narrowed down to being in just one place – the principal executive office. The SEC is changing their templates to make it simpler for firms to determine where they need to be registered. They were looking at state registration and need cooperation from the State Boards.

The aim is to get some language that all the Boards can adopt, Mr. Bishop observed. Nevada and Washington have asked the Texas Board for the list of companies they have identified as practicing without a license and the successful cease and desist order that the Texas Board has used.

Committee Chair Johnson said the UAA Task Force on the definition of “attest” has been put on hold until additional guidance from AICPA and NASBA leadership is received. Dr. Johnson said he expects to have a broadened definition of “attest” ready for discussion at the Annual Meeting.

10. Report of the Global Strategies Committee

Committee Chair Tish showed the Board a video designed to advertise the Fifth International Accounting Regulators Forum, to begin on October 30, 2012, the Wednesday morning of the NASBA Annual Meeting in Orlando, FL. International issues of interest to all at the Annual Meeting will be presented during that morning and then the afternoon sessions will be for registered Forum attendees.

The Committee held a meeting to develop its goals and action steps and was assisted by Ed Barnicott in that effort, Chair Tish reported. The committee now has three main task forces: one focused on technical issues and monitoring international issues; another to develop the International Forum; and a third on communication and education.

Ms. Tish said the Global Strategies Committee wants to work with the Regulatory Response Committee when international exposure drafts are being considered.

11. Report from the Education Committee

Education Committee Chair Turner reported the request for proposals for the coming year’s NASBA education research grant will be issued shortly. Reports on this year’s grants are due on February 14, 2012. The Education Committee is talking about NASBA becoming a source of research data. Dr. Turner is monitoring the work of the American Accounting Association’s Pathways Commission, which is expected to release its draft report in February.

Mr. Hansen asked about how the research grant recipients were selected. Dr. Turner responded there are established criteria and a three-member subcommittee uses those to determine if the research is doable and if the results of the research will be usable by State Boards. Dr. Ray Johnson asked if topics for the research were suggested. Dr. Turner said that on-line there are some suggestions of topics the Education Committee would like to know about, but they do not want to get too many proposals on the same topic.

12. Report of the Regulatory Response Committee

Committee Chair Isserman reviewed the letter NASBA sent to the PCAOB opposing the proposed mandatory rotation of audit firms. The Committee worked with the Ethics Committee on NASBA’s letter to Congress supporting greater transparency of the PCAOB’s disciplinary procedures when they determine an investigation should be pursued.

Mr. Isserman said he had been asked if he thought NASBA should comment on the newly revised COSO report but he did not think there is a regulatory issue to be considered in this document, which is focused on management concerns.

13. Report of the CBT Examination Administration Committee

CBT Examination Administration Committee Chair Davenport reported the committee will meet on February 16, 2012 in Nashville. Among the topics they will be considering are: individuals who retest multiple times, score reporting and international examination administration.

14. Report of the Committee on Relations with Member Boards

Committee Chair Lodden reported the committee had discussed what is happening in their Regions, agendas for the 2012 Regional Meetings and New Board Member Orientation Program, NASBA's formal response process and the letter prepared for Congress about the PCAOB's transparency. The Committee believes its charge needs to be rewritten to indicate it serves as a resource for State Boards and, as elected representatives of the State Boards, the Regional Directors are ready to vet NASBA responses on key issues as described in the new procedure.

The Committee is eager to speak with Vice President Dan Dustin about how his role will coordinate with the Committee's efforts. Comments raised in the Regional Directors' Focus Questions need to be responded to by NASBA. President Bishop suggested that the Committee meet with Vice President Dustin after he has finished working through his process for interaction with the Boards.

Committee Chair Lodden said the Committee believes the strategic direction of NASBA, not just globally but also as an organization, should be the theme of the June Regional Meetings. It was suggested that model sample reports to legislators be worked into the breakout sessions, perhaps during the Communications breakout.

15. Report of the Committee on State Board Relevance and Effectiveness

Committee Chair Glover reported surveys had been sent out to assess the current independence status of the State Boards and to measure the State Board/State Society level of communication. Forty-one Boards responded on the independence survey and over 30 states' responses have been received on the communications survey. The communications survey, which went to both state board executive directors and volunteer leaders as well as state society executive directors and volunteer leaders, evidenced some disparity in their assessment of the communications level, Mr. Glover observed.

Mr. Glover said the committee is developing a model Board budget and a brochure each state can use to report on its enforcement activities to legislators.

The Committee has been holding conference calls and a face-to-face meeting is planned for May 10, 2012 in Dallas. The Committee is also anxious to know how they can assist Vice President Dustin. Mr. Glover reported the move to bring the Tennessee Board of Accountancy under an umbrella organization had surprised the Committee. President Bishop said the Tennessee Board had been told that NASBA was ready to help them in any way they can.

16. Report of the Communications Committee

Committee Chair Chickering reported the Committee had held a conference call in November and an in-person meeting in December. Chair Harris' challenge to the Committee had been to look at the NASBA meetings. Mr. Chickering said the committee members are looking at playing devil's advocate as they review current meetings.

There are three subcommittees: social media, meetings and conferences, and NASBA awareness. Mr. Chickering said the Committee is talking about finding ways to get to new State Board members, including those who do not attend NASBA meetings. Mr. Kenny has suggested a generic newsletter to go to all small states that they could tailor to their individual state's needs.

Mr. Burkett explained his subcommittee is trying to add spark to NASBA's meetings. This could be via a keynote speaker, more promotion, more breakout sessions, etc. Perhaps even have assigned seating at a luncheon. The subcommittee wants all the State Board members to know what NASBA can do for their states and the subcommittee will probably come up with some new suggestions, Mr. Burkett said. The subcommittee will hold a conference call during the week of January 23.

President Bishop said more needs to be done to coach the speakers to make better presentations. They should be using a teleprompter to help them be more polished. When people are videotaped several times, they can gain confidence through viewing their mistakes. Mr. Hansen said that when he was on an AICPA SEC Conference panel, he was given a five-page memorandum on how to prepare, stating what areas were out-of-bounds, what font sizes to use on slides, what colors, etc.

17. Report of the Ethics and Professional Issues Committee

Committee Chair Ray Johnson said the Committee had held several joint calls with the Regulatory Response Committee. The AICPA will be introducing its new codification of ethics standards, he reported. States are different in how they refer to the code of professional conduct: some do it in rules and some in statute. The Ethics Committee will try to get the codification on the Boards' radar screens to ensure they are aligned. This will be ongoing for a while.

Continuing from last year, an Ethics Committee subcommittee is looking at best practices for learning professional ethics and how that interacts with state CPE requirements. The Ethics Committee is finalizing a comment on the International Ethics Standards Board's proposal on independence violations and the AICPA Professional Ethics Executive Committee's proposal on client records.

As for the strategic issues being considered, some of the other NASBA committees are already looking at them, including inactive CPA status, CPAs in industry, investigator training and international issues, Dr. Johnson said. The Committee is also interested in how the State Boards interact with other regulators and how the regulators report back to the State Boards.

18. Enforcement Resources Committee

Committee Chair Parsons announced there is no more "enforcement manual": There is now an "enforcement resource guide." Mr. Parsons praised the editing being done on the guide by Noel and Brie Allen. The final cleanup of the guide will be handled by the NASBA communications department. The Committee held a conference call in January, will hold

another call in February and then the guide will be presented at the Executive Directors Conference for their review. Mr. Parsons said he hopes to present the guide to the NASBA Board in April. The Committee would like to include generic forms for interviews, complaints, investigations, etc. Currently the guide contains 40 pages of narrative and 40-50 pages of appendices that are actual forms from different states.

Mr. Parsons said the FBI may work with the Committee on developing its investigator training for white collar crime. A meeting with the FBI is being arranged. The Committee has also been asking the State Boards if they want investigator/specialists, and would they pay for those specialists or ask NASBA to pay, then have the reports go back to NASBA.

Linda Biek and Larry Gray have been successful in moving the government agency referral program forward. They have been working with the SEC to strengthen communications with the State Boards.

19. Report of the Executive Directors Committee

Committee Chair Hill reported the Committee held a conference call on January 13 and another call will be held prior to the Executive Directors' Conference in March. She outlined the conference's program, which will include: Viki Windfeldt discussing the enforcement resource guide, Mr. Glover covering the work of the State Board Relevance and Effectiveness Committee, Bill Treacy explaining the foreign auditor problem, Larry Gray describing the IRS PTIN program, Pamela Ivey outlining a customer service program she developed and Senior Vice President Bryant describing the FISH program.

20. Report of the Compliance Assurance Committee

Committee Chair Gray reported the Committee had held one conference call and another will be scheduled. The California Board had asked the committee for a letter describing NASBA's oversight of the National Peer Review Committee and that letter is being drafted by Ron Zurich. The Compliance Assurance Committee will try to make that an annual report. Another meeting with the AICPA Peer Review Committee is expected in early 2013.

Currently 25 firms require peer review team captain rotation and the AICPA asked NASBA to support the elimination of that requirement. Ms. Gray said her Committee had agreed with that request but said it needs to go through the NASBA approval process. Ms. Gray was asked why the NPRC wants to eliminate the team captain rotation requirement. She explained the team captain is more an administrator than an oversight person; he or she does not actually do the reviews. Mr. Daggett asked, "Couldn't the same independence argument for rotation of engagement partners be presented?"

Ms. Gray said the Committee had not been asked for anything in writing, but the Committee had unanimously decided not to oppose the change in the requirement. They see the team captain as the person who is just orchestrating the review. The Peer Review Committee was to consider this issue during their meeting January 19-20. Mr. Tredinnick said such a change would require the standards to be re-exposed.

