STATE OF ALASKA

BOARD OF PUBLIC ACCOUNTANCY

MEETING

NOVEMBER 7-8, 2024

STATE OF ALASKA
BOARD OF PUBLIC ACCOUNTANCY

MISSION STATEMENT

The mission of the
Board of Public Accountancy
is to protect
the public interest
by insuring that
only qualified persons are licensed
and appropriate standards
of competency and practice
are established
and enforced.

State of Alaska
Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

BOARD OF PUBLIC ACCOUNTANCY

November 7-8, 2024

Suite 1535, Atwood Building
550 West 7th Ave., Anchorage, Alaska

Zoom Information:
Registration Link: https://us02web.zoom.us/meeting/register/tZIpcu6opjovGNKWQ-NBZuwPVP8pLeh6I4xV
Dial In: 253-215-8782 or 408-638-0968
Meeting ID = 864 5708 1526
Passcode = 939555

TENTATIVE MEETING AGENDA

Thursday, November 7, 2024

	TIME	TOPIC	
	9:00 a.m.	**Call to Order/Roll Call**	**Rachel Hanks, Chair**
1.	**9:05 a.m.**	**Review Agenda**	**Chair**
2.	**9:10 a.m.**	**Ethics Report**	**Chair**
3.	**9:15 a.m.**	**Review Minutes** • August 16, 2024 • September 18, 2024	**Chair**
4.	**9:20 a.m.**	**Alaska Society of CPA's Report**	**John Rodgers**
5.	**9:40 a.m.**	**Public Comment** (Time limit of 3 minutes will apply as necessary)	**Chair**
6.	**10:00 a.m.**	**Correspondence**	**Chair**
7.	**10:15 a.m.**	**CPA Exam**	**Chair**

8.	**10:35 a.m.**	**NASBA Updates**
		• UAA exposure draft – comments due 12/30/24
		• CPA competency-based experience pathway – comments due 12/6/24
		• Upcoming meetings/conferences
		• NASBA committee meetings
		  • *Communications Committee (Hanks 2024/2025)*
		  • *Communications Committee (Diehl 2024/2025)*
			Chair

9.	**11:00 a.m.**	**Investigative Report** • Annual Investigative Training Presentation	**Roger Rouse**
	12:00 p.m.	**LUNCH**	
10.	**1:15 p.m.**	**Board Business** • ED report • Revenue/Expenditure report (FY24 final)	**Chair**
11.	**2:00 p.m.**	**Statute/Regulation Projects**	**Chair**

<u>Friday, November 8, 2024</u>

	9:00 a.m.	**Call to Order/Roll Call**	**Chair**
12.	**9:05 a.m.**	**Review Agenda**	**Chair**
13.	**9:10 a.m.**	**Application Review**	**Chair**
14.	**10:15 a.m.**	**Statute/Regulation Projects**	**Chair**
	12:00 p.m	**LUNCH**	
		Continue work on Statutes/Regulations	

15.	**3:00 p.m.**	**Administrative Business**
		• Confirm upcoming meeting schedule:
		  • December 17, 2024
		  • February 7, 2025
		  • April 25, 2025
		• Review task lists
		• Sign minutes
			Chair

ETHICS INFORMATION

State of Alaska
DEPARTMENT OF LAW

ETHICS ACT PROCEDURES FOR BOARDS & COMMISSIONS

All board and commission members and staff should be familiar with the Executive Branch Ethics Act procedures outlined below.

Who Is My Designated Ethics Supervisor (DES)?

Every board or commission subject to the Ethics Act[1] has several ethics supervisors designated by statute.

- The chair serves as DES for board or commission members.
- The chair serves as DES for the executive director.
- The executive director serves as DES for the staff.
- The governor is the DES for a chair.[2]

What Do I Have To Disclose?

The Ethics Act requires members of boards and commissions to disclose:

- Any matter that is a potential conflict of interest with actions that the member may take when serving on the board or commission.
- Any circumstance that may result in a violation of the Ethics Act.
- Any personal or financial interest (or that of an immediate family member) in a state grant, contract, lease or loan that is awarded or administered by the member's board or commission.
- The receipt of certain gifts.

The executive director of the board or commission and its staff, as state employees, must also disclose:

- Compensated outside employment or services.
- Volunteer service, if any compensation, including travel and meals, is paid or there is a potential conflict with state duties.

- For more information regarding the types of matters that may result in violations of the Ethics Act, board or commission members should refer to the guide, *"Ethics Information for Members of Boards and Commissions."* The executive director and staff should refer to the guide, *Ethics Information for Public Employees."* Both guides and disclosure forms may be found on the Department of Law's ethics website.

How Do I Avoid Violations of the Ethics Act?

- Make timely disclosures!
- Follow required procedures!
- Provide all information necessary to a correct evaluation of the matter![3]
- When in doubt, disclose and seek advice!
- Follow the advice of your DES!

What Are The Disclosure Procedures for Board and Commission Members?

The procedural requirements for disclosures by members are set out in AS 39.52.220 and 9 AAC 52.120. One goal of these provisions is to help members avoid violations of the Ethics Act. The procedures provide the opportunity for members to seek review of matters in advance of taking action to ensure that actions taken will be consistent with the Act.

Procedure for declaring actual or potential conflicts.

Members must declare potential conflicts and other matters that may violate the Ethics Act **on the public record** and **in writing to the chair**.

Disclosure on the public record. Members must identify actual and potential conflicts orally at the board or commission's public meeting **in advance** of participating in deliberations or taking any official action on the matter.

- A member must always declare a conflict and may choose to refrain from voting, deliberations or other participation regarding a matter.[4]
- If a member is uncertain whether participation would result in a violation of the Act, the member should disclose the circumstances and seek a determination from the chair.

Disclosure in writing at a public meeting. In addition to an oral disclosure at a board or commission meeting, members' disclosures must be made in writing.

- If the meeting is recorded, a tape or transcript of the meeting is preserved and there is a method for identifying the declaration in the record, an oral disclosure may serve as the written disclosure.
- Alternatively, the member must note the disclosure on the Notice of Potential Violation disclosure form and the chair must record the determination.

Confidential disclosure in advance of public meeting. Potential conflicts may be partially addressed in advance of a board or commission's public meeting based on the published meeting agenda or other board or commission activity.

- A member identifying a conflict or potential conflict submits a Notice of Potential Violation to the chair, as DES, in advance of the public meeting.
- This written disclosure is considered confidential.
- The chair may seek advice from the Attorney General.
- The chair makes a written determination, also confidential, whether the disclosed matter represents a conflict that will result in a violation of the Ethics Act if the member participates in official action addressing the matter. [5]
- If so, the chair directs the member to refrain from participating in the matter that is the subject of the disclosure.
- An oral report of the notice of potential violation and the determination that the member must refrain from participating is put on the record at a public meeting.[6]

Determinations at the public meeting. When a potential conflict is declared by a member for the public record, the following procedure must be followed:

- The chair states his or her determination regarding whether the member may participate.
- Any member may then object to the chair's determination.
- If an objection is made, the members present, excluding the member who made the disclosure, vote on the matter.
- *Exception:* A chair's determination that is made consistent with advice provided by the Attorney General may not be overruled.
- If the chair, or the members by majority vote, determines that a violation will exist if the disclosing member continues to participate, the member must refrain from voting, deliberating or participating in the matter.[7]

If the chair identifies a potential conflict, the same procedures are followed. If possible, the chair should forward a confidential written notice of potential violation to the Office of the Governor for a determination in advance of the board or commission meeting. If the declaration is first

made at the public meeting during which the matter will be addressed, the members present, except for the chair, vote on the matter. If a majority determines that a violation of the Ethics Act will occur if the chair continues to participate, the chair shall refrain from voting, deliberating or participating in the matter. A written disclosure or copy of the public record regarding the oral disclosure should be forwarded to the Office of the Governor for review by the chair's DES.

Procedures for Other Member Disclosures

A member's interest in a state grant, contract, lease or loan and receipt of gifts are disclosed by filling out the appropriate disclosure form and submitting the form to the chair for approval. The disclosure forms are found on the Department of Law's ethics website.

What Are The Disclosure Procedures for Executive Directors and Staff?

Ethics disclosures of the executive director or staff are made in writing to the appropriate DES (chair for the executive director and the executive director for staff).

- Disclosure forms are found on the ethics website, noted above.

Notices of Potential Violations. Following receipt of a written notice of potential violation, the DES investigates, if necessary, and makes a written determination whether a violation of the Ethics Act could exist or will occur. A DES may seek advice from the Attorney General. If feasible, the DES shall reassign duties to cure a potential violation or direct divestiture or removal by the employee of the personal or financial interests giving rise to the potential violation.

- These disclosures are not required to be made part of the public record.
- A copy of a determination is provided to the employee.
- Both the notice and determination are confidential.

Other Disclosures. The DES also reviews other ethics disclosures and either approves them or determines what action must be taken to avoid a violation of the Act. In addition to the disclosures of certain gifts and interests in the listed state matters, state employees must disclose all outside employment or services for compensation.

- The DES must provide a copy of an approved disclosure or other determination the employee.

How Are Third Party Reports of Potential Violations or Complaints Handled?

Any person may report a potential violation of the Ethics Act by a board or commission member or its staff to the appropriate DES or file a complaint alleging actual violations with the Attorney General.

- Notices of potential violations and complaints must be submitted **in writing** and **under oath.**
- Notices of potential violations are investigated by the appropriate DES who makes a written determination whether a violation may exist.[8]
- Complaints are addressed by the Attorney General under separate procedures outlined in the Ethics Act.
- **These matters are confidential**, unless the subject waives confidentiality or the matter results in a public accusation.

What Are The Procedures for Quarterly Reports?

Designated ethics supervisors must submit copies of notices of potential violations received and the corresponding determinations to the Attorney General for review by the state ethics attorney as part of the quarterly report required by the Ethics Act.

- Reports are due in April, July, October and January for the preceding quarter.
- A sample report may be found on the Department of Law's ethics website.
- An executive director may file a quarterly report on behalf of the chair and combine it with his or her own report.
- If a board or commission does not meet during a quarter and there is no other reportable activity, the DES advises the Department of Law Ethics Attorney by e-mail at ethicsreporting@alaska.gov and no other report is required.

If the state ethics attorney disagrees with a reported determination, the attorney will advise the DES of that finding. If the ethics attorney finds that there was a violation, the member who committed the violation is not liable if he or she fully disclosed all relevant facts reasonably necessary to the ethics supervisor's or commission's determination and acted consistent with the determination.

How Does A DES or Board or Commission Get Ethics Advice?

A DES or board or commission may make a **written request** to the Attorney General for an opinion regarding the application of the Ethics Act. In practice, the Attorney General, through the state ethics attorney, also provides **advice by phone or e-mail** to designated ethics supervisors, especially when time constraints prevent the preparation of timely written opinions.

- A request for advice and the advisory opinion are confidential.
- The ethics attorney endeavors to provide prompt assistance, although that may not always be possible.
- The DES must make his or her determination addressing the potential violation based on the opinion provided.

It is the obligation of each board or commission member, as well as the staff, to ensure that the public's business is conducted in a manner that is consistent with the standards set out in the Ethics Act. We hope this summary assists you in ensuring that your obligations are met.