Mr. Hansen said he would not get rid of the rotation requirement because a new face and new mind are needed. In the peer review world, when the same people do the same reviews they become buddies with the firms, Mr. Hansen observed. He said that is why peer reviews are not as strong as the PCAOB's firm inspections. Ms. Gray said that, in that case, perhaps even

smaller firms should require this type of rotation. There are safeguards built into the standards that came into effect in January 2011, she said.

Mr. Chickering asked Ms. Gray about the small states' request for the development of a multi-state peer review oversight committee. Ms. Gray agreed that the Northeast would be an ideal area for them to bring together a PROC. Mr. Glover asked if NASBA could do that and President Bishop said the staff would look into it. Mr. Parsons said it is being done in Nevada. Ms. Gray agreed that NASBA could assist with those states who wanted this. Chair Harris said the resources needed had to be considered and it might require a dedicated staff person. President Bishop said Vice President Dustin could determine what the real board need for this is.

Ms. Gray explained that a PROC matrix is being created that will help the Committee hone in on the states that are not getting things done.

21. Report of the Bylaws Committee

Committee Chair Burkes said the Committee had held one conference call and would have another in February or March. This year they have a clarification project on the agenda, including reorganization and re-numbering of the current NASBA Bylaws. They expect to present the re-numbering at the April Board meeting, but the reorganization may take longer. Discussions to continue from last year will be (1) term limits for standing and non-standing NASBA committees and (2) the need for a Board of Directors' policy manual.

Other items under discussion by the Bylaws Committee include: Nominating Committee issues, such as when should appropriate staff attend the Nominating Committee's meeting and the process for filling a vacancy on the Nominating Committee. Should the requirement that a Regional Director must have been at least a State Board member within the last six months be eliminated? Should there be term limits for Regional Directors and Directors-at-Large? Several Bylaws Committee members favored the creation of a compensation oversight committee. There were some members who felt the current voting process is outdated and that attendance at a meeting should not be required. Mr. Burkes said he did not expect the Committee to get to all of these items. He asked the Board members to send him any items the Nominating Committee needs to address.

Ms. Tish requested that more time on the agenda be allowed for the Bylaws Committee's report at the next Board meeting. Chair Harris observed that some topics on the Committee's list should be handled via policies and some by Bylaws. The Board of Directors will handle the policy issues. Mr. Isserman suggested a list of items under consideration by the Bylaws Committee should be presented to the Board because the Board may decide they should not be pursued. Chair Harris agreed.

Carlos Johnson noted a best practice for an organization of NASBA's size is to have a governance committee. He thought the Bylaws Committee should consider that idea.

22. Report on Accountancy Licensing Database

ALD Committee member Mr. Odom reported the ALD Committee had held a conference call in December and now has five "strike forces" working. They will meet at the March Executive Directors Conference. The Florida Board is expected to commit to fully participating in the ALD soon. Mr. Odom said he would ask the new ALD Manager, Elizabeth Bachhuber, to

come to the Board's next meeting. ALD now has 35 states on line and 16 committed to coming on line, Mr. Odom said.

The Committee is working to try to get CPAVerify to come up sooner on google. This can be done by paying for a better position or by building more buzz words into the Web site, Mr. Odom explained. He believes CPAVerify will become an asset to the public.

23. Report on the International Qualifications Appraisal Board

IQAB member Ray Johnson reported IQAB had last met in October. There is a mutual recognition agreement interpretation issue going on with Chartered Accountants Ireland, since a new directive in the European Union requires experience for recognition be earned in the country giving recognition. IQAB is in contact with the CAI to work this out.

Task forces are working to develop mutual recognition agreements with the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants in Scotland.

24. Report of the Audit Committee

Audit Committee Chair Tredinnick said the Committee had not yet met but they will meet in April or May for the initial planning meeting. Four of the five Committee members are new. Mr. Tredinnick reported he had signed engagement letters for NASBA (which includes a separate CPT financial statement audit report) and for the NASBA Employee 401(k) that are being sent to the auditors.

25. Committee Membership

Chair Harris said NASBA is working on its membership database. Denise Hanley is heading this project to include more information about each member. This will be very helpful in making committee appointments.

Letters are being sent out to request the \$50 annual associate membership fee.

26. Next Meeting

The next meeting of the NASBA Board of Directors will be held on April 26-27 at the Greenbrier in White Sulphur Springs, WV.

27. Adjournment

The meeting was adjourned at 3:35 p.m.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting April 27, 2012 – White Sulphur Springs, WV

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Friday, April 27, 2012 at the Greenbrier in White Sulphur Springs, WV, the Board took the following actions:

- Received a report from the Nominating Committee on their endorsement of Carlos E. Johnson (OK) for NASBA Vice Chair 2012-2013. Committee Chair Michael T. Daggett (AZ) called on the boards to submit to him by May 30 their candidate recommendations for all Regional Directors and three Directors-at-Large. In addition he asked for recommendations for Nominating Committee members from the Central, Middle Atlantic, Pacific and Southeast Regions be submitted to aholt@nasba.org by May 30.
- Learned from Chair Mark P. Harris (LA) that NASBA will embark on May 31 on a new strategic planning project, directed by NASBA Vice President-Strategic Planning & Program Development Ed Barnicott. The planning team will include four members of the Board of Directors, four NASBA senior staff members, two State Board members, and two State Board executive directors. They are expected to report to the NASBA Board in July.
- Received a report from Chair Harris on the summit meeting of NASBA and the American Institute of Certified Public Accountants' leaders held in February. He commended the Executive Directors Committee and their Chair Pamela Ives Hill (MO) for their excellent conference in March. Chair Harris requested recommendations for nominees to serve as NASBA representatives on the AICPA Professional Ethics Executive Committee, Auditing Standards Board, Board of Examiners and National Peer Review Committee.
- Heard from President and CEO Ken L. Bishop that as of June 1, 2012, John Johnson will join the NASBA staff as Director of Legislative Activities. Mr. Johnson is the former executive director of the Florida Board of Public Accountancy and has most recently served as the director of governmental affairs for the Florida Institute of CPAs. Mr. Johnson will work with the new Legislative Affairs Committee, chaired by Director-at-Large Donald Burkett (SC). President Bishop also reported on the progress of the building improvements being made at the Nashville and New York City offices.
- Learned from NASBA Executive Vice President and COO Colleen Conrad that the Washington Board voted at their Board meeting to use NASBA's new International Credential Evaluation Services, led by James Suh.
- Received a report on the financial results of the six months ended January 31, 2012 from Treasurer E. Kent Smoll (KS), who concluded NASBA is in "great shape." Senior Vice President and CFO Michael Bryant noted that while the funds from contributions

and programs for the Center for the Public Trust (CPT) were expected to be \$100,000 lower for the fiscal year than anticipated, NASBA's income was forecast to be up an equivalent amount. CPT President Alfonzo Alexander reported to the Board on its accomplishments and future plans, including the anticipated doubling of the number of CPT Student Centers within the year.

- Approved awarding accounting research grants to three projects, as outlined by Education Committee Chair Karen F. Turner (CO). Grants will be going to professors at DePaul University, Ball State University, Northern Kentucky University, University of New Hampshire and Indiana University.
- Approved the renumbering of NASBA's Bylaws, as presented by Bylaws Committee Chair Jim Burkes (MS). This will increase the ease of use of the Bylaws, he explained.
- Approved the Enforcement Resource Guide, as developed by the NASBA Enforcement Resource Committee and presented by Committee Chair Harry O. Parsons (NV), to be made available to the Boards' executive directors via the NASBA Website.
- Received a report from NASBA Vice Chair Gaylen Hansen (CO) on the Financial Accounting Foundation's panels on its "Plan to Establish the Private Company Standards Improvement Council," in which he participated as well as Billy Atkinson (TX), Elizabeth Gantnier (MD) and Teleford Lodden (IA). He also updated the Board on the panels on firm rotation and audit quality being conducted by the Public Company Accounting Oversight Board, as a member of the PCAOB's Consulting Advisory Group.
- Were updated on the activities of the International Accounting Education Standards Board by Pacific Regional Director Raymond Johnson (OR), NASBA representative on the IAESB Consultative Advisory Group. He called attention to an exposure draft of "IES2: Content of Professional Accounting Education Programs," that is expected to be released in the fall of 2012 and will be of interest to the State Boards.
- Learned from Director-at-Large Ken Odom (AL), a member of Accountancy Licensee Database Committee, that 35 Boards are now fully participating in the ALD and 14 more are in the pipeline. Daily audits of its content are being performed by NASBA staff.
- Received a report from NASBA Vice President for State Relations Daniel Dustin on his role as ombudsmen for the State Boards. He is scheduling visits to State Boards and will coordinate his efforts with the Regional Directors'.
- Heard from Continuing Professional Education Committee Chair Lodden that a seminar for CPE National Registry Sponsors will be held in September in Nashville. He announced a best practices (not standards) guidebook for Registry sponsors is being developed and expected to be launched on line July 1, 2012.

Next NASBA Board meeting scheduled for July 27, 2012 in Newport, RI.

Distribution: State Board Members and Executive Directors, NASBA Committee Chairs,
NASBA Board of Directors and NASBA staff directors

Executive Summary
January 29, 2012 – April 4, 2012
Regional Directors' Focus Question Responses
35 State Boards Responding

1. (a) Valuation as practiced by CPAs is largely an unregulated practice. If a complaint were to be filed in this practice area, what body of standards would your Board look to? (b) Are such standards directly mentioned in the Board's rules?

(a) Most frequently mentioned – AICPA Statement on Standards for Valuation Services. Also mentioned - National Association of Certified Valuators and Analysts.

(b) 13 say valuation standards are not mentioned in the Board's rules.

2. (a) What do your state's education rules specify as to acceptable university or college accrediting agencies? Many state education rules refer to accredited colleges or universities, and Article 5 of the UAA rules discusses *accreditation* in terms of levels. Some jurisdictions have indicated confusion about the meaning and level of accreditation along with differences in accrediting agencies. (b) Does your Board need more information on this subject?

(a) Most frequent response: Must be approved by regionally or nationally recognized accrediting agency (i.e., CHEA, AACSB, SASC, NEASC, NCASC, WSASC, etc.)

(b) Of 35 responses – 10 interested in more information; 14 not interested; others silent.

3. The AICPA will be concluding its ethics codification soon, converging with the standards of the International Accounting Ethical Standards Board. In order to appropriately respond to the exposure draft of the new AICPA Ethics Codification it will be very helpful to understand the following issues:

(a) Where is your state's code of professional conduct, in rules or in statute?

(a) Rules: AL, AZ, AR, CO, GU, HI, IA, ID, IN, KS, LA, MS, MO, NC, NE, NH, NM, NV, NY, OK, OR, RI, SC, SD, TN, TX, WA, WY, VA; Regs: AK, CA, ND, PR; Act: AZ, CA

(b) Does your state's code of professional conduct adopt rules as of a specific point in time? If yes, how often do you update your rules for changes in the AICPA Code of Professional Conduct?

(b) Yes-20; No-13

(c) Does your Board currently have plans for reviewing the new AICPA codification of the Code when it is exposed later this year? How will your state incorporate changes made in the AICPA codification of the Code into your rules/statute?

(c) Yes-23; No-10

4. What disciplinary actions taken by the Internal Revenue Service would trigger self reporting and/or opening a case in your state?

Most common answer: Suspension or revocation of the right to practice before the Service.

5. What is happening in your jurisdiction that is important for other State Boards and NASBA to know? Are there any issues with which NASBA can help your Board?

Among responses: WY-“Professional licensing-military members” Bill introduced could result in Wyoming becoming not substantially equivalent. CA-New educational requirements for CPA licensing beginning 1-1-2014. TX – Third Court of Appeals decision affirming the Board's authority to go into Executive Session to seek the advice of its attorney in a contested case proceeding.

See Regional Directors' Focus Question Report for details.

NASBA REGIONAL DIRECTORS' REPORT

The following is a summary of the written responses to focus questions gathered from the member boards by NASBA's Regional Directors between January 29, 2012 and April 4, 2012. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Telford ("Ted") A. Lodden (IA) – Chair, Committee on Relations with Member Boards,
Central Regional Director*

Jimmy E. Burkes (MS) – Southeast Regional Director

Jefferson Chickering (NH) – Northeast Regional Director

Miley ("Bucky") W. Glover (NC) – Middle Atlantic Regional Director

Janice L. Gray (OK) – Southwest Regional Director

Raymond Johnson (OR) – Pacific Regional Director

Kim Tredinnick (WI) – Great Lakes Regional Director

Karen Forrest Turner (CO) – Mountain Regional Director

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- 1. (a) Valuation as practiced by CPAs is largely an unregulated practice. If a complaint were to be filed in this practice area, what body of standards would your Board look to? (b) Are such standards directly mentioned in the Board's rules?**

Alabama – (a) Board's Rules of Professional Conduct –Section 30-X-6-.03(4) Other Technical Standards. (b)No.

Alaska – We have not had any valuation issues. It would depend on the type of complaint. We do not have any board rules in this area.

Arizona – (a) The Board's definition of the practice of accounting is....."Practice of accounting" means providing any accounting services, including recording and summarizing financial transactions, analyzing and verifying financial information, examining, reviewing and reporting on financial statements, reporting financial results to an employer, clients or other parties and rendering attestation, tax and management advisory services to an employer, clients or other parties. If the Arizona Board felt that valuation fit in their definition of practice of accounting it would be regulated, and as such, regulate CPAs who have been found incompetent in this matter. (b) Arizona would use the board's statutes and rules, which include the AICPA's Code of Professional Conduct by persuasion, but not conclusive.

Arkansas – (a) We have a generic board rule that states that "all licensees shall comply with professional standards in the performance of professional services." I am not aware of which body of standards governs the practice of valuation services, but if we had a complaint we would have to make that determination and then go from there. (b) Valuation services or the standards applicable to those standards are not specifically mentioned in our rules.

California – (a) The AICPA issued a Statement on Standards for Valuation Services in 2007. California Board of Accountancy enforcement staff follows this standard when conducting investigations regarding valuation services. Staff would also use the general standards contained in Rule 201 of the AICPA’s Code of Professional Conduct which require professional competence, due professional care, adequate planning, and the requirement to obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed. (b) The above standards in (a) are not directly mentioned in the California Board of Accountancy’s rules. However, California Board of Accountancy Title 16, California Code of Regulations (CCR) Section 58 states “Licensees engaged in the practice of public accountancy shall comply with all applicable professional standards, including but not limited to generally accepted accounting principles and generally accepted auditing standards.”

Colorado – (a) This practice area would fall within the scope of a CPA and the Board would look to the consulting standards and the valuation guidelines. (b) Yes.

Guam – (a) AICPA professional standards. (b) No, by reference only.

Hawaii – (a) (1) Statement on Standards for Valuation Services (SSVS) 1: Valuation of a Business, Business Ownership Interest, Security, or Intangible Asset; (2) Statement on Standards for Consulting Services No. 1. (b) No.

Idaho – (a) The Board would look to common law standards of negligence, gross negligence or fraud. (b) Any alleged violation would be governed by Idaho Code § 54-219(c) or (n) if the facts warranted a fraud complaint. This would require that the valuation would have been performed in a grossly negligent, dishonest or fraudulent manner. The Board could also utilize the generalized prohibition in § 54-219(o) which prohibits “any conduct reflecting adversely upon the licensee’s fitness to perform such services while a licensee.”

Indiana – (a) & (b) Our Board would look to the AICPA Professional Standards which is incorporated by reference into our rules.

Iowa – By rule, the Board will apply the Statements on Standards for Valuation Services. 193A Iowa Admin. Rule 13.9(3).

Kansas – Statements on Standards for Valuation Services and yes, they are included in our Regulations.

Kentucky – (a) Likely those promulgated by AICPA. (b) No.

Louisiana – We presume by using the term “unregulated” that you mean that the matter comes before boards of accountancy only infrequently. (a) The body of standards that the Board would refer to is the AICPA Statement on Standards for Valuation Services. (b) These standards are not directly cited, but the LA rules require licensees to comply with standards applicable to the engagement. Direct inclusion of the standards in the UAA rules may be a suitable topic for the UAA Committee to consider.

Mississippi – (a) AICPA Statement of Standards for Valuations Services, June 2007. (b) Mississippi Regulation 6.11. states that a CPA or firm permit holder shall conform to all professional standards applicable to the services being performed.

Missouri – We would look to the AICPA Statement on Standards for Valuation Services. The standards are not specifically mentioned in our Board rules, however; we do reference that a licensee shall comply with standards promulgated by the AICPA or by other governmental entities having similar authority as by the board for any professional service 20 CSR 20110-3.010(3).

Nebraska – (a) The Board has authority to access “other generally recognized standards” within Board regulations (Chapter 4.004.05) giving the Board discretion in determining what standards to apply in the valuation matter. The Board could apply the AICPA/ FVS, ABV standards or the NACVA standards if applicable. (b) The overall AICPA Standards are mentioned.

Nevada – Nevada would consider a complaint if the allegations include a violation of the Code of Conduct within the Independence of the Code as referenced in State Regulations. However, Nevada does not mention valuation practice standards within our rules or statutes.

New Hampshire – (a) The Board would refer to AICPA standards. (b) No.

New Jersey – (a) AICPA standards primarily. (b) No, not mentioned in the Board’s rules.

New Mexico – The New Mexico Board can look only to its statute, its rules, and the AICPA Code of Professional Conduct (which is adopted by reference in the Board’s rules). If the complaint falls outside of these three bodies of standards, the Board has no jurisdiction.

North Carolina – (a) The Board would reference the Statements on Standards for Valuation Services as promulgated by the AICPA. (b) These standards are a part of the Board’s Rules of Professional Ethics and Conduct cited at 21 NCAC 08N .0308.

North Dakota – We would look to the standards expected by the AICPA Code of Conduct, which our licensees are to follow, per our regulations.

Oklahoma – (a) We would look to the AICPA Code of Professional Ethics for guidance. (b) Oklahoma rules directly reference the AICPA Code of Professional Ethics.

Oregon – (a) The Oregon Board would look to “General Standards,” including, but not limited to, “Professional Competence and/or “Due Professional Care.” (b) Yes.

Puerto Rico – (a) AICPA SSVS #1. (b) No.

Rhode Island – (a) The Rhode Island Board of Accountancy always refers to the AICPA Code of Professional Conduct and Bylaws. (b) The standards are not mentioned in our rules and regulations/statutes.

South Carolina – We reference Professional Standards.

South Dakota – (a) Valuation practiced by a CPA is a regulated practice so the South Dakota Board disagrees with the opening sentence. Valuation reports are done in accordance with the AICPA Statement on Standards for Valuation Services Issued by the AICPA Consulting Services Executive Committee. From the Standards introduction and scope: Given the increasing number of members of the AICPA who are performing business valuation engagements or some aspect thereof, the AICPA Consulting Services Executive Committee has written this standard to improve the consistency and quality of practice among AICPA members performing business valuations. AICPA members will be required to follow this standard when they perform engagements to estimate value that culminate in the expression of a conclusion of value or a calculated value.