[1] The Act covers a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch of state government.

[2] The governor has delegated the DES responsibility to Guy Bell, Administrative Director of the Office of the Governor.

[3] You may supplement the disclosure form with other written explanation as necessary. Your signature on a disclosure certifies that, to the best of your knowledge, the statements made are true, correct and complete. False statements are punishable.

[4] In most, but not all, situations, refraining from participation ensures that a violation of the Ethics Act does not occur. Abstention does not cure a conflict with respect to a significant direct personal or financial interest in a state grant, contract, lease or loan because the Ethics Act prohibition applies whether or not the public officer actually takes official action.

[5] The chair must give a copy of the written determination to the disclosing member. There is a determination form available on the Department of Law's ethics web page. The ethics supervisor may also write a separate memorandum.

[6] In this manner, a member's detailed personal and financial information may be protected from public disclosure.

[7] When a matter of particular sensitivity is raised and the ramifications of continuing without an advisory opinion from the Attorney General may affect the validity of the board or commission's action, the members should consider tabling the matter so that an opinion may be obtained.

[8] The DES provides a copy of the notice to the employee who is the subject of the notice and may seek input from the employee, his or her supervisor and others. The DES may seek advice from the Attorney General. A copy of the DES' written determination is provided to the subject employee and the complaining party. The DES submits a copy of both the notice and the determination to the Attorney General for review as part of the DES' quarterly report. If feasible,

the DES shall reassign duties to cure a potential violation or direct divestiture or removal by the employee of the personal or financial interests giving rise to the potential violation.

6/14

The Attorney General and Department of Law staff may not provide legal advice to private citizens or organizations. Please contact an attorney if you need legal advice. The Alaska Lawyer Referral Service or your local bar association may be able to assist you in locating a lawyer.

Alaska Department of Law

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State of Alaska
DEPARTMENT OF LAW

ETHICS INFORMATION FOR MEMBERS OF BOARDS & COMMISSIONS (AS 39.52)

Introduction

This is an introduction to AS 39.52, the *Alaska Executive Branch Ethics Act*. This guide is not a substitute for reading the law and its regulations. State board and commission members who have further questions should contact their board chair or staff.

The Ethics Act applies to all current and former executive branch public employees and *members of statutorily created boards and commissions*.

Scope of Ethics Act (AS 39.52.110)

Service on a state board or commission is a public trust. The Ethics Act prohibits substantial and material conflicts of interest. Further, board or commission members, and their immediate family, may not improperly benefit, financially or personally, from their actions as board or commission members. The Act does not, however, discourage independent pursuits, and it recognizes that minor and inconsequential conflicts of interest are unavoidable.

Misuse of Official Position (AS 39.52.120)

Members of boards or commissions may not use their positions for personal gain or to give an unwarranted benefit or treatment to any person. For example, board members may not:

- use their official positions to secure employment or contracts;
- accept compensation from anyone other than the State for performing official duties;
- use State time, equipment, property or facilities for their own personal or financial benefit or for partisan political purposes;
- take or withhold official action on a matter in which they have a personal or financial interest; or
- coerce subordinates for their personal or financial benefit.
- attempt to influence outcome of an administrative hearing by privately contacting the hearing officer.

Terry knew that a proposal that was before the board would harm Terry's business competitor. Instead of publicly disclosing the matter and requesting recusal, Terry voted on the proposal.

Board member Mick has board staff employee Bob type an article for him that Mick hopes to sell to an Alaskan magazine. Bob types the article on State time.

Improper Gifts (AS 39.52.130)

A board member may not solicit or accept gifts if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. "Gifts" include money, items of value, services, loans, travel, entertainment, hospitality, and employment. All gifts from registered lobbyists are presumed to be improper, unless the giver is immediate family of the person receiving the gift.

A gift worth more than $150 to a board member or the board member's immediate family must be reported within 30 days if:

- the board member can take official action that can affect the giver, or
- the gift is given to the board member because he or she is on a state board.

The receipt of a gift worth less than $150 may be prohibited if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. Receipt of such a gift should be disclosed.

Any gift received from another government, regardless of value, must be reported; the board member will be advised as to the disposition of this gift.

A form for reporting gifts is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.

This restriction on gifts does not apply to lawful campaign contributions.

The commission is reviewing Roy's proposal for an expansion of his business. Roy invites all the board members out to dinner at an expensive restaurant. He says it will be okay, since he isn't excluding any of the members.

Jody receives a holiday gift every year from Sam. Jody was recently appointed to a state board, but Sam has no business that is before the board. Jody may accept the gift.

Improper Use or Disclosure of Information (AS 39.52.140)

No former or current member of a board may use or disclose any information acquired from participation on the board if that use or disclosure could result in a financial or personal benefit to the board member (or immediate family), unless that information has already been disseminated to the public. Board members are also prohibited from disclosing confidential information, unless authorized to do so.

☺ Sheila has been on the board for several years. She feels she has learned a great deal of general information about how to have a successful business venture. So she sets up her own business and does well.

☺ Delores has always advised and assisted the other doctors in her clinic on their continuing education requirements. After Delores is appointed to the medical board, she discloses this role to the board and continues to advise the doctors in her clinic.

☹ Jim reviews a confidential investigation report in a licensing matter. He discusses the practitioner's violation with a colleague who is not a board member.

Improper Influence in State Grants, Contracts, Leases or Loans (AS 39.52.150)

A board member, or immediate family, may not apply for, or have an interest in a State grant, contract, lease, or loan, if the board awards or takes action to administer the State grant, contract, lease, or loan.

A board member (or immediate family) may apply for or be a party to a *competitively solicited* State grant, contract or lease, if the board as a body does not award or administer the grant, contract, or lease and so long as the board member does not take official action regarding the grant, contract, or lease.

A board member (or immediate family) may apply for and receive a State loan that is generally available to the public and has fixed eligibility standards, so long as the board member does not take (or withhold) official action affecting the loan's award or administration.

Board members must report to the board chair any personal or financial interest (or that of immediate family) in a State grant, contract, lease or loan that is awarded or administered by the agency the board member serves. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.*

☹

John sits on a board that awards state grants. John hasn't seen his daughter for nearly ten years so he figures that it doesn't matter when her grant application comes up before the board.

The board wants to contract out for an analysis of the board's decisions over the last ten years. Board member Kim would like the contract since she has been on the board for ten years and feels she could do a good job.

Improper Representation (AS 39.52.160)

A board or commission member may not represent, advise, or assist a person in matters pending before the board or commission for compensation A nonsalaried board or commission member may represent, advise, or assist in matters in which the member has an interest that is regulated by the member's own board or commission, if the member acts in accordance with AS 39.52.220 by disclosing the involvement in writing and on the public record, and refraining from all participation and voting on the matter. This section does not allow a board member to engage in any conduct that would violate a different section of the Ethics Act.

Susan sits on the licensing board for her own profession. She will represent herself and her business partner in a licensing matter. She discloses this situation to the board and refrains from participation in the board's discussions and determinations regarding the matter.

Restriction on Employment After Leaving State Service (AS 39.52.180)

For two years after leaving a board, a former board member may not provide advice or work for compensation on any matter in which the former member personally and substantially participated while serving on the board. This prohibition applies to cases, proceedings, applications, contracts, legislative bills, regulations, and similar matters. This section does not prohibit a State agency from contracting directly with a former board member.

With the approval of the Attorney General, the board chair may waive the above prohibition if a determination is made that the public interest is not jeopardized.

Former members of the governing boards of public corporations and former members of boards and commissions that have regulation-adoption authority, except those covered by the centralized licensing provisions of AS 08.01, may not lobby for pay for one year.

The board has arranged for an extensive study of the effects of the Department's programs. Andy, a board member, did most of the liaison work with the contractor selected by the board, including some negotiations about the scope of the study. Andy quits the board and goes to work for the contractor, working on the study of the effects of the Department's programs.

Andy takes the job, but specifies that he will have to work on another project.

Aiding a Violation Prohibited (AS 39.52.190)

Aiding another public officer to violate the Ethics Act is prohibited.

Agency Policies (AS 39.52.920)

Subject to the Attorney General's review, a board may adopt additional written policies further limiting personal or financial interests of board members.

Disclosure Procedures

DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS OR COMMISSIONS (AS 39.52.220)

A board member whose interests or activities could result in a violation of the Ethics Act if the member participates in board action must disclose the matter on the public record and in writing to the board chair who determines whether a violation exists. *A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.* If another board member objects to the chair's ruling or if the chair discloses a potential conflict, the board members at the meeting (excluding the involved member) vote on the matter. If the chair or the board determines a violation will occur, the member must refrain from deliberating, voting, or participating in the matter. For more information, see *Ethics Act Procedures for Boards and Commissions* available at the above noted web site.

When determining whether a board member's involvement in a matter may violate the Ethics Act, either the chair or the board or commission itself may request guidance from the Attorney General.

ATTORNEY GENERAL'S ADVICE (AS 39.52.240-250)

A board chair or a board itself may request a written advisory opinion from the Attorney General interpreting the Ethics Act. A former board member may also request a written advice from the Attorney General. These opinions are confidential. Versions of opinions without identifying information may be made available to the public.

REPORTS BY THIRD PARTIES (AS 39.52.230)

A third party may report a suspected violation of the Ethics Act by a board member in writing and under oath to the chair of a board or commission. The chair will give a copy to the board member and to the Attorney General and review the report to determine whether a violation may or does

exist. If the chair determines a violation exists, the board member will be asked to refrain from deliberating, voting, or participating in the matter.

Complaints, Hearings, and Enforcement

COMPLAINTS (AS 39.52.310-330)

Any person may file a complaint with the Attorney General about the conduct of a current or former board member. Complaints must be written and signed under oath. The Attorney General may also initiate complaints based on information provided by a board. A copy of the complaint will be sent to the board member who is the subject of the complaint and to the Personnel Board.

All complaints are reviewed by the Attorney General. If the Attorney General determines that the complaint does not warrant investigation, the complainant and the board member will be notified of the dismissal. The Attorney General may refer a complaint to the board member's chair for resolution.

After investigation, the Attorney General may dismiss a complaint for lack of probable cause to believe a violation occurred or recommend corrective action. The complainant and board member will be promptly notified of this decision.

Alternatively, if probable cause exists, the Attorney General may initiate a formal proceeding by serving the board or commission member with an accusation alleging a violation of the Ethics Act. Complaints or accusations may also be resolved by settlement with the subject.

CONFIDENTIALITY (AS 39.52.340)

Complaints and investigations prior to formal proceedings are confidential. If the Attorney General finds evidence of probable criminal activity, the appropriate law enforcement agency shall be notified.

HEARINGS (AS 39.52.350-360)

An accusation by the Attorney General of an alleged violation may result in a hearing. An administrative law judge from the state's Office of Administrative Hearings serves as hearing officer and determines the time, place and other matters. The parties to the proceeding are the Attorney General, acting as prosecutor, and the accused public officer, who may be represented by an attorney. Within 30 days after the hearing, the hearing officer files a report with the Personnel Board and provides a copy to the parties.