The Consulting Services Executive Committee is a body designated by AICPA Council to promulgate technical standards under Rule 201, *General Standards* (AICPA, *Professional Standards*, vol. 2, ET sec. 201.01), and Rule 202, *Compliance With Standards* (AICPA, *Professional Standards*, vol. 2, ET sec. 202.01), of the AICPA *Code of Professional Conduct*.

Here is the link to the full AICPA Statement on Standards for Valuation Services
http://www.aicpa.org/InterestAreas/ForensicAndValuation/DownloadableDocuments/SSVS_Full_Version.pdf

(b) The Professional Standards are referenced in our administrative rule 20:75:05:07.

Tennessee – (a) This Board would look to the AICPA's SSVS1 (Statements on Standards for Valuation Services) or to NACVA (National Association of Certified Valuators and Analysts).

(b) Those standards are not directly mentioned in the Rules of the Tennessee State Board of Accountancy.

Texas – Board rules incorporate “other recognized professional standards.” The Board would therefore investigate a complaint regarding consulting services using the AICPA Statements on Standards for Valuation Services.

Virginia – (a). The VBOA would first look to the AICPA's standards, particularly the consulting standards and any guidance that may have been issued on valuation. We would take a close look at the complaint, focusing on the specific facts and circumstances. If the standards have been violated, then the case would proceed through the enforcement process.

(b). To avoid potential problems with the VBOA's statute as changes to standards occur, the VBOA has taken an evergreen approach. The following wording is used by the VBOA relative to standards (§ 54.1-4413.3. Standards of conduct and practice.):

- Follow the Code of Professional Conduct, and the related interpretive guidance, issued by the American Institute of Certified Public Accountants, or any successor standard-setting authorities.
- Follow the technical standards, and the related interpretive guidance, issued by committees and boards of the American Institute of Certified Public Accountants that are designated by the Council of the American Institute of Certified Public Accountants to promulgate technical standards, or that are issued by any successor standard-setting authorities.
- Follow the standards, and the related interpretive guidance, as applicable under the circumstances, issued by the Comptroller General of the United States, the Federal Accounting Standards Advisory Board, the Financial Accounting Standards Board, the

Governmental Accounting Standards Board, the Public Company Accounting Oversight Board, the U. S. Securities and Exchange Commission, comparable international standard-setting authorities, or any successor standard-setting authorities.

Washington – Board rule, WAC 4-30-048 specifies that licensees must comply with all currently issued AICPA Statements on Standards and the AICPA Professional Code of Conduct unless a Board rule is more restrictive. Therefore, the investigation and enforcement unit would first look to the standards for attestation engagement, consulting services, and litigation services issued by the AICPA.

The Board rule further specifies that, if the professional services are governed by standards not included within the rule, then the licensee must:

- (a) Maintain documentation of why the enumerated standards do not apply;
- (b) Determine and document what standards do apply; and
- (c) Demonstrate compliance with the applicable standards.

Wyoming – The standards the Board would refer to are Statements of Standards for Valuation Services. The standards are referenced in Chapter 6, Section 3(f) of Board Rules and Regulations.

2. (a) What do your state's education rules specify as to acceptable university or college accrediting agencies? Many state education rules refer to accredited colleges or universities, and Article 5 of the UAA rules discusses *accreditation* in terms of levels. Some jurisdictions have indicated confusion about the meaning and level of accreditation along with differences in accrediting agencies. (b) Does your Board need more information on this subject?

Alabama – (a) Alabama's Rules require colleges and universities to be accredited by a regional accreditation board such as the Southern Association of Colleges and Universities. (b) No.

Alaska – No specific terminology – “academic credit from a college or university.”

Arizona – (a) Arizona's statute A.R.S. §32-721(B)(2) requires that certification applicants present satisfactory evidence from an accredited institution or a college or university maintaining standards comparable to those of an accredited institution that an applicant has completed at least 150 semester hours of education. The Arizona Board looks to the Council for Higher Education Accreditation (CHEA). (b) No, as it hasn't been a problem thus far but we would be interested in learning more from other jurisdictions to inform our process if necessary.

Arkansas – (a) For Level 1 and Level 2 universities or colleges, they must be accredited by a national accreditation agency that is recognized by the board, such as the AACSB International – The Association to Advance Collegiate Schools of Business. For Level 3 institutions, the school must be accredited by a regional accreditation agency recognized by the board such as the Middle States Association of Colleges and Schools or the Northwest Commission on Colleges and Universities. (b) Not at this time.

California – In California, at a minimum, education must be from a degree-granting university, college, or other institution of learning accredited by a regional or national accrediting agency included in a list of these agencies published by the United States Secretary of Education under the requirements of the Higher Education Act of 1965 (as amended). California does not need additional information regarding this subject.

Colorado – (a) The law specifies that a degree must be conferred by an accredited college or university with an approved accounting program approved by the Board, and has a concentration in accounting or what the Board determines to be the equivalent of an accounting concentration. (b) Yes. The Board would appreciate more information on US accreditation and foreign accreditation.

Guam – (a) Guam education rules re accreditation follow the UAA recommendations. (b) No.

Hawaii – (a) Hawaii Administrative rules section 16-71-17: Education “accredited by a regional or national accrediting agency or association recognized by the Secretary of Education under the requirements of 20 United States Code section 1099b, as amended”. (b) No.

Idaho – Rule 300(b) (i)The board recognizes any college or university accredited by the Northwest Commission on Colleges or Universities or any other regional association having the equivalent standards; (ii) any independent senior college in Idaho certified by the State Department of Education for teacher training; and (iii) Accounting and business programs accredited by the American Assembly of Collegiate Schools of Business (AACSB) or any other accrediting agency having equivalent standards.

Illinois BOE – The Board of Examiners recognizes regional accrediting agencies only when referring to accredited institutions. The Board also specifically recognizes AACSB and ACBSP in reference to accounting coursework. A session on accreditation would be very helpful during a regional or annual meeting as accreditation is often misunderstood. Our educational requirements will change effective July 1, 2013. (See Illinois Administrative Code, Title 23, Part 1400, Section 1400.90 The Educational Requirement, (c)(2)(H) and (c)(3)(A),(B) & (C).)

Indiana – (a) Our Rules define an accredited college as one which has been accredited by any of the following bodies: Middle States Association of Colleges and Schools/Commission on Higher Education, New England Association of Schools and Colleges, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools/Commission on Colleges, Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges. (b) The Board is open to receiving additional information. We have received requests by new accrediting bodies to be considered for inclusion in this group. As we receive those we will contact NASBA to find out more information about them.

Iowa – The statute only refers to colleges and universities “recognized” by the Board. Iowa Code § 542.5(7). By rule, the Board relies on accreditation by the American Assembly of Collegiate Schools of Business and the regional accrediting bodies listed in the Accredited Institutions of Post Secondary Education. Additional information would be useful as a questionable accreditation request was considered at the July 2011 meeting.

Kansas – We use the term “approved” but don’t have a list, per se. We look at a college on a case by case basis.

Kentucky – (a) (1) The educational requirements must be completed at a college or university within the United States that was accredited by one (1) of the following accrediting associations at the time the degree was granted:

- a. Middle States Association of Colleges and Schools;
- b. North Central Association of Colleges and Schools;
- c. New England Association of Schools and Colleges;
- d. Northwest Association of Schools, Colleges and Universities;
- e. Southern Association of Colleges and Schools; or
- f. Western Association of Schools and Colleges;

(2) The board may consult with a Kentucky state-funded four (4) year institution of higher education for assistance in evaluating the hours purportedly earned and the accreditation of an educational institution;

For schools outside the US: The course credits must be certified by the Foreign Academics Credentialing Service (FACS) or another credentialing agency that is a member of the National Association of Credential Evaluation Services, Inc.

The certification required shall state that the:

1. Foreign degree is equivalent to a baccalaureate or master’s degree earned in an accredited United States college or university as described in KRS 325.261 and this administrative regulation; and
2. Applicant had a major or concentration in accounting as defined in this administrative regulation.

A copy of the "Request for Advisory Evaluation of Foreign Credentials" form that FACS requires an applicant to use to request certification from its service.

(b) No.

Louisiana – (a) The Louisiana rules specify that applicants must have credit for not less than 150 hours of post-secondary, graduate, or postgraduate education at and by an accredited college or university approved by the Board. Under our rules an *accredited university or college* is one that is accredited by any one of the six regional accreditation associations. Louisiana rules do not refer to levels of accreditation. (b) Not at this time.

Mississippi – (a) Mississippi rules require that qualifying education credits be earned from a university/college accredited by one of the regional accrediting agencies including Southern Association of Schools and Colleges, Northwest Association of Schools and Colleges, New England Association of Schools and Colleges, Western Association of Schools and Colleges, North Central Association of Colleges and Secondary Schools or Middle States Association of Colleges and Secondary Schools. (b) No, Mississippi does not currently evaluate accreditation at the school level (such as School of Accounting) and it is not currently in discussion.

Missouri – (a) Our rules state: Any university or college accredited by the Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools or Western Association of Schools and Colleges is recognized by the board. The board may recognize as accredited, any university

or college accepted by two or more states for allowing a candidate to sit for the certified public accountant examination. (b) We would be interested in more information on the levels of accreditation.

Nebraska – (a) The Board changed its rules within Chapter 9 to those of Article 5 (UAA) regarding accreditation. (b) Yes.

New Hampshire –

(a) Yes (see below):

Ac 302.02 CPA Certificate Applicant Education

(b) An educational institution shall be considered by the board to be accredited if:

- (1) Approved by a member of a regional or national accrediting agency that is recognized by the United States Department of Education; or*
- (2) Approved by the American Assembly Of Collegiate Schools (AACSB).*

(b) No.