PERSONNEL BOARD ACTION (AS 39.52.370)

The Personnel Board reviews the hearing officer's report and is responsible for determining whether a violation occurred and for imposing penalties. An appeal may be filed by the board member in the Superior Court.

PENALTIES (AS 39.52.410-460)

When the Personnel Board determines a board member has violated the Ethics Act, it will order the member to refrain from voting, deliberating, or participating in the matter. The Personnel Board may also order restitution and may recommend that the board member be removed from the board or commission. If a recommendation of removal is made, the appointing authority will immediately remove the member.

If the Personnel Board finds that a former board member violated the Ethics Act, it will issue a public statement about the case and will ask the Attorney General to pursue appropriate additional legal remedies.

State grants, contracts, and leases awarded in violation of the Ethics Act are voidable. Loans given in violation of the Ethics Act may be made immediately payable.

Fees, gifts, or compensation received in violation of the Ethics Act may be recovered by the Attorney General.

The Personnel Board may impose a fine of up to $5,000 for each violation of the Ethics Act. In addition, a board member may be required to pay up to twice the financial benefit received in violation of the Ethics Act.

Criminal penalties are in addition to the civil penalties listed above.

DEFINITIONS (AS 39.52.960)

Please keep the following definitions in mind:

Benefit - anything that is to a person's advantage regardless financial interest or from which a person hopes to gain in any way.

Board or Commission - a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch, including the Alaska Railroad Corporation.

Designated Ethics Supervisor - the chair or acting chair of the board or commission for all board or commission members and for executive directors; for staff members, the executive director is the designated ethics supervisor.

Financial Interest - any property, ownership, management, professional, or private interest from which a board or commission member or the board or commission member's immediate family

receives or expects to receive a financial benefit. Holding a position in a business, such as officer, director, partner, or employee, also creates a financial interest in a business.

Immediate Family - spouse; another person cohabiting with the person in a conjugal relationship that is not a legal marriage; a child, including a stepchild and an adoptive child; a parent, sibling, grandparent, aunt, or uncle of the person; and a parent or sibling of the person's spouse.

Official Action - advice, participation, or assistance, including, for example, a recommendation, decision, approval, disapproval, vote, or other similar action, including inaction, by a public officer.

Personal Interest - the interest or involvement of a board or commission member (or immediate family) in any organization or political party from which a person or organization receives a benefit.

For further information and disclosure forms, visit our Executive Branch Ethics web site or please contact:

State Ethics Attorney
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Ethics Disclosure Form

Receipt of Gift

TO: _____, Designated Ethics Supervisor, _____

(Agency, Public Corporation, Board, Commission or Council)

This disclosure reports receipt of a gift to me or my immediate family member, as required by AS 39.52.130(a) or (b) or (f) or 9 AAC 52.060.

1. Is the gift valued in excess of $150?

   ☐Yes ☐No

2. Is the gift connected to my position as a state officer, employee or member of a state board or commission?

   ☐Yes ☐No

3. Can I take or withhold official action that may affect the person or entity that gave me the gift?

   ☐Yes ☐No

4. Are there circumstances in which it could reasonably be inferred that the gift is intended to influence the performance of official duties, actions, or judgment?

   ☐Yes ☐No

(If the answer to any question is "Yes," or if you are not sure, you must complete this form and provide it to your designated ethics supervisor.)

The gift is _____

Identify gift giver by full name, title, and organization or relationship, if any and occasion for gift:

_____

My estimate of its value is $_____The date of receipt was _____

☐ The gift was received by a member of my family. Who? _____

If you checked "Yes" to question 3 above, explain the official action you may take that affects the giver (attach additional page, if necessary):

_____

I certify to the best of my knowledge that my statement is true, correct, and complete. In addition to any other penalty or punishment that may apply, the submission of a false statement is punishable under AS 11.56.200 - AS 11.56.240.

(Signature)	*(Date)*
(Printed Name)	*(Division)*
(Position Title)	*(Location)*

Ethics Supervisor Determination: ☐Approve ☐Disapproved

Designated Ethics Supervisor*	*(Date)*

**Designated Ethics Supervisor: Provide a copy of the approval or disapproval to the employee. If action is necessary under AS 39.52.210 or AS 39.52.220, attach a determination stating the reasons and send a copy of the determination and disclosure to the attorney general with your quarterly report.*

Ethics Disclosure Form

Receipt of Gift from Another Government

To: Director of Administrative Services, Office of the Governor

As required by AS 39.52.130(e), this disclosure reports receipt of a gift from another government given to me or a member of my family and accepted on behalf of the state.

The gift is:

_____

My estimate of its value is $ _____

I received it from: _____

(Identify by full name, title, government)

The date of receipt was _____

I received this gift under the following circumstances:

_____

I can take or withhold the following official action that affects the giver:

_____

☐ The gift was received by a member of my family. Who? _____

I certify to the best of my knowledge that my statement is true, correct, and complete. In addition to any other penalty or punishment that may apply, the submission of a false statement is punishable under AS 11.56.200 - AS 11.56.240.

_____ _____

(Signature) *(Date)*

_____ _____

(Printed Name) *(Division)*

_____ _____

(Position Title) *(Location)*

_____

(Department/Agency/Corporation/Board/Commission)

Designated Ethics Supervisor Review: _____

(Signature of Ethics Supervisor and Date)

Office of the Governor

Determination of appropriate disposition: _____

_____

Director of Administrative Services, Office of the Governor *(Date)*

Return a copy of this disclosure showing disposition to the designated ethics supervisor for forwarding to the gift recipient.

Revised 2012

Ethics Disclosure Form

Interest in State Grant, Contract, Lease, or Loan

TO:_____, Designated Ethics Supervisor

_____
(*Agency, Public Corporation, Board, Commission, Council*)

As required by AS 39.52.150(d), this disclosure reports a personal or financial interest held by me or a family member and awarded, executed, or administered by the agency that I serve:

☐ contract ☐ state grant ☐ lease ☐ loan

The state grant, contract, lease, loan was awarded on _____

by: _____

Describe the grant, contract, lease, or loan:

_____

Identify the Recipient(s) of the grant, contract, lease, or loan:

_____

My financial or personal interest in the grant, contract, lease, or loan is:

_____

Official action I can take regarding the grant, contract, lease or loan is:

_____

I certify to the best of my knowledge that my statement is true, correct, and complete. In addition to any other penalty or punishment that may apply, the submission of a false statement is punishable under AS 11.56.200 - AS 11.56.240.

_____ _____
(Signature) *(Date)*

_____ _____
(Printed Name) *(Division)*

_____ _____
(Position Title) *(Location)*

_____ _____
(Work Supervisor's Signature) *(Date)*

Ethics Supervisor Determination: ☐ Approved ☐ Action Required _____
(Date)

_____
Designated Ethics Supervisor*

**Designated Ethics Supervisor: Provide a copy of the signed disclosure to the employee. If action is required under AS 39.52.210 or AS 39.52.220, attach a determination stating the reasons and send a copy of the determination and disclosure to the attorney general with your quarterly report.*

Revised 2012

Ethics Disclosure Form

CONFIDENTIAL
Notification of Potential Violation
Board or Commission Member Disclosure

TO: _____, Designated Ethics Supervisor, _____
(Chair) *(Board or Commission)*

In accordance with AS 39.52.220(a), I am notifying you of a situation which may result in a violation of the Code of Ethics by me.

I am requesting your determination regarding a possible violation of:

- ☐ AS 39.52.120, Misuse of Official Position
- ☐ AS 39.52.130, Improper Gifts
- ☐ AS 39.52.140, Improper Use or Disclosure of Information
- ☐ AS 39.52.150, Improper Influence in State Grants, Contracts, Leases or Loans
- ☐ AS 39.52.160, Improper Representation
- ☐ AS 39.52.180, Restrictions on Employment after Leaving State Service
- ☐ AS 39.52.190, Aiding a Violation Prohibited

The situation is as follows:

☐ I have provided additional information in the attached document(s).

I understand that I should refrain from taking any official action relating to this matter until I receive your determination. I certify to the best of my knowledge that my statement is true, correct, and complete. In addition to any other penalty or punishment that may apply, the submission of a false statement is punishable under AS 11.56.200 - AS 11.56.240.

_____
(Member Signature) *(Date)*

_____
(Printed Name)

***Note**: Under AS 39.52.220, a board or commission member must disclose a potential violation of AS 39.52.110 - 39.52.190. If the chair, as designated ethics supervisor, or a majority of the board or commission, not including the subject member, determines that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter. A report of all disclosures and determinations, along with any written documentation, must be forwarded to the attorney general with the board's or commission's next quarterly report.*

Revised 2012

Ethics Disclosure Form

CONFIDENTIAL
REQUEST FOR ETHICS DETERMINATION

TO: _____, Designated Ethics Supervisor

_____
(Identify Your Department, Agency, Public Corporation, Board, Commission)

I request advice regarding the application of the Executive Branch Ethics Act (AS 39.52.010 - .960) to my situation. The situation involves the following:

☐ I have provided additional information in the attached document(s).

I believe the following provisions of the Ethics Act may apply to my situation:

- ☐ AS 39.52.120, Misuse of Official Position
- ☐ AS 39.52.130, Improper Gifts
- ☐ AS 39.52.140, Improper Use or Disclosure of Information
- ☐ AS 39.52.150, Improper Influence in State Grants, Contracts, Leases or Loans
- ☐ AS 39.52.160, Improper Representation
- ☐ AS 39.52.170, Outside Employment Restricted
- ☐ AS 39.52.180, Restrictions on Employment after Leaving State Service
- ☐ AS 39.52.190, Aiding a Violation Prohibited

I understand that I should refrain from taking any official action relating to this matter until I receive your advice. If the circumstances I described above may result in a violation of AS 39.52.110 - .190, I intend that this request serve as my disclosure of the matter in accordance with AS 39.52.210 or AS 39.52.220.

I certify to the best of my knowledge that my statement is true, correct, and complete. In addition to any other penalty or punishment that may apply, the submission of a false statement is punishable under AS 11.56.200 - AS 11.56.240.

_____ _____
(Signature) *(Date)*

_____ _____
(Printed Name) *(Division, Board, Commission)*

_____ _____
(Position Title) *(Location)*

Designated Ethics Supervisor: Provide a copy of your written determination to the employee advising whether action is necessary under AS 39.52.210 or AS 39.52.220, and send a copy of the determination and disclosure to the attorney general with your quarterly report.

Revised 2012

MINUTES

State of Alaska
Department of Commerce, Community and
Economic Development
Division of Corporations, Business and Professional Licensing

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF MEETING
September 18, 2024

These draft minutes were prepared by staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Board.

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Public Accountancy was held September 18, 2024.

Wednesday, September 18, 2024

Call to Order/Roll Call

The meeting was called to order by Rachel Hanks, at 9:07 a.m. Those present, constituting a quorum of the Board were:

Mark Diehl, CPA
Rachel Hanks, CPA
Beth Stuart, CPA
Steven Jordan, CPA

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, were:

Cori Hondolero, Executive Administrator
Kendra Wardlaw, Investigator III (agenda item #3)
Alison Osborne, Regulations Specialist II (agenda item #4)

Visitors present included:

Crista Burson – Alaska Society of CPAs (AKCPA)

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and made no changes.

Agenda Item 2 – Public Comment

There was no one present that made a request to address the Board.

Agenda Item 3 – Investigative Report

Kendra Wardlaw, Investigator III joined the meeting to discuss a default revocation with the Board. The Board also had three consent agreements to review at the meeting.

Upon a motion duly made by Mr. Jordan, seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of reviewing investigative matters.

The Board entered executive session at 9:14 a.m.
The Board went back on the record at 9:23 a.m.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously it was:

RESOLVED to adopt the default revocation for case #2023-001203.

Upon a motion duly made by Mr. Jordan, seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the consent agreements as presented for cases #2024-000411, #2024-000493 and #2024-000496.

Agenda Item 4 – Statute/Regulation Projects

Ms. Osborne, Regulations Specialist 2 was present to review and discuss the current regulations project with the Board.

The Board wanted to understand next steps for the current project. Once the language is approved, the project will need to be reviewed by department of law. Department of law review can take 60 days or more. The Board needs to be working on draft FAQs, the public notice language and some outline sheets that go with the project. The Board inquired about sending a cover letter with the project to explain the changes. Ms. Osborne indicated that a letter is not necessary with the FAQs and public notice but could be allowed if the Board wanted to put something together. Another option is oral testimony on the project that could take place at a future meeting. The Board stated that they would like to allow oral testimony at the February 2025 meeting.

The Board had been emailed an updated draft to review. The Board determined that the easiest method would be to start at beginning of document and review the proposed changes in order.

12 AAC 04.151(a) – update language to domiciled vs permanent resident
12 AAC 04.151(a)(1) and (2) – reverse the order, so reciprocity appears first
12 AAC 04.151(a)(4) – repeal this section
12 AAC 04.151(b) – repeal this section

12 AAC 04.160 – no changes to draft – section being repealed

12 AAC 04.165(a) – add reference to meeting substantial equivalency requirements under 12 AAC 04.285
12 AAC 04.165(a)(5) – update language to domiciled vs permanent resident
12 AAC 04.165(a)(6) – no changes to draft
12 AAC 04.165(b)(1)(A) – make it clear license must have been held for at least 2 years
12 AAC 04.165(b)(2) – no changes to draft
12 AAC 04.165(b)(4) – no changes to draft – repeal
12 AAC 04.165(b)(6) – repeal this section
12 AAC 04.165(b)(8) – no changes to draft
12 AAC 04.165(c) – amend this section vs adding a new section (e)

12 AAC 04.175(2) – update language to domiciled vs permanent resident
12 AAC 04.175(3)(D)(iv) – no changes to draft
12 AAC 04.175(E) – no changes to draft - repeal

12 AAC 04.180(a) – no changes to draft
12 AAC 04.180(b) – add “for the purposes of meeting the requirements under (a) of this section, a year” at the beginning of the section

12 AAC 04.187(c) – no changes to draft

12 AAC 04.189(5) – change “2025” to “2027”

12 AAC 04.251(a) – Changes to the last sentence on the draft – change “obtain” to “apply for” and replace “by reciprocity under 12 AAC 04.165” with “in the state”

Article 8 heading – no changes to draft

12 AAC 04.600(b)(1)(A) – no changes to draft – change “quality” to “peer” review

12 AAC 04.925 – remove “of a firm” and “the firm’s” and add “for the purpose of providing public accounting services”

12 AAC 04.990(16) – update language to domiciled vs resident and add language regarding intending to remain in state for more than 180 days.

Upon a motion duly made by Mr. Jordan seconded by Ms. Stuart, and approved unanimously, it was:

RESOLVED to public notice the regulations project to amend 12 AAC 04.151, 12 AAC 04.160, 12 AAC 04.165, 12 AAC 04.175, 12 AAC 04.180, 12 AAC 04.187, 12 AAC 04.189, 12 AAC 04.251, the article 8 heading, 12 AAC 04.600 and add new section 12 AAC 04.925 and 12 AAC 04.990.

The Board thanked Ms. Osborne for joining the meeting.

The Board moved on to start review of the statutes for sections that could be updated with legislation. AS 08.04.120 – there was discussion about removing the reference to 150 semester hours and the importance of the requirement of a baccalaureate degree, the specific accounting and business concentration credit hours included in the regulations, and 2 years of experience. Members agreed to think on this topic before the November meeting and come prepared to discuss again.

Agenda Item 5 – Application Review

Upon a motion duly made by Mr. Jordan seconded by Ms. Stuart, and approved unanimously, it was:

RESOLVED to approve Mimi Fitzgerald's exam score reinstatement; all sections should reflect as passed.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve Katherine Croyle, Daisy Crozier, James Henderson, Mariell Mendoza and Melissa Swann for licensure by exam.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the firm license of Cooper Savas LLC.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve Amber Burton to sit for the CPA exam.

Agenda Item 14 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- November 7-8, 2024 – Board may determine this only needs to be a one-day meeting
- February 7, 2025
- April 25, 2025

Upon a motion duly made by Mr. Diehl seconded by Mr. Jordan, and approved unanimously, it was:

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 2:28 p.m.

Respectfully Submitted:

_____
Cori Hondolero
Executive Administrator

Approved:

_____
Rachel Hanks, Chair
Alaska Board of Public Accountancy

Date:_____

State of Alaska
Department of Commerce, Community and
Economic Development
Division of Corporations, Business and Professional Licensing

BOARD OF PUBLIC ACCOUNTANCY

MINUTES OF MEETING
August 16, 2024

These draft minutes were prepared by staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Board.

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Public Accountancy was held August 16, 2024.

Friday, August 16, 2024

Call to Order/Roll Call

The meeting was called to order by Rachel Hanks, at 9:14 a.m. Those present, constituting a quorum of the Board were:

Mark Diehl, CPA
Rachel Hanks, CPA
Beth Stuart, CPA
Steven Jordan, CPA

Present from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, were:

Cori Hondolero, Executive Administrator
Jennifer Summers, Senior Investigator (agenda item #6)
Marilyn Zimmerman, Paralegal 2 (agenda item #6)
Amy Kennedy, Paralegal 2 (agenda item #6)
Sylvan Robb, Division Director (agenda item #11)
Alison Osborne, Regulations Specialist II (agenda item #12)

Visitors present included:

Crista Burson – Alaska Society of CPAs (AKCPA)
John Rodgers – Alaska Society of CPAs (AKCPA)
James Cox, AICPA
Tyian Scarlett
Jacob Dutton, CPA
David Tise, CPA

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and made no changes.

Upon a motion duly made by Mr. Jordan, seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the agenda as written.

Agenda Item 2 – Ethics Report

The Board noted for the record that the following Board members and staff attended a NASBA Board of Directors dinner on July 17, 2024:

Rachel Hanks, Beth Stuart, Steven Jordan and Cori Hondolero. The Board members did not sit together during the dinner and the value of the meal does not require a formal gift disclosure.

Agenda Item 3 – Review Meeting Minutes

The Board reviewed the minutes of the last meetings.

Upon a motion duly made by Ms. Stuart, seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the minutes of the April 25-26, 2024 and June 11, 2024 meetings as written.

Agenda Item 4 - Alaska Society of Certified Public Accountants (ASCPA)

Mr. Rodgers provided the following update on State Society activities:

1. Alaska Society of CPAs Board of Directors meets on August 26th.

2. Bi-weekly Tax Round Table Meetings virtual – next meeting is Tuesday, August 20th at noon.

3. AICPA Fall Council and Leadership Conference is October 21st – 24th, 2024 in Atlanta, GA.

4. 2025 Annual Meeting is Wednesday, May 28th – Friday, May 30th at the Windsong Lodge in Seward.

5. CPE Season – Ongoing live webcast classes and in-person classes in Juneau, Anchorage and Fairbanks August 26th – 30th, and in September and December. November 6th

partnering with Hawaii Society of CPAs and K2 to offer the third annual 1-day virtual technology conference.

6. 2025 Leadership Academy – Applications for the 6th AKCPA Leadership Academy are being accepted until December 31st. Applications available on the AKCPA website or contact Crista Burson for more information.

7. Scholarships – Applications are being accepted through November 20th for Paul Hagelbarger Memorial Scholarship Fund. The primary objective of the Fund is to provide financial support to promote accounting education for the practice of public accounting in the State of Alaska. The awarding of scholarships is based on the scholastic achievement, the student's intent to pursue a career in public accounting in Alaska and financial need. The scholarships are open to all junior, senior, and graduate students who major in accounting and attend a four-year institution in the State of Alaska. Although the size of the scholarships can vary, the minimum award has been set at $2,000. Applications available on the AKCPA website or contact Crista Burson for more information.

8. National Pipeline Advisory Group (NPAG) – Their final report was released. AICPA and NASBA Uniform Accountancy Act (UAA) Committee is developing model legislative language that if enacted by all states will add flexibility without compromising rigor while preserving mobility.

Agenda Item 5 – Public Comment

There was no one present that made a request to address the Board.

Agenda Item 6 – Investigative Report

Senior Investigator Summers joined the meeting and provided a summary of the investigative report in the packet. Investigator Summers noted that Investigator Bundick no longer works for the Division and if members have any outstanding cases, they can send them to her.

The current report covered the period April 13, 2024 to August 2, 2024.

- 77 open cases
- 17 closed cases

The Board had asked a question at the previous meeting regarding if more than one member reviews a case, but they have differing opinions, what is the protocol supposed to be. Investigator Summers stated that there are procedures for this; if reviewing members have different answers/opinions, they should be put together to discuss.

There was also a question about if the Board rejects an imposition of civil fine (ICF). If the Board rejects an ICF, the matter goes back to investigations; they are proposed until adopted by the Board.

Clarification was also provided for how review and motions need to take place regarding the reviewing Board members (RBM) participation. The RBM must leave the room during executive session, and they should recuse themselves from voting on the matter. It was noted that the Board can't recuse themselves out of a quorum.

Mr. Jordan wanted to discuss ICF fines for practice while lapsed. Should there be varying fine amounts based on the length of lapse. Investigator Summers noted that other Boards have samples in their matrixes that address this. Investigator Summers indicated that she would provide samples.

Ms. Hanks is continuing to work on the matrix and will contact Investigator Summers with questions. An updated draft will be ready for review at the November meeting.

The Board thanked the investigator Summers for the report that was presented.

The Board had two ICF documents to review at the meeting.

Upon a motion duly made by Ms. Stuart seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the Imposition of Civil Fine (ICF) documents as presented for case #2024-000169 and case #2024-000176.

Division paralegals Marilyn Zimmerman and Amy Kennedy joined the meeting to review a hardship waiver request and multiple consent agreements with the Board. It was noted that the Board would need to move in and out of executive session a few times due to cases having different reviewing Board members.

Upon a motion duly made by Mr. Diehl, seconded by Mr. Jordan, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of reviewing investigative matters.

The Board entered executive session at 9:47 a.m.
The Board went back on the record at 10:24 a.m.

Upon a motion duly made by Mr. Jordan seconded by Ms. Stuart, and approved unanimously, it was:

RESOLVED to remove the reprimand from the proposed license action for case #2024-000411 due to hardship.