New Jersey – (a) New Jersey regulations are very specific to education accreditation.

New Mexico – The New Mexico Board rules specify that an individual must hold a bachelor's degree from a regionally accredited college or university (Level 1 accreditation). The six regional accrediting bodies are: Middle States Association of Colleges and Secondary Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Secondary Schools, Southern Association of Colleges and Schools, Western States Association of Schools and Colleges, and Accrediting Council for Independent colleges and Schools. Although the rules further indicate that a business school may be accredited by an agency such as AACSB (Level 2) and the accounting program may be accredited by an agency such as AACSB (Level 3), Level 1 accreditation is the benchmark for qualifying for the CPA Exam and for becoming licensed.

Nevada – Nevada rules specify that education must be obtained from an accredited college or university. Board staff states to individuals that the interpretation is that the school must be regionally accredited. There are many places that merely reference they are accredited, however without any oversight of these “accrediting institutions.” The Board will not accept any referenced accrediting agency only those that are regionally accredited. Nevada is comfortable in its decisions and approval of institutions. However, as the subject continues to be discussed, more information is always appreciated.

North Carolina – (a) The Board statute specifies the universities or colleges must be accredited by one of the Regional Accrediting Commissions – New England, Middle States, North Central, Northwest, Southern and Western. The Board does not reference accreditation levels in its statute and we have had no problem in using these accrediting commissions. (b) The Board would not require any information regarding this subject.

North Dakota – We have a relatively open policy – the college must be acceptable to the Board. This leaves it up to the agency to rule on a specific college. A DOE-accredited school would be accepted without concern. But we could accept others, and have, at least once, accepted an unaccredited school. We would conduct additional inquiry in a future case, to ensure for

example, that the SBA in the school's home state accepts them. This flexibility may not be workable for a larger state, with hundreds of candidates, but it is workable for our situation.

Oklahoma – (a) The Chancellor for higher education in Oklahoma establishes accreditation guidelines and follows Federal Department of Education guidelines. The Board would look to the Chancellor's office for verification or acceptance of a college or university's credentials. (b) The Board would welcome more information regarding this issue as it is confusing and difficult to verify various college and university's academic credentials.

Oregon – (a) Acceptable accreditation agencies are specified in statute (ORS 673.050) as "...one of the six regional accrediting associations..."

Puerto Rico – (a) Accredited by the Board of Higher Education of Puerto Rico, foreign universities and colleges that have equivalence with the University of Puerto Rico. (b) No.

Rhode Island – (a) Rules and regulations specify accredited Colleges, Universities or accrediting agencies must be recognized by the Board. (b) Yes. The Board needs more information to make informed decisions.

South Carolina – (a) South Carolina statutes specifically require colleges and universities to be accredited by the Southern Association of Colleges and Schools or any other regional accrediting association having the equivalent standards. We also accept up to 12 hours taught at Technical or Community Colleges where the UAA states a four year college.

South Dakota – (a) We accept regionally accredited schools through the membership of one of the following agencies – North Central, Middle States, New England, Northwest, Western and Southern Association of Colleges and Schools. (ARSD 20:75:02:12). (b) No.

Tennessee – (a) Rule 0020-2-.01(2) states that the Tennessee State Board of Accountancy will recognize those schools holding a membership in the following regional accrediting agencies: Southern Association of Colleges and Schools; Middle States Association of Colleges and Schools; New England Association of Schools and Colleges; North Central Association of Colleges and Schools; Northwest Association of Schools and Colleges; or Western Association of Schools and Colleges. It further states that a listing of accredited institutions is contained in the "Accredited Institutions of Post-Secondary Education" published by the American Council on Education for the Council on Post-Secondary Accreditation. (b) More information is always welcome! We are encountering more and more those institutions which provide education only through an online process. Information on those schools would be very beneficial.

Texas – This agency's rules specify that effective January 1, 2013, the colleges or universities must be accredited by the Council for Higher Education Accreditation (CHEA) and offer college course work that conforms with the Standards of the Texas Higher Education Coordinating Board or the Southern Association of Colleges and Schools and have a business school or accounting program accredited by the Association to Advanced Collegiate Schools of Business (AACSB) or the Accreditation Council for Business Schools and Program (ACBSP). This Board would always appreciate more information in this area.

Virginia – (a) The following is taken from the Virginia Board of Accountancy statute and regulations relative to accrediting agencies:

18VAC5-22-60. Determining whether a college or university is an accredited institution.

A. For the purpose of complying with subdivision A 1 a of § 54.1-4409.2 of the Code of Virginia, a college or university that is not accredited by one of the six major regional accrediting organizations listed in the definition of accredited institution in § 54.1-4400 of the Code of Virginia or their successors shall be considered an accredited institution if it is accredited by an accrediting organization recognized by the Council on Higher Education Accreditation (CHEA) or its successor. Publication of the name of the accrediting organization by CHEA or its successor shall be sufficient notification that the accrediting organization is recognized by CHEA or its successor.

B. To determine whether a college or university is an accredited institution if it is accredited by an accrediting organization that is neither one of the six major regional accrediting organizations or their successors, nor an accrediting organization recognized by CHEA or its successor, representatives of the accrediting organization shall meet with a task force appointed by the board to study and recommend to the board how the organization shall demonstrate that its accreditation process and standards are substantially equivalent to the accreditation process and standards of the six major regional accrediting organizations or their successors. The size and composition of the task force shall depend on the facts and circumstances. However, at least one of the members of the task force shall have substantial experience with the accreditation process and standards of the six major regional accrediting organizations or their successors.

After the task force provides its recommendations to the board, the board shall decide what the requirements shall be to demonstrate that the accreditation process and standards of the accrediting organization are substantially equivalent to the accreditation process and standards of the six major regional accrediting organizations or their successors and shall communicate its decision to the organization. The organization shall then provide the required documentation to the board that will enable the board to decide whether a college or university accredited by the organization is an accredited institution as defined in § 54.1-4400 of the Code of Virginia.

Code of Virginia, § 54.1-4400. Definitions.

"Accredited institution" means a degree-granting college or university accredited either by (i) one of the six major regional accrediting organizations-Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools, and Western Association of Schools and Colleges-or their successors; or (ii) an accrediting organization demonstrating to the Board periodically, as prescribed by the Board, that its accreditation process and standards are substantially equivalent to the accreditation process and standards of the six major regional accrediting organizations.

(b) The Virginia Board of Accountancy does not need additional information on this subject.

Washington – Board rule WAC 4-30-060, [www.cpaboard.wa.gov (go to Resources, Laws and Rules)] specifically identifies accredited colleges and universities as those accredited by a defined list of accrediting agencies. Furthermore, non-accredited educational institutions may qualify if one of the Board recognized evaluation services certifies that the degree granted by the non-accredited entity is equivalent to a degree from an institution that is a member of one of the Board recognized accrediting agencies. The Washington State Board would welcome more information.

Wyoming – A list of acceptable accrediting associations is included in Chapter 2 Section 2(c) of Board Rules and Regulations. Accreditation “levels” are not mentioned in the Chapter. At this time the Board does not feel it needs more information on this subject.

3. The AICPA will be concluding its ethics codification soon, converging with the standards of the International Accounting Ethical Standards Board. In order to appropriately respond to the exposure draft of the new AICPA Ethics Codification it will be very helpful to understand the following issues:

(a) Where is your state’s code of professional conduct, in rules or in statute?

(b) Does your state’s code of professional conduct adopt rules as of a specific point in time? If yes, how often do you update your rules for changes in the AICPA Code of Professional Conduct?

(c) Does your Board currently have plans for reviewing the new AICPA codification of the Code when it is exposed later this year? How will your state incorporate changes made in the AICPA codification of the Code into your rules/statute?

Alabama – (a) Rules. (b) No. (c) Yes. If changes to Alabama’s Rules are needed we will adopt rule changes in accordance with Alabama’s Administrative procedures Act.

Alaska – (a) Regulations. (b) Yes. No set schedule, when we are writing new statutes and regulations. (c) Regulations are reviewed and outdated references are updated when we can.

Arizona – (a) Arizona uses both statutes and rules regarding professional conduct. However, Arizona does not have a specific statute or rule entitled *Code of Professional Conduct*. (b) Yes, Arizona adopts the AICPA’s Code of Professional Conduct by rule as persuasive, but not conclusive and it is based on a point in time and rules need to be amended to incorporate later editions. (c) Arizona’s board always stays abreast to all changes in their profession. Currently, they do not have specific plans to review the new AICPA codification of the code. However, they are in the process of a total rewrite of their statutes and rules, which is a current project, and changes would include the possible incorporation of the latest version.

Arkansas – (a) Our Code of Professional Conduct is contained within an appendix to our Board Rules. (b) Our Code refers to Board Rule 8.2, which does reference professional standards in effect as of a point in time – this needs to be addressed through future rule changes. (c) This has not been discussed extensively, but I believe our plan would be to change our rules to make them “evergreen” to avoid the need for constant rule changes.

California – (a) The California Board of Accountancy’s code of professional conduct is in regulation and statute. Business & Profession (B&P) Code Section 5018 authorizes the California Board of Accountancy to prescribe, amend, or repeal rules of professional conduct through regulations. B&P Sections 5060 – 5063.3 and California Board of Accountancy Regulation Sections 50 – 69 contain California specific Standards of Professional Conduct. California Board of Accountancy Regulation Section 5 requires all CBA licensees to adhere to all the rules and regulations of the Accountancy Act. Title 16, California Board of Accountancy Regulation Section 58 states “Licensees engaged in the practice of public accountancy shall comply with all applicable professional standards, including but not limited to generally accepted

accounting principles and generally accepted auditing standards.” This subjects licensees to the AICPA’s Code of Professional Conduct. (b) The California Board of Accountancy statutes and regulations are not of a specific point in time. (c) The exposure draft will be shared with the board for their review and direction.