Upon a motion duly made by Mr. Diehl seconded by Ms. Stuart, and approved by a quorum, it was:

RESOLVED to approve the consent agreement as presented for case #2022-000589.

***Mr. Jordan abstained from voting on this matter.**

Upon a motion duly made by Mr. Jordan, seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of discussing case #2024-000413.

Ms. Hanks left the room during executive session.
The Board entered executive session at 10:33 a.m.
The Board went back on the record at 10:37 a.m.

Upon a motion duly made by Ms. Stuart seconded by Mr. Jordan, and approved by a quorum, it was:

RESOLVED to approve the consent agreement as presented for case #2024-000413.

***Ms. Hanks abstained from voting on this matter.**

Upon a motion duly made by Mr. Diehl, seconded by Mr. Jordan, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of reviewing investigative matters.

The Board entered executive session at 10:39 a.m.
The Board went back on the record at 10:57 a.m.

Upon a motion duly made by Mr. Diehl seconded by Ms. Stuart, and approved unanimously, it was:

RESOLVED to approve the consent agreements as presented for cases #2024-000370, #2024-000377, #2024-000381, #2024-000383, #2024-000392, #2024-000494, #2024-000498, #2024-000502, #2024-000504, #2024-000514 and #2024-000515.

Upon a motion duly made by Ms. Stuart seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the consent agreements as presented for cases #2024-000382, #2024-000385 and #2024-000386.

Agenda Item 8 – Pipeline Discussion

James Cox, Associate Director – State Regulatory & Legislative Affairs with AICPA joined the meeting to discuss current pipeline issues.

The recently released National Pipeline Advisory Group (NPAG) report was included in the packet. The report reviewed substantial equivalency and mobility, time/cost of education, 90-hour bachelor's degrees and what that does to licensure. It was noted that support is needed for the CPA exam; time to study and assistance paying for the exam. Starting salaries were reviewed; industry needs to be able to attract and retain people in the profession.

What comes next – prioritization and implementation. Discussion about a competency-based framework; 120 semester hours for a bachelor's degree, 1 year competency-based experience and 1 year of work experience. The Uniform Accountancy Act (UAA) model language might be updated to reflect this model.

There are potential mobility and substantial equivalency issues as requirements change in individual jurisdictions. Eleven states are already initiating updates. California, Washington and Oregon are likely to move to bachelor's degree (120) + 2 years of experience. Four states have automatic mobility and more may be moving towards universal mobility.

It was noted that reciprocity and mobility need to be separate. Some jurisdictions may update their licensing language to say bachelor's degree but will not list the required number of semester hours.

Mr. Rodgers asked if students are sitting for the exam while they are still in school. Mr. Cox stated that yes, some jurisdictions allow candidates to sit with 120 semester hours and students are taking the exam.

Mr. Jordan asked AKCPA what they thought the minimum standards for public protection is; what will uphold the public trust. Ms. Burson indicated that the AKCPA Board would be meeting to discuss all the latest information soon.

The Board thanked Mr. Cox for attending and providing the update.

Agenda Item 7 – CPA Exam

The Board reviewed the exam performance data in the meeting packet and noted that TCP seems to have the highest discipline pass rate.

Agenda Item 9 – NASBA Updates

Meetings
Western Regional – June 2024 –Mr. Diehl attended and provided a summary.

Annual Meeting – October 2024 – Request will be put in for Ms. Hanks and Ms. Hondolero to attend.

ED Conference – Spring 2025 – Request will be put in for Ms. Hondolero to attend.

Committees
Ms. Hanks – Communications Committee – committee meets via Zoom on a monthly basis. The committee is trying to get share with more Boards the services that are offered by NASBA. NASBA can offer free assistance with newsletters, CPE audit services do have a cost, but the system offers licensees an option to upload documents.

Agenda Item 11 – Board Business

SCRA – Military Licensure
Division Director, Sylvan Robb joined the meeting to discuss SCRA with the Board. A handout was included in the packet. Essentially if the applicant submits the required documents as outlined in the flyer, the license must be issued. The applications must still be reviewed by the Board but will be screened by Division prior to being presented.

Upon a motion duly made by Ms. Stuart seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve Chelsea Dastrup for licensure under SCRA.

Mr. Diehl asked if the Board had discretion/spending authority. Director Robb stated that no, the Division is not split out like that. While revenue/expenditures are tracked for each program, spending authority is authorized for the Division as a whole.

ED Report
Board vacancies – Three vacancies – 2 public members and one CPA.

Division staffing – Ms. Hondolero is assisting with other programs; time worked on other programs is charged accordingly.

Miscellaneous –

- No new exam release dates were posted before the meeting.
- Are there fewer out of country, AK candidates testing for the CPA exam? Likely no change; CPAES still processes all exam applications.

- Data was provided to the Board to show licensing data for the past couple fiscal years.
- What happens if an AK exam candidate does not qualify for licensure in AK? The candidate would need to research other jurisdictions to see where they might qualify.
- How is the criminal history check requirement working? There have been no complaints and applicants are providing the required checks as part of the application process.
- Impacts of 12 AAC 04.151 – the Board will need to review the applications and written explanations provided to determine is the requirements have been met.

Agenda Item 12 – Statute/Regulation Projects

Ms. Osborne, Regulations Specialist 2 was present to review areas for potential updates with the Board.

A copy of the statutes/regulations with areas marked for review was included in the meeting packet. The Board determined that they would focus on the regulations at this meeting and would set up an additional work session meeting to review the statutes for potential update.

12 AAC 04.151 - clarity needed for this section, so licenses who have held a license previously, but let that license lapse can still apply for licensure. Reference to temporary licensure also listed in this section but may not be necessary.

12 AAC 04.160 – Board requests repeal of this section; criminal history checks are now required.

12 AAC 04.165 – Board would like to remove the requirement for experience and education to be verified if the applicant has been licensed for at least two years. Add language like what is listed in 12 AAC 04.175 (2).

12 AAC 04.175 – remove reference requirement (section (E)).

12 AAC 04.189 – add reference to AK needing to be the state of residence/principal place of business. The Board requested transitional language be added to provide time for those who are outside of Alaksa to obtain licensure elsewhere. The 2025 renewal should be the last time they can renew.

Upon a motion duly made by Mr. Jordan seconded by Ms. Stuart, and approved unanimously, it was:

RESOLVED to open a regulations project to amend 12 AAC 04.151, 12 AAC 04.160, 12 AAC 04.165, 12 AAC 04.175 and 12 AAC 04.189.

Mr. Jordan will be the primary Board member contact for regulation changes.
Ms. Stuart will be the primary Board member contact for legislation changes.

The Board thanked Ms. Osborne for joining the meeting.

Agenda Item 10 – Correspondence

The Board reviewed the correspondence in the meeting packet and noted that none of the items required response.

Agenda Item 13 – Application Review

The Board started application review.

Upon a motion duly made by Mr. Diehl, seconded by Mr. Jordan, and approved unanimously, it was:

RESOLVED to enter into executive session for the purpose of reviewing applications.

The Board entered executive session at 3:29 p.m.
The Board went back on the record at 4:30 p.m.

The Board took the following action on the applications that had been reviewed.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve Mimi Fitzgerald's exam score reinstatement; FAR score extended 6 months, all sections should reflect as passed.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to deny the score reinstatement request from Tyian Scarlett; request is outside the length of time for extensions previously granted during covid.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve Stacey Trolla's exam score reinstatement; FAR score extended to 1/1/24, all sections should reflect as passed.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously by the members present, it was:

RESOLVED to approve Isaac Light and Andrea Rhyner for licensure by exam.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to deny Sushant Eriwal's application for licensure by exam; applicant does not meet the principal place of business/residence requirements of AS 08.04.360, 12 ACC 04.151 and 12 AAC 04.175.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to deny Matthew Ward's application for licensure by exam; applicant does not meet the principal place of business/residence requirements of AS 08.04.360, 12 ACC 04.151 and 12 AAC 04.175.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to deny Sadok Yaich's application for licensure by exam; applicant does not meet the principal place of business/residence requirements of AS 08.04.360, 12 ACC 04.151 and 12 AAC 04.175.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the firm licenses of Abdo LLP, Jennifer L. Dorff, CPA LCC, Vicinity Financial Group LLC and Weaver and Tidwell LLP.

Upon a motion duly made by Ms. Hanks seconded by Mr. Johnson, and approved unanimously, it was:

RESOLVED to approve the reinstatements of Oluseun Oyewale and Avazkhodja Usmanov to active status.

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to deny the CPE audit of Clifford James and refer his file to the paralegal for non-compliance with CPE requirements; did not have at least 20 hours in each year (2022/2023).

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the following CPE random audits:

- **Ronald Alban**
- **Prerna Chandla**
- **Randy Hamilton**
- **Beverly Holaday-English**
- **Jonathan McLeish**
- **Michael Schmitz**
- **Viktar Strachuk**
- **Rockne Wilson**
- **Zhehua Xue**
- **Stanislav Zolotarev**

Upon a motion duly made by Mr. Jordan seconded by Mr. Diehl, and approved unanimously, it was:

RESOLVED to approve the CPE submitted by Andrea McCormack for 24 hours.

Agenda Item 14 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- September 18, 2024 – work session mainly on statutes/regulations
- November 7-8, 2024 – Board may determine this only needs to be a one-day meeting
- February 7, 2025
- April 25, 2025

Task Lists

Rachel Hanks

- Update matrix – have ready for Board review at Nov. meeting

Cori Hondolero

- Get information from NASBA on how they prevent jurisdiction hopping for exam candidates
- Get information regarding cost of NASBA CPE Audit services
- See if there is information available regarding what happens when a jurisdiction changes their requirements and licensees are unable to renew – Ex: SSN requirement etc.

Upon a motion duly made by Mr. Jordan seconded by Ms. Stuart, and approved unanimously by the members present, it was:

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 5:15 p.m.

Respectfully Submitted:

_____
Cori Hondolero
Executive Administrator

Approved:

_____
Rachel Hanks, Chair
Alaska Board of Public Accountancy

Date:_____

Alaska Society of CPA's

Society update:

John Rodgers, Board liaison

Correspondence

1) NASBA – Quarterly Communications

2) NASBA – State Board Report – Summer 2024

3) AICPA – Discipline/Drop List
    - September 2024
    - August 2024
    - July 2024

4) Alabama State Board of Accountancy
    - Annual Report
    - Fall 2024

5) North Carolina State Board of Certified Public Accountant Examiners
    - October 2024
    - September 2024
    - August 2024

6) Georgia State Board of Accountancy – September 2024

7) California Board of Accountancy – Summer 2024

CPA EXAM

Hondolero, Corissa A (CED)

From:	Hondolero, Corissa A (CED)
Sent:	Wednesday, September 25, 2024 9:53 AM
To:	Board of Public Accountancy (CED sponsored)
Subject:	Prometric Testing - Board Survey
Attachments:	Prometric Exam Survey Interactive.pdf

Dear Alaska Exam Candidate:

Our records reflect that you took a CPA exam as an Alaska candidate. The Alaska Board of Public Accountancy would like your input on your testing experience at Prometric Testing Centers in Anchorage and Fairbanks. If you took your exam at one of these Alaska sites, please take a moment to complete the short survey attached and return it via e-mail (submit using the button at the bottom of attached PDF survey), email to BoardOfPublicAccountancy@alaska.gov or fax to 907-269-8156.

Please note this is only for exam candidates who took their exam in ***Anchorage*** or ***Fairbanks*** during **April, May or June 2024**. If you took the exam at another location or during another timeframe, please disregard this notice.

**The Board does not see any questionnaires that you may fill out at the test center; the attached survey will be reviewed by the Board at the next quarterly meeting.*

Thank you for your assistance.

Cori Hondolero
Executive Administrator, Board of Public Accountancy
Division of Corporations, Business and Professional Licensing

boardofpublicaccountancy@alaska.gov
www.commerce.alaska.gov

ALASKA BOARD OF PUBLIC ACCOUNTANCY

EXAM SATISFACTION SURVEY AND QUESTIONNAIRE

Please complete this survey so that the Alaska Board of Public Accountancy may assess and address any problems associated with testing at the Anchorage and Fairbanks Prometric Testing Centers.

Please rate the following:

1-Excellent 2-Good 3-Satisfactory 4-Unsatisfactory

__1__ Prometric testing environment

__1__ How well the computer functioned while testing

__1__ Professionalism and helpfulness of test site personnel

__1__ How easy it was to get the testing dates and times you requested

Please answer the following questions:

1. Did you schedule your exam at least 45 days in advance? ☒ YES ☐ NO
2. If so, were you given the date you requested? ☒ YES ☐ NO
3. Did you sit at the ☒ Anchorage or ☐ Fairbanks test site ☐ or Both
4. From what city did you travel to sit at the exam? Anchorage
5. Did your testing require overnight accommodations? ☐ YES ☒ NO

Additional Comments:

Or Mail to:

Alaska Board of Public Accountancy
Division of Corporations, Business and Professional Licensing
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501

Or Fax to:

(907) 269-8156

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__2__ Prometric testing environment

__2__ How well the computer functioned while testing

__1__ Professionalism and helpfulness of test site personnel

__1__ How easy it was to get the testing dates and times you requested

Please answer the following questions:

1. Did you schedule your exam at least 45 days in advance? ☒ YES ☐ NO
2. If so, were you given the date you requested? ☒ YES ☐ NO
3. Did you sit at the ☐ Anchorage or ☒ Fairbanks test site ☐ or Both
4. From what city did you travel to sit at the exam? Fairbanks
5. Did your testing require overnight accommodations? ☐ YES ☒ NO

Additional Comments:

Or Mail to:

Alaska Board of Public Accountancy
Division of Corporations, Business and Professional Licensing
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501

Or Fax to:

(907) 269-8156

Hondolero, Corissa A (CED)

From: Hondolero, Corissa A (CED)
Sent: Wednesday, October 23, 2024 8:37 AM
To: Board of Public Accountancy (CED sponsored)
Subject: Prometric Testing - Board Survey
Attachments: Prometric Exam Survey Interactive.pdf

Dear Alaska Exam Candidate:

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Please note this is only for exam candidates who took their exam in ***Anchorage*** or ***Fairbanks*** during **July, August or September 2024**. If you took the exam at another location or during another timeframe, please disregard this notice.

**The Board does not see any questionnaires that you may fill out at the test center; the attached survey will be reviewed by the Board at the next quarterly meeting.*

Thank you for your assistance.

Cori Hondolero
Executive Administrator, Board of Public Accountancy
Division of Corporations, Business and Professional Licensing

boardofpublicaccountancy@alaska.gov
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ALASKA BOARD OF PUBLIC ACCOUNTANCY

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Please rate the following:

1-Excellent 2-Good 3-Satisfactory 4-Unsatisfactory

__2__ Prometric testing environment

__1__ How well the computer functioned while testing

__1__ Professionalism and helpfulness of test site personnel

__1__ How easy it was to get the testing dates and times you requested

Please answer the following questions:

1. Did you schedule your exam at least 45 days in advance? ■ YES ☐ NO
2. If so, were you given the date you requested? ■ YES ☐ NO
3. Did you sit at the ■ Anchorage or ☐ Fairbanks test site ☐ or Both
4. From what city did you travel to sit at the exam? Eagle River, AK
5. Did your testing require overnight accommodations? ☐ YES ■ NO

Additional Comments:

I was alarmed to discover that my testing timer did not stop when I took a break to use the restroom. Using the restroom requires a full body security check before and after the break, which was time ticking away from me that was out of my control. Once I learned that my timer does not stop, and it takes 7-8 minutes for 2 body scans and to use the single-hole restroom (only 1 toilet per gender, had to wait in line for a few minutes and finally succumbed to sing the male bathroom), I could not afford to use the restroom anymore during my 4-hour testing window. As someone who naturally drinks copious amounts of water, I personally struggled to hold my bladder for the remainder of my exam, and used almost the rest of my allotted time to finish my exam. I finished with only a minute or two of spare time, and do not agree with this timing method. I believe each tester's timer should be stopped during restroom breaks for fairness of human bodily function and the extensive security checks.

Click here to E-MAIL this survey to the Division

Or Mail to:

Alaska Board of Public Accountancy
Division of Corporations, Business and Professional Licensing
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501

Or Fax to:

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3 Prometric testing environment

3 How well the computer functioned while testing

1 Professionalism and helpfulness of test site personnel

1 How easy it was to get the testing dates and times you requested

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2. If so, were you given the date you requested? ☒ YES ☐ NO
3. Did you sit at the ☒ Anchorage or ☐ Fairbanks test site ☐ or Both
4. From what city did you travel to sit at the exam? Eagle River
5. Did your testing require overnight accommodations? ☐ YES ☒ NO

Additional Comments:

Click here to E-MAIL this survey to the Division

Or Mail to:

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Division of Corporations, Business and Professional Licensing
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__2__ Prometric testing environment

__2__ How well the computer functioned while testing

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Please answer the following questions:

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2. If so, were you given the date you requested? ☒ YES ☐ NO
3. Did you sit at the ☒ Anchorage or ☐ Fairbanks test site ☐ or Both
4. From what city did you travel to sit at the exam? Anchorage
5. Did your testing require overnight accommodations? ☐ YES ☒ NO

Additional Comments:

Or Mail to:

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Division of Corporations, Business and Professional Licensing
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501

Or Fax to:

(907) 269-8156

RESOURCES

Find out when you'll get your CPA Exam score

Sep 30, 2023 · 1 min read

CPA Exam scores are released on a rolling basis throughout the year. The score release dates below show when you can expect to receive your score after sitting for a section. This helps you to better plan your testing schedule.

Please note that these dates are subject to change.

2024 Core section administration and score release schedule:

Testing Dates	Your target score release date is:
July 1 - September 25	October 31
October 1 - December 26	January 29

2024 Discipline section administration and score release schedule:

Testing Dates	Your target score release date is:
July 1 - July 31	September 10

Testing Dates	Your target score release date is:
October 1 - October 31	December 10

2025 Core section administration and score release schedule:

The Core sections are **available with continuous testing** in 2025.

If the AICPA receives your exam data file by*:	Your target score release date is:
January 23	February 7
February 14	February 25
March 9	March 18
March 31	April 9
April 23	May 8
May 16	May 28
June 8	June 17
June 30	July 10
July 23	August 7
August 15	August 26
September 7	September 16
September 30	October 9
October 23	November 7
November 15	November 25
December 8	December 16
December 31	January 13

*Please note: Exam data files received after this date will be included in the next scheduled score release.

2025 Discipline section administration and score release schedule:

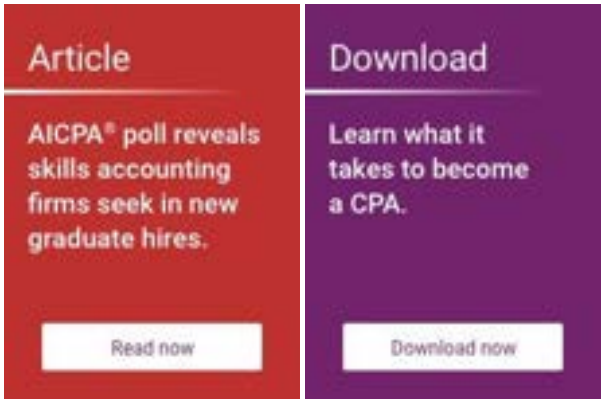
The Discipline sections will be administered in the first month of each quarter in 2025*.

Testing Dates	Your target score release date is:
January 1 - 31	March 14
April 1 - 30	May 16
June 1 - 30	July 17
July 1 - 31	September 11
October 1 - 31	December 16

* For the second quarter of 2025 only, we were able to adjust the testing dates and score release dates to accommodate the credit extensions through June 30, 2025.

Here's what's next

Explore more of our great resources below.



Year-Quarter: 2024-Q2

Quarterly CPA Examination Report: Overall Performance - All

Jurisdiction: Alaska

		Exam Type		Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	1,010	769	281	307	375	266	157	31	28
Sections	1,164	869	295	307	375	266	157	31	28
% Pass	48.8%	53.9%	33.9%	38.1%	47.5%	62.8%	45.2%	38.7%	82.1%
Average Score	71.1	72.1	68.1	69.1	68.8	74.6	72.2	72.1	82.4
Average Age	30.8	30.1	32.7	30.6	30.7	30.4	32.2	30.1	29.9

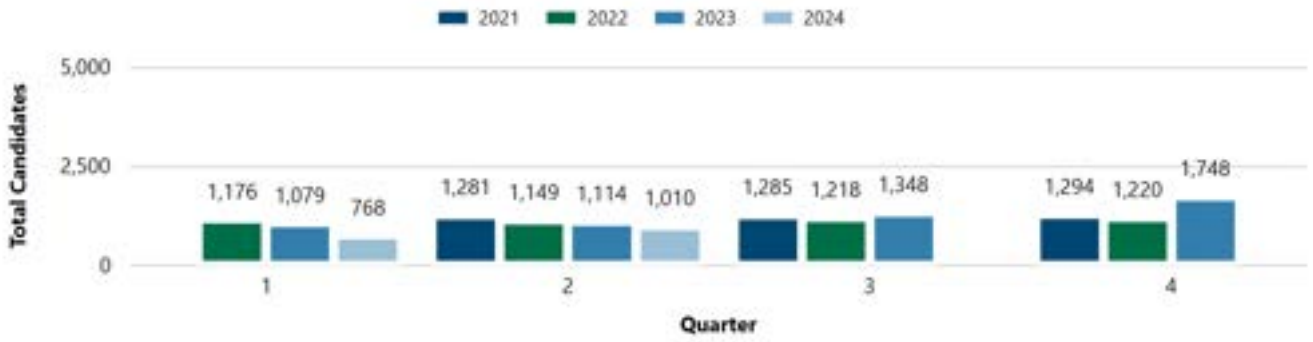
Jurisdiction Ranking

30 Overall Pass Rate	**21** Overall Avg. Score
30 Core Pass Rate	**38** Discipline Pass Rate

	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	389	585	36	31	228	751	230	73	30	13	13	114	135	150	123	480
Sections	442	678	44	39	283	842	273	82	32	14	16	137	148	162	145	555
% Pass	42.1%	52.7%	56.8%	43.6%	54.1%	47.3%	51.3%	54.9%	28.1%	28.6%	62.5%	54.0%	49.3%	54.3%	44.8%	46.3%
Average Score	69.0	72.3	73.0	68.4	72.7	70.7	69.7	73.8	71.1	66.1	75.2	72.0	71.9	72.1	69.8	70.6
Average Age	30.6	30.9	29.9	31.7	28.5	31.5	29.3	30.9	32.2	32.5	20.9	22.5	24.5	26.5	28.5	36.6

Total Candidates by Quarter

Number of unique candidates per quarter who have taken at least one section of the Examination.