Colorado – (a) Rules. (b) Yes. The time frame would depend on what needed changing. (c) The Board may review the codification and determine whether it will incorporate the changes into the rules. The professional standards rules are currently under review.

Guam – (a) In Rules. (b) Only regarding the latest SAS70/SOC1-2-3 changes, not for ethics standards. (c) Such changes are incorporated by our rules including amendments to the AICPA Code of Professional Ethics.

Hawaii – (a) Hawaii Administrative Rules section 16-71-61 through 16-71-64. (b) No. (c) Yes; any administrative rule amendments to be proposed by the Board’s Ethics Committee will be considered for adoption through the administrative rule-making process pursuant to Hawaii Revised Statutes chapter 91.

Idaho – Idaho’s Code of Professional Conduct is in the Idaho Accountancy Rules, Subchapter E. At this point, we have not put definite plans into place for reviewing the new AICPA codification of the Code. We feel that we will need to take a look at the changes, however, and then determine a course of action in how we will incorporate potential changes which are made.

Indiana – (a) Rules. (b) No; we update as necessary. (c) No; depends on the extent of the changes. If wholesale changes to the text occur a normal rulemaking must be conducted. If the sections stay the same, we should be able to accomplish the update through an emergency rulemaking procedure that was recently codified.

Iowa – The Board has adopted Rules of Professional Ethics and Conduct, 193A Iowa Admin. Code chapter 13. The Board has not incorporated by reference the AICPA Code of Professional Conduct, but would consider it where not in conflict with board laws or rules and if helpful in applying board rules to particular conduct. The licensee must comply with the standards applicable to the type of work product as in effect when the work was performed. There are general rules applicable to all types of services, and specific provisions for attest, compilation, tax, and consulting, advisory, and other accounting services. If there are changes to the AICPA Code of Professional Conduct, it is likely the board would consider them in the future.

Kansas – (a) Rules. (b) Yes. Yearly. (c) Yes. We will determine incorporation of any changes at the time they are adopted by the AICPA, as they apply to Kansas regulatory needs and requirements.

Kentucky – Not sure at this point.

Louisiana – (a) Rules. (b) N/A. (c) It is expected that we will review the exposure draft when it is released. If changes to the Louisiana rules of conduct are deemed appropriate by the Board, the Board would commence rulemaking under state administrative procedure.

Mississippi – (a) Mississippi's has its own Rules of Professional Conduct as part of its Rules and Regulations. (b) Mississippi's Rules of Professional Conduct do not reference the AICPA Code of Professional Conduct. (c) The Mississippi Board will review the codification and make comments if it determines it's necessary. Changes to the Board's Rules of Professional Conduct are made independent to the AICPA code.

Missouri – (a) The statutes point to the rules, which specify the AICPA code of professional conduct. (b) Yes, we are required to do so by Missouri law. Annually. (c) Yes, we will review the codification. It will be once we are able to update the date in reference to the Code in our rules.

Nebraska – (a) Rules/ Chapter 5. (b) No, again very general and the ability to apply other applicable standards and not time sensitive. (c) Will review for any significant changes that could be applied and/or update our current regulations.

New Hampshire – (a) In administrative rules. (b) Rules must be updated at least every eight years. (c) Not currently, references will be updated in future rulemaking.

New Jersey – (a) Both regulations and statutes. (b) The regulations are updated periodically. (c) The Board is strict about AICPA Code of Conduct. The Board does not change rules because AICPA changes Code of Conduct.

New Mexico – (a) The New Mexico Board's Code of Professional Conduct is found within its rules. (b) The New Mexico Board adopts by reference the AICPA Code of Professional Conduct; therefore, there is no need for the Board to amend its rules to reflect changes in the AICPA Code of Professional Conduct. (c) The New Mexico Board does not have specific plans to review the new AICPA codifications.

Nevada – (a) Nevada references the Code of Conduct within its Rules – Administrative Code. (b) Yes, Nevada is required to specify a certain edition when referencing items. Therefore, the last edition noted in regulations is the 2003 edition. We are hoping this will be removed in our next regulatory amendments. (c) The Board will attempt to get the date removed so that the new edition can be considered.

North Carolina – (a) The Board's Code of Professional Ethics and Conduct is in its rules, North Carolina Administrative Code Title 21 Chapter 08 Subchapter 08N. (b) The Board adopts rules at a specific point in time. 21 NCAC 08N .0101(b) allows the Board to give consideration to relevant interpretations, rulings and opinions issued by ethics committees of professional organizations such as the AICPA. The Board adopts numerous standards in the rules for practice such as the Statements on Standards for Tax Services issued by the AICPA which has language in the rules stating "including subsequent amendments and editions". (c) The Board will review the new codification of the AICPA Code but the changes do not require incorporation pursuant to 21 NCAC 08N .0101(b).

North Dakota – (a) It is in regulation, by reference to the AICPA Code. (b) We have a standing, blanket reference to the AICPA Code. (c) There are no current explicit plans, but we will be aware of the changes, and can readily address any concerns that may arise.

Oklahoma – (a) The Oklahoma Code of Ethics is found in Oklahoma Accountancy Board Statutes. Oklahoma Statutes specifically reference AICPA Code of Professional Conduct. (b) Oklahoma Statutes are evergreen so whenever the AICPA Professional Code of Conduct is amended, no action is needed. (c) The Oklahoma Accountancy Board will be reviewing all changes to the AICPA Professional Code of Conduct. (See (b).)

Oregon – (a) Rules (OAR 801-030). (b) The Oregon Board generally updates its rules annually. If applicable changes in the AICPA Code were known to the Board, our rules would be modified accordingly. (c) See (b) above.

Puerto Rico – (a) Specific Regulation for COA Code of Ethics. (b) AICPA Code of Ethics and amendments adopted in 1988. The regulation indicates that subsequent changes of the Code are adopted by the Board by reference. (c) No as they are adopted by reference each time they change.

Rhode Island – (a) The State's code of professional code is in the rules and regulations. (b) When the AICPA updates the code of professional conduct, Rhode Island automatically updates. (c) This is also automatically updated.

South Carolina – (a) In July 2004 the Board adopted the AICPA's Code of Professional Conduct to substitute for any local ethical rules in statute. (b) We do not reference a specific point in time. (c) Yes, if the Board accepts all of the changes we would not have to do anything. If we have an issue with a section we would have to make a provision in the statute.

South Dakota – (a) Rule 20:75:05:07. (b) Yes. We try to have a rules hearing at least annually. (c) We do not have any current plans, but when the codification is exposed we may form a committee to review the changes and how those changes need to be implemented into our rules.

Tennessee – (a) Tennessee's code of professional conduct is located in Rules in Chapter 0020-3. (b) Tennessee's code does NOT adopt rules as of a specific date. We do refer to the AICPA Code of Professional Conduct with the statement that the AICPA Code governs when our rules are silent on any matter. But again, no specific date is mentioned, so that any changes to the AICPA Code does not necessitate a change in rule. (c) Tennessee does plan to review the new AICPA codification and will propose a rule change only if there is something in the new codification which conflicts with our current rules or if there is something additional which could not be adopted without a rule change. As previously indicated, we reference the AICPA Code, but not a specific date so anything that is changed in the AICPA Code will be automatically adopted.

Texas – (a) Rules. (b) The Board's Rules of Professional Conduct are not adopted for a specific time but are routinely and continually updated. (c) The Board will monitor and review the AICPA's codification and make changes to its rules where appropriate.

Virginia – (a) The Virginia Board of Accountancy's code of professional conduct is found in statute – Code of Virginia, § 54.1-4413.3. Standards of Conduct and Practice. (b) No, the Virginia Board of Accountancy statute does not reference specific rules or a specific point in time. To avoid potential problems with the Virginia Board of Accountancy's statutes as

changes to standards or the Code occur, the Virginia Board of Accountancy has taken an evergreen approach. The following wording is used by the Virginia Board of Accountancy relative to standards and the Code:

- Follow the Code of Professional Conduct, and the related interpretive guidance, issued by the American Institute of Certified Public Accountants, or any successor standard-setting authorities.
- Follow the technical standards, and the related interpretive guidance, issued by committees and boards of the American Institute of Certified Public Accountants that are designated by the Council of the American Institute of Certified Public Accountants to promulgate technical standards, or that are issued by any successor standard-setting authorities.
- Follow the standards, and the related interpretive guidance, as applicable under the circumstances, issued by the Comptroller General of the United States, the Federal Accounting Standards Advisory Board, the Financial Accounting Standards Board, the Governmental Accounting Standards Board, the Public Company Accounting Oversight Board, the U. S. Securities and Exchange Commission, comparable international standard-setting authorities, or any successor standard-setting authorities.

(c) The Virginia Board of Accountancy will make the determination of whether to review the new AICPA codification of the Code at the time the exposure draft is released. The Virginia Board of Accountancy will not have to make changes to its statute or regulations.

Washington – (a) Board rule, WAC 4-30-040 through WAC 4-30-058 with reference in WAC 4-30-048 to the AICPA Code of Professional Conduct, i.e. you must first comply with the AICPA Code, then assess that guidance against the Board code and then determine if Board rule trumps the AICPA because Board rule is more restrictive. (b) Rule history is codified within each rule publication; Changes in the Board rule re Ethics and Prohibited Practices may change independent of AICPA changes. (c) Yes, the Board and Executive Director will separately review the codification; Changes in the Board code may be made independent of the changes incorporated in the codification.