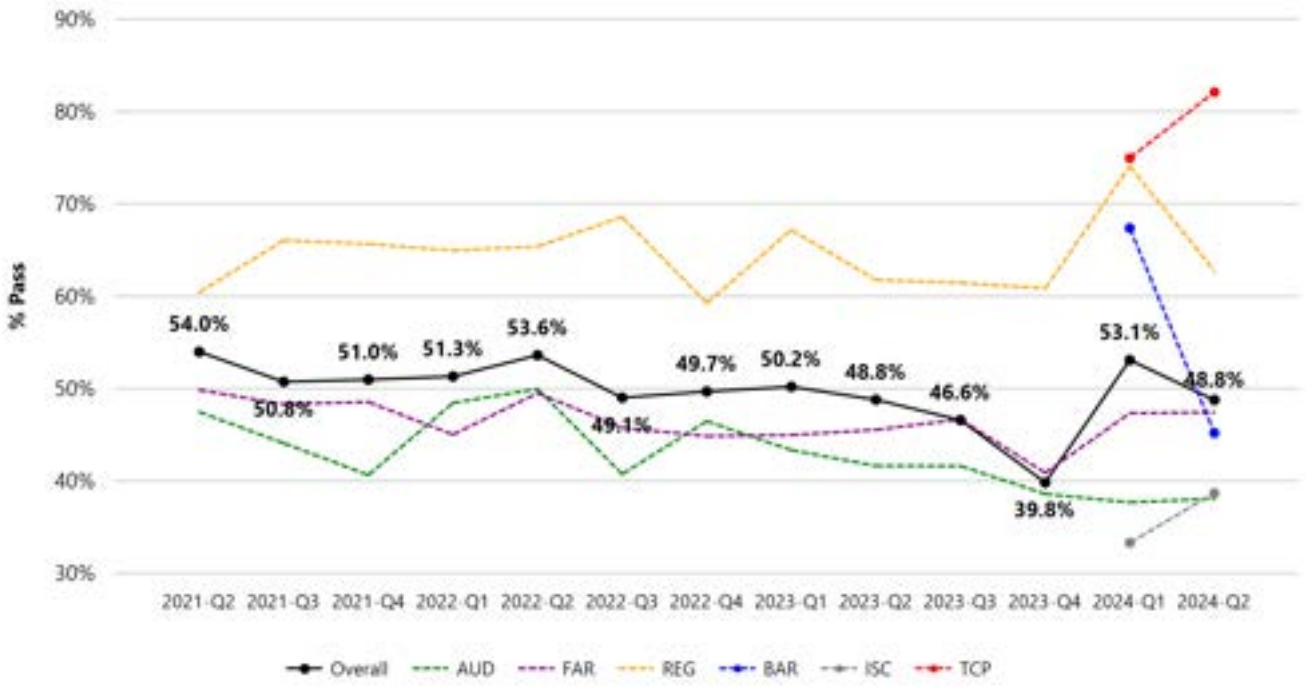
Total Sections by Section Type*

The total of Examination sections for which candidates received scores in the current quarter and the same quarter over the past 4 years.

Year-Quarter: 2024-Q2

% Pass

The percentage of sections that were passed in each quarter for the past three years. AUD, FAR and REG after 2023 represent the new core sections.



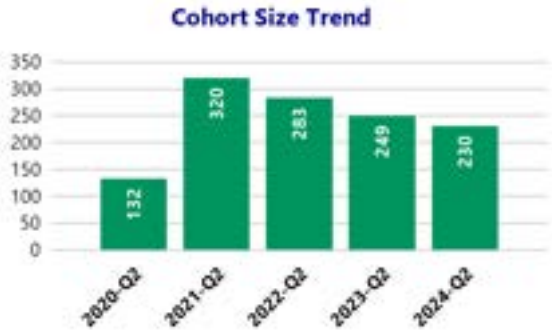
Year-Quarter	Overall Pass Rate	AUD	FAR	REG	BAR	ISC	TCP
2024-Q2	48.8%	38.1%	47.5%	62.8%	45.2%	38.7%	82.1%
2024-Q1	53.1%	37.7%	47.4%	74.1%	67.4%	33.3%	75.0%
2023-Q4	39.8%	38.6%	40.9%	60.9%	-	-	-
2023-Q3	46.6%	41.6%	46.7%	61.5%	-	-	-
2023-Q2	48.8%	41.7%	45.6%	61.8%	-	-	-
2023-Q1	50.2%	43.4%	45.0%	67.2%	-	-	-
2022-Q4	49.7%	46.5%	44.9%	59.3%	-	-	-
2022-Q3	49.1%	40.8%	45.8%	68.6%	-	-	-
2022-Q2	53.6%	50.0%	49.5%	65.4%	-	-	-
2022-Q1	51.3%	48.5%	45.1%	65.0%	-	-	-
2021-Q4	51.0%	40.7%	48.6%	65.7%	-	-	-
2021-Q3	50.8%	44.1%	48.3%	66.1%	-	-	-
2021-Q2	54.0%	47.5%	49.9%	60.5%	-	-	-

Year-Quarter: 2024-Q2

Quarterly CPA Examination Report: Overall Performance - First Time

Jurisdiction: Alaska

		Exam Type		Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	769	769	-	188	261	214	149	30	27
Sections	869	869	-	188	261	214	149	30	27
% Pass	53.9%	53.9%	-	42.0%	53.6%	67.8%	46.3%	40.0%	85.2%
Average Score	72.1	72.1	-	68.9	69.7	76.4	72.3	72.7	83.1
Average Age	30.1	30.1	-	29.6	29.8	29.6	32.1	30.2	29.8



	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	281	456	32	21	177	571	230	54	13	6	13	104	108	118	96	335
Sections	312	520	37	26	216	627	273	57	14	7	16	123	116	128	108	377
% Pass	45.8%	58.1%	62.2%	46.2%	58.8%	52.5%	51.3%	61.4%	28.6%	57.1%	62.5%	55.3%	50.0%	60.2%	50.9%	52.8%
Average Score	70.3	73.1	74.1	69.3	73.8	71.7	69.7	75.1	71.6	70.7	75.2	72.3	72.3	73.2	70.7	71.9
Average Age	30.0	30.2	29.3	30.6	27.4	31.0	29.3	30.5	30.2	30.1	20.9	22.5	24.5	26.5	28.5	36.4

New Candidates vs. Candidates Passing Final Section

The number of new unique candidates taking their very first Examination section versus the total number of unique candidates who passed their fourth and final section in a quarter.

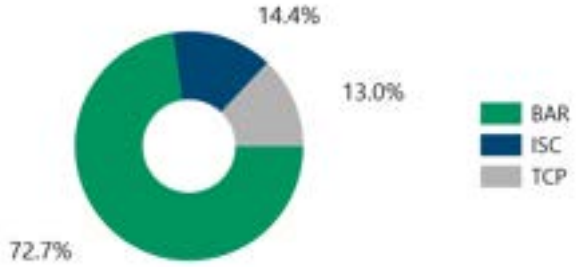
Degree Type

Highest degree listed for a candidate

	Candidates	% Total
Bachelor's Degree	695	68.8%
Advanced Degree	118	11.7%
Enrolled / Other	197	19.5%

Disciplines

Breakdown of what percentage of candidates are taking which disciplines



Year-Quarter: 2024-Q2

Quarterly CPA Examination Report: Overall Performance - All

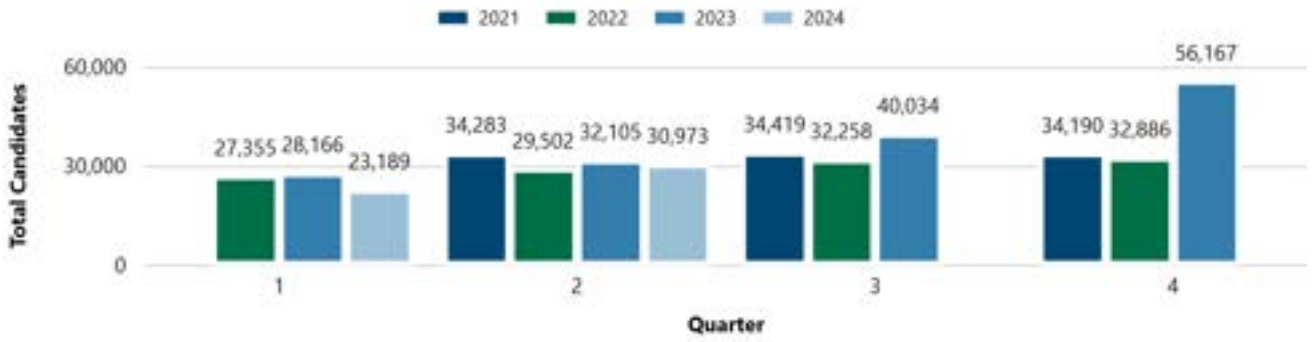
Jurisdiction: Overall

		Exam Type		Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	30,973	23,196	9,166	10,103	12,246	10,038	1,694	1,110	1,155
Sections	36,346	26,514	9,832	10,103	12,246	10,038	1,694	1,110	1,155
% Pass	50.2%	55.2%	36.7%	46.6%	40.6%	63.4%	40.3%	57.9%	75.7%
Average Score	70.8	72.0	67.6	70.9	66.1	75.1	68.9	75.8	80.0
Average Age	28.8	28.0	31.0	28.6	28.7	28.4	30.5	28.7	32.1

	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	14,341	14,580	2,052	21,550	4,416	5,007	6,084	2,183	616	387	656	7,733	5,621	3,780	2,887	10,446
Sections	16,797	17,077	2,472	25,262	5,263	5,821	7,011	2,483	689	426	783	9,442	6,356	4,292	3,351	12,101
% Pass	46.7%	53.3%	52.6%	49.4%	53.5%	50.5%	47.8%	50.1%	41.2%	39.9%	67.0%	59.6%	48.1%	47.2%	47.7%	44.5%
Average Score	69.5	72.0	71.6	70.5	72.1	71.1	68.2	71.7	69.2	68.0	75.6	73.6	70.1	69.7	70.0	69.3
Average Age	29.2	28.5	28.0	28.5	28.4	30.3	27.2	28.3	29.0	30.6	20.9	22.6	24.4	26.5	28.5	37.3

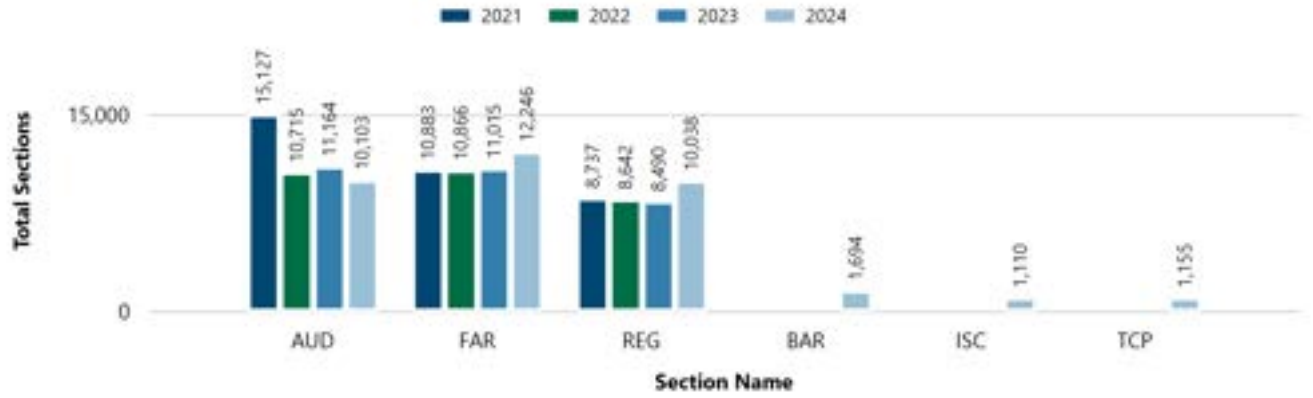
Total Candidates by Quarter

Number of unique candidates per quarter who have taken at least one section of the Examination.