Wyoming – Rulemaking will begin in March. Draft Rules with changes are provided to the Board at the May meeting. When the Rules become final, the Codification will be incorporated by reference. The Board does not have a plan to review the Codification. When it is released in final form, the Board will determine at that time how it chooses to address it.

4. What disciplinary actions taken by the Internal Revenue Service would trigger self reporting and/or opening a case in your state?

Alabama – Suspension or revocation of the right to practice before the Internal Revenue Service.

Alaska – Our investigator does not correspond or work with the IRS. Per the investigator, “someone would have to complain.” We are working on this.

Arizona – This question is best answered by Arizona Administrative Code R4-1-456, which is not limited to the IRS. The specific section of this rule relating to the IRS is subsection (A)(1),

which states that “Any suspension or revocation of the right to practice accounting before the federal Securities and Exchange Commission, the Internal Revenue Service, or any other state or federal agency.” That said, all Arizona registrants must report other final judgments in civil actions or administrative proceedings regarding fraud, accounting violations, dishonesty, misrepresentation, breach of fiduciary duty and negligence in the practice of public accounting. In addition, all Arizona registrants must report any felony regarding the same and embezzlement, theft, forgery and perjury.

Arkansas – Any disciplinary action taken by the IRS would trigger reporting on our annual renewal. A more severe action that resulted in suspension or revocation of practice privileges before the IRS would require self reporting within 30 days. An investigation may or may not be opened depending on the facts involved.

California – B&P Code Section 5063 contains the ‘self-reporting’ requirements for licensees. Section 5063(a)(3) requires licensees to self report, the cancellation, revocation, or suspension of the right to practice as a certified public accountant before any governmental body or agency. “Any government body or agency”, encompasses the Internal Revenue Service (IRS). This reporting must be made to the California Board of Accountancy within 30 days of the date the licensee has knowledge of the action by the IRS.

Colorado – All disciplinary actions imposed against CPAs by the IRS would trigger self reporting.

Guam – Revocation or suspension of the right to practice (before any federal agency).

Hawaii – The Board receives no automatic or scheduled notification from the Internal Revenue Service regarding its disciplinary actions; therefore, any reports or complaints received from the public and other sources, as well as staff-initiated complaints, are referred to the Regulated Industries Complaints Office, the enforcement agency of the Department of Commerce and Consumer Affairs.

Idaho – Any censure, suspension, disbarment, or disqualification by the IRS of any Idaho license.

Indiana – In the event that the Board was informed of a disciplinary action taken by the IRS, the information would be referred to the Office of the Attorney General (OAG) for prosecution. If an administrative complaint is warranted, the Board can take necessary action.

Iowa – The Board can take disciplinary action against a licensee upon the suspension or revocation of the licensee’s right to practice before a federal agency, including the IRS. Iowa Code § 542.10(1)(h). Such action must be reported by a firm within 30 days. 193A Iowa Admin. Code 7.7(4). An individual CPA reports convictions of crimes or action by other licensing authorities within 30 days, but as currently written, this would not include action by the IRS and the rules should be examined as a result. 193A IAC 5.8.

Kansas – Suspension, disbarment, preparer penalties – any disciplinary action taken by the IRS.

Kentucky – Disciplinary action by the IRS may result in the Board imposing some type of sanction.

Louisiana – Disciplinary actions or investigations require a disclosure by the licensee when licenses are renewed annually. The matter would be reviewed to determine if there is a basis to open a case.

Mississippi – If IRS debarred or suspended a Mississippi CPA licensee/firm practice before it. Also, if IRS referred a licensee to the Board and listed prohibited conduct or competence issues.

Missouri – Any actual disciplinary action would require the licensee or firm to provide notice to the board and we may open an investigation of the case.

Nebraska – Title 31 violations reported within the IRS Bulletin.

New Hampshire – License renewal includes self reporting (see below):

Ac 401.04 Renewal Forms.

(5) A statement as to whether, since the original issuance of the certificate or the last renewal, whichever is later, the applicant's practice privileges before any governmental agency or tribunal in any jurisdiction was in any way sanctioned or altered, and if so, a complete explanation of all material facts.

New Jersey - The Board frequently evaluates self reporting during renewals only if convicted.

New Mexico – The Board's rules indicate that an individual is required to report the cancellation, revocation, or suspension of the right to practice as CPA before any governmental body, agency, or other licensing agency.

Nevada – Nevada would consider any violations and review the information as provided through a complaint and/or self-reporting. The rules indicate that any disciplinary action taken by another agency would be grounds for reporting to the Board.

North Carolina – The Board would consider any disciplinary action taken by the IRS against a licensee to trigger the reporting of the disciplinary action to the Board pursuant to 21 NCAC 08N .0208(b). A case would be opened to investigate the disciplinary action taken by the IRS.

North Dakota – Self-reporting is not mandated within our regulations. Disciplinary action by the IRS of any kind could potentially trigger examination and action by the Board. North Dakota law specifically states that the board may take various discipline actions in such cases as suspension of rights to practice before any state or federal agency, and gross negligence (etc.) re. filing of one's own tax returns.

Oklahoma – If the Oklahoma Accountancy Board became aware of a situation involving negligence, fraud, or any act disreputable to the Profession, an enforcement case would be established to investigate and take appropriate action.

Oregon – Any disciplinary action would trigger self-reporting. The opening of a case would depend upon the nature of infraction which gave rise to the IRS discipline.

Puerto Rico – 1. Fraud related. 2. Not filing its income tax return. 3. Assisting in the preparation of fraudulent tax returns. 4. Money laundering. 5. Any other illicit act.

Rhode Island – There are no actions that would trigger self-reporting and/or opening a case in Rhode Island.

South Carolina – Anything related to failure to pay taxes or substandard work.

South Dakota – Any disciplinary action taken by the IRS on a licensee would require self reporting. Examples could be a preparer penalty or their practice privileges being revoked.

Tennessee – Disciplinary actions taken by the Internal Revenue Service which would trigger self-reporting and the opening of a complaint would be suspension or revocation of the right to practice before the Service. In addition, failure to file personal tax returns would trigger opening a complaint.

Texas - Revocation, Suspension, or Voluntary Consent decree concerning the licensee's right to practice before the IRS. Licensees must report to the Board any unappeal adverse findings.

Virginia – The revocation or suspension of the privilege of practicing before the IRS would be cause for the Virginia Board of Accountancy to open an investigation. However, any disciplinary action taken by the IRS against a Virginia licensee would be cause for a potential investigation.

The Virginia Board of Accountancy does not REQUIRE self reporting of disciplinary action; however, the Virginia Board of Accountancy standards of conduct and practice states that a Virginia licensee:

- Exercise sensitive professional and moral judgment in all activities.
- Act in a way that serves the public interest, honors the public trust, and demonstrates commitment to professionalism.
- Perform all professional responsibilities with the highest sense of integrity, maintain objectivity and freedom from conflicts of interest in discharging professional responsibilities, and avoid knowingly misrepresenting facts or inappropriately subordinating judgment to others.

Accordingly, Virginia licensees must make self-reporting determinations using the standards of conduct and practice, and their conscience, as a guide.

Washington - WAC 4-30-030 and 4-30-036 require self reporting upon notification of orders or sanctions imposed by the IRS or charges filed by the SEC, PCAOB, IRS or any other state or federal taxing authority.

The Washington State Board would investigate:

- (a) Any of the matters outlined above;
- (b) Any other disciplinary action taken by the Internal Revenue Service (OPR); and

- (c) Complaints of alleged incompetency, negligence or gross negligence in the course of offering or providing tax return preparation, advice, or representation before the IRS (usually accompanied by sizeable monetary IRS penalties).

Wyoming – Chapter 3 Section 6 refers to what precipitates self-reporting of an issue. (d)(iii) Refers to: the denial, cancellation, revocation, suspension, or refusal to renew the authority to practice as a CPA by any state, federal agency or foreign authority for any cause other than failure to pay a fee.

5. What is happening in your jurisdiction that is important for other State Boards and NASBA to know? Are there any issues with which NASBA can help your Board?

Alabama – Alabama's Governor has announced that the administration is considering consolidating several agencies. Political inquiries have revealed that in 2012 minimal agency consolidations may be attempted but in 2013 the administration is planning substantial consolidations of agencies focusing on Alabama's professional and occupational licensing boards. NASBA's help will be needed to fight off the administration's efforts to consolidate the Alabama State Board of Public Accountancy into some kind of an umbrella agency and the potential seizure of Board funds by the state.

Alaska – We are looking at active-inactive-retired licenses, semi-independent board issues, completing firm ownership and hiring an Executive Director.

Arizona – We just started a controlled rollout of our new on line renewal system in March 2012 and early results have been successful with positive survey results.

California – New Educational Requirements for CPA Licensure Beginning January 1, 2014
Legislation passed in 2009 will require that applicants for California CPA licensure, beginning January 1, 2014, complete an additional 20 semester units of accounting study and 10 semester units in ethics study. In September 2011, the California Board of Accountancy began the rulemaking process to establish the requirements for the 20 semester units of accounting study. The California Legislature passed legislation on September 26, 2011 establishing the 10 semester units of ethics study in the Accountancy Act. The California Board of Accountancy is working diligently distributing information to students, licensure applicants, licensees, and other "interested parties" to get information out related to the 2014 educational requirements. One means we have used to achieve this end is to conduct a series of Open Houses, inviting college and university faculty and other stakeholders to meet with California Board of Accountancy members and staff to get answers regarding the new education requirements. The California Board of Accountancy would like to direct interested parties to www.dca.ca.gov/cba for more information about the new educational requirements.

Retired License Status Option. The California Board of Accountancy will soon be joining approximately 20 other state boards of accountancy in offering a retired license status to licensees. Assembly Bill 431, signed into law on October 2, 2011, allows the California Board of Accountancy to establish a retired license status. The California Board of Accountancy is presently in the process of establishing regulations that specify minimum qualifications and other

criteria related to the retired status license. The new status will become available to licensees in 2013.

Fingerprinting Requirements. Prior to January 1998 individuals applying for a CPA license were not required to submit fingerprints as a condition of licensure. Beginning July 1, 2014, any licensee who has not previously submitted fingerprints and successfully completed a state and federal level criminal offender record check, will be required to do so prior to license renewal.

Continuing Education. In the area of continuing education (CE), a new requirement took effect on January 1, 2012. Licensees renewing in an active status are now required to document completion of a minimum of 20 hours of CE in each year of the license renewal period, including 12 hours in technical subject matter, as part of the total 80 hours required for active status license renewal. Additionally, the CBA is currently drafting regulatory language to reduce the Fraud CE requirement from 8 hours to 4 hours.

Peer Review. The California Board of Accountancy implemented a mandatory peer review program for CPA firms in 2010. Under the peer review program, in order for a firm to renew its registration the firm will have to undergo a peer review of its accounting and auditing practice administered by a California Board of Accountancy recognized peer review provider. The legislation creating the California Board of Accountancy peer review program requires a report to the Governor and the Legislature on the effects the peer review program is having on smaller CPA firms by January 1, 2015.

Colorado – The staff is currently conducting a CPE Audit for 2012 and in the future may need help developing an electronic system for reporting CPE, uploading the certificates, etc.

The Board is currently updating its rules in the area of education requirements, firm registration requirements, peer review, professional standards, CPE requirements and certificate maintenance requirements.

NASBA can help the Colorado Board with foreign evaluations and other application review and processing matters that are currently being worked on.

Guam – (a) +60% loss of the Japanese CPA candidate base sitting in the Guam Computer Testing Center (GCTC) during the first two windows (Aug - Nov 2011) of international exam administration in Japan; Less than half presumed due to 2010 year-end "loading" before exam changes took effect given the Korean candidate base reductions of 25-28%, coupled with a 41.6% drop in PAID GCTC exam candidates from August-December 2010 to August-December 2011 (this drop is devoid of 2010 year-end loading as GCTC was fully booked by end of July 2010 with minimal exceptions) and fact that for the first time in GCTC history sitting Korean candidates exceeded sitting Japanese candidates; estimated loss of 900-1100 Japanese candidates worth about US\$150,000 in total GCTC+Board revenues and approximately US\$1.0MM in Guam tourism spending; extrapolating to a full year anticipates a loss of 1800 Japanese candidates sitting for 2900 sections resulting in a direct reduction of US\$320,000 in GCTC+Board revenues and US\$1.9MM in Guam tourism receipts; perceived positive benefit perhaps minimal Japan-US balance of trade improvement?!?

(b) Need to know timeline for international exam administration in Korea?

(c) Efforts to streamline the visa process for Chinese candidates to test at the GCTC, involves US Embassy meetings to recommend potential Chinese schools for program consideration, due diligence on such schools and enhancing relations between such Chinese schools and the University of Guam; thankful for NASBA assistance with cost of due diligence efforts!

(d) Board support of the Becker/University of Guam program to support presentation of the review program to Guam resident CPA exam candidates by reimbursing materials costs (about US\$1,600 per candidate)

Hawaii – The Hawaii Board is researching the possibility of changing its licensing model from a two-tiered configuration to a one-tiered structure. To this end, the Board will be requesting assistance from NASBA for information and guidance.

Indiana – Our triennial license renewal begins next month with an expiration of 6/30/2012.

Iowa – Funding for our small bureau continues to be a struggle. We have received notice of additional proposed budgetary cuts this year. Perhaps an outside agency reminding our legislative bodies that ultimately control the budget that we are truly protecting the public with our efforts would be a help.

Mississippi – NASBA should remain focused on full support of the Boards of Accountancy. For example, the Boards should be the only jurisdictions by which candidates may apply for the Uniform CPA Examination.

Missouri – House Bill 1297 is being proposed and if passed would require the acceptance of military education to meet the educational requirements to sit for the CPA Examination.

Nebraska – The Board has two major projects underway including review of the Board's current two year (within a CPA firm; under a CPA) experience requirement. The Experience Work Group was formed to start a review of the requirement and consider if other forms of experience should count (UAA requirements). Additionally, the Board is reviewing its Quality Enhancement Program (QEP) to determine if the Board should continue review of CPA firm attest work at no cost. The QEP Task Force was developed to assist the Board in this review. Early recommendations include ending the Boards program and require a Peer Review like most Boards.

The Accountancy Licensing Library (ALL) was helpful in developing early information for the EWG project.

New Hampshire – (1) SB 407 establishing an office of professional licensure and transferring administrative and clerical operations of certain professional licensing and certification boards to the office. (2) Amendment to SB226 Increasing the Board's Fining Authority. (3) It would be helpful if NASBA had a National Disciplinary Database so that self reporting of disciplinary action on renewals could be cross checked.

New Mexico – Five of the six remaining Board members are serving on expired terms, as the Governor has not replaced them or reappointed them. The seventh Board member resigned, and the Governor has not filled his position. For this reason, the Board is maintaining the status quo but is not undertaking any rulemaking at this time.

Oklahoma – The Oklahoma Accountancy Board has noticed an increase in instances where candidates have passed the examination in a jurisdiction, who have been hired and then

transferred to another jurisdiction where education requirements do not match the original jurisdiction. This creates problems with the candidate attempting to acquire initial licensing.

Oregon – (1) The Oregon Board will launch a new online licensing system for individual licensees who must renew on July 1, 2012. (2) We will again seek the passage of legislation to grant semi-independent status to the Board.

Puerto Rico – We are currently waiting for the approval of a project which will require one year experience before issuing the CPA License for practice in Puerto Rico.

Rhode Island – One position was eliminated in the Board office. Also, the lack of legal counsel and budgetary issues.

South Carolina – (a) On March 13th Governor Haley signed Tax Conformity legislation into law with the support of our Board and the South Carolina Association of CPAs. (b) New Labor, Licensing and Regulation director Holly Gillespie Pisarik, Esq.

Tennessee – Tennessee has been the subject of legislation which would have stripped the Board of any hiring authority for its Executive Director and Investigators and which would have given the Governor the authority to appoint Board members without any vetting process in place. This appears to have been taken off the table during this session, but may come up again in the future. NASBA has provided support during this time which is greatly appreciated!

Tennessee has also adopted a rule change which we believe will assist us in enforcing mobility. If a licensee has ever held a license to practice public accountancy in the State of Tennessee, that license MUST be in good standing for the licensee to practice in this state via mobility. The license does NOT have to be ‘active’: it can be CLOSED which is considered a ‘good’ status. However, the license may not be ‘EXPIRED,’ ‘SUSPENDED,’ or ‘REVOKED.’

Texas – Third Court of Appeals decision affirming the Board’s authority to go into Executive Session to seek the advice of its attorney in a contested case proceeding.

Virginia – The Virginia Board of Accountancy is currently in the second of a three stage process to implement a new (increased) fee structure. It is the Virginia Board of Accountancy’s goal to implement the new fee structure by January 1, 2013.

Washington – (a) The Board is in the rule making process to require Peer Review for all engagements subject to audit, review, compilation, or other attestation standards. The success of that proposal is subject to a current analysis of the financial impact on CPA firms and an Executive Order to limit rule making unless clearly required to protect the public interest.

(b) The Board has established a task force to evaluate the completeness of foreign education credit evaluation service reports and assessing whether statutory or rule changes may be necessary in view of the increase in applications for licensure from foreign based applicants.

(c) The Executive Director is coordinating with NASBA staff on the foreign education issue.

Wyoming – A bill has been introduced – SF0092 – which, if it is passed into law in its original or amended version, **would result in Wyoming becoming NOT substantially equivalent.** The bill is titled “Professional licensing – military members.” The way the bill and the amendment

read, military members would have the right to be issued a certificate, license or registration based solely on work experience gained in the military. The bill and a draft of the amendment were reviewed by NASBA's legal counsel, Noel Allen. He confirmed that our interpretation of the bill, if passed into law without an amendment to ameliorate the impact on substantial equivalency, would result in Wyoming becoming not substantially equivalent. Other jurisdictions have had similar bills introduced which primarily deal with reciprocal licensure for a military spouse. The Wyoming CPA Act already provides for the same thing SF0092 is also calling for with respect to military spouses. In the case of the bill introduced in Wyoming the issue of granting an initial certificate was included.

We have been told that the interpretation wasn't the intent and the bill is being supported by the Department of Defense based on a January 2011 report issued under the Presidential Seal. Mrs. Obama and Dr. (Mrs.) Biden have taken up an initiative called "Strengthening Our Military Families."

The Society is engaged in efforts to educate legislatures on the impact the bill will have on nearly 750 Wyoming CPAs and their potential loss of practice privileges.

6. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

- ☐ **Input only from Board Chair: AK**
- ☐ **Input only from Executive Director: AR, IL, KY, NM, OR, TN, WA**
- ☐ **Input from Executive Director and Assistant Attorney General: AZ, IA**
- ☐ **Input from Executive Director and Board's Compliance Director: IN**
- ☐ **Input only from Board Chair and Executive Director: CO, LA, MO, NC, ND, NH, OK, VA**
- ☐ **Input from all Board Members and Executive Director: AL, CA, GU, HI, MS, NE, NJ, NV, TX, WY**
- ☐ **Input from some Board Members and Executive Director: ID, KS, RI, SC, SD**
- ☐ **Input from all Board Members: PR**
- ☐ **Input from some Board Members:**
- Other (please explain):**

4/11/12