Total Sections by Section Type*

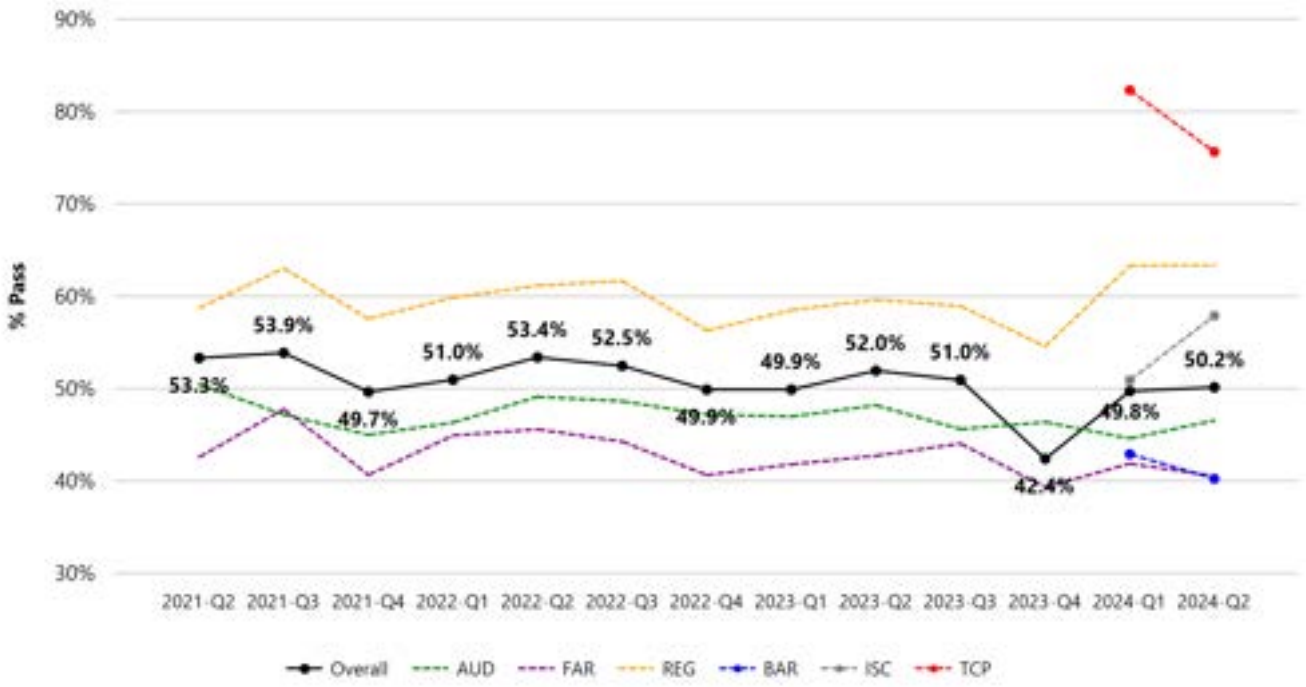
The total of Examination sections for which candidates received scores in the current quarter and the same quarter over the past 4 years.



Year-Quarter: 2024-Q2

% Pass

The percentage of sections that were passed in each quarter for the past three years. AUD, FAR and REG after 2023 represent the new core sections.



Year-Quarter	Overall Pass Rate	AUD	FAR	REG	BAR	ISC	TCP
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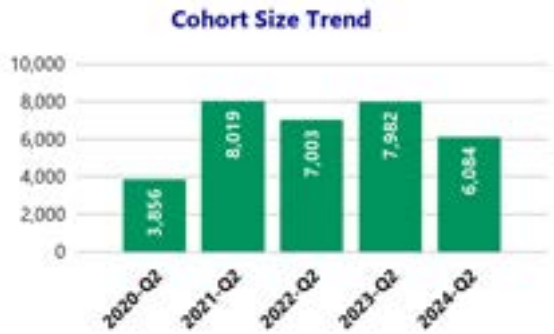
2024-Q1	49.8%	44.6%	41.9%	63.4%	42.9%	50.9%	82.4%
2023-Q4	42.4%	46.4%	39.4%	54.6%	-	-	-
2023-Q3	51.0%	45.6%	44.1%	59.0%	-	-	-
2023-Q2	52.0%	48.2%	42.8%	59.7%	-	-	-
2023-Q1	49.9%	47.0%	41.8%	58.5%	-	-	-
2022-Q4	49.9%	47.2%	40.7%	56.3%	-	-	-
2022-Q3	52.5%	48.7%	44.3%	61.7%	-	-	-
2022-Q2	53.4%	49.1%	45.6%	61.2%	-	-	-
2022-Q1	51.0%	46.3%	44.9%	59.9%	-	-	-
2021-Q4	49.7%	45.0%	40.7%	57.6%	-	-	-
2021-Q3	53.9%	47.2%	47.8%	63.1%	-	-	-
2021-Q2	53.3%	50.5%	42.6%	58.8%	-	-	-

Year-Quarter: 2024-Q2

Quarterly CPA Examination Report: Overall Performance - First Time

Jurisdiction: Overall

		Exam Type		Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	23,196	23,196	-	6,774	8,327	7,670	1,582	1,053	1,108
Sections	26,514	26,514	-	6,774	8,327	7,670	1,582	1,053	1,108
% Pass	55.2%	55.2%	-	51.4%	46.3%	67.5%	41.2%	58.7%	76.5%
Average Score	72.0	72.0	-	71.6	67.3	76.2	68.9	76.0	80.2
Average Age	28.0	28.0	-	27.5	27.7	27.6	30.2	28.6	32.0



	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	10,520	11,078	1,598	15,958	3,285	3,953	6,084	1,505	301	162	641	7,005	4,128	2,613	1,968	6,950
Sections	11,982	12,666	1,866	18,238	3,831	4,445	7,011	1,614	312	167	760	8,399	4,549	2,881	2,188	7,718
% Pass	51.5%	58.2%	58.3%	54.2%	60.3%	54.8%	47.8%	57.1%	45.8%	44.9%	67.5%	61.8%	51.5%	51.0%	53.6%	50.9%
Average Score	70.5	73.2	73.0	71.5	73.8	72.1	68.2	73.4	70.7	69.2	75.7	74.1	70.8	70.4	71.3	70.7
Average Age	28.4	27.7	27.4	27.7	27.4	29.7	27.2	28.5	28.6	30.3	20.9	22.6	24.4	26.5	28.5	37.1

New Candidates vs. Candidates Passing Final Section

The number of new unique candidates taking their very first Examination section versus the total number of unique candidates who passed their fourth and final section in a quarter.

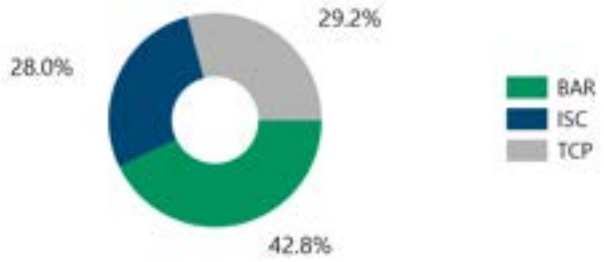
Degree Type

Highest degree listed for a candidate

	Candidates	% Total
Bachelor's Degree	18,920	61.1%
Advanced Degree	6,046	19.5%
Enrolled / Other	6,007	19.4%

Disciplines

Breakdown of what percentage of candidates are taking which disciplines



Overall Statistics by Jurisdiction

Year-Quarter: 2024-Q2

Summary of Examination data for each Jurisdiction with fifteen* or more candidates.

Jurisdiction	Total Candidates	Total Exam Sections	Sections FT	Sections RE	Average Pass Rate	Average Score	Average Age
Alabama	370	419	330	89	49.4%	69.6	26.5
Alaska	1,010	1,164	869	295	48.8%	71.1	30.8
Arizona	423	489	339	150	46.4%	69.8	29.6
Arkansas	199	228	167	61	53.1%	71.0	28.2
California	4,443	5,244	3,758	1,486	46.9%	69.4	29.9
Colorado	435	515	376	139	55.3%	72.3	29.3
Connecticut	331	382	252	130	43.2%	68.5	28.1
Delaware	75	87	56	31	46.0%	69.6	33.7
District of Columbia	79	88	70	18	44.3%	68.1	28.5
Florida	1,201	1,395	1,034	361	54.8%	72.2	29.3
Georgia	770	904	619	285	50.0%	70.8	29.9
Guam	1,401	1,640	1,259	381	49.8%	71.0	28.9
Hawaii	87	102	73	29	56.9%	72.1	28.3
Idaho	140	165	116	49	43.6%	70.2	30.4
Illinois	1,521	1,777	1,344	433	52.7%	71.1	27.1
Indiana	451	530	393	137	51.1%	71.2	27.4
Iowa	280	383	303	80	60.3%	75.0	25.2
Kansas	56	64	48	16	56.3%	72.9	30.4
Kentucky	211	243	186	57	44.9%	69.9	28.6
Louisiana	236	259	175	84	42.9%	69.0	28.6
Maine	322	382	262	120	55.0%	71.7	33.0

Jurisdiction	Total Candidates	Total Exam Sections	Sections FT	Sections RE	Average Pass Rate	Average Score	Average Age
Maryland	352	397	284	113	45.8%	69.1	30.5
Massachusetts	742	832	603	229	49.6%	70.9	27.0
Michigan	617	730	543	187	50.3%	70.7	27.4
Minnesota	410	501	359	142	58.5%	73.2	26.5
Mississippi	200	250	189	61	42.8%	69.0	26.7
Missouri	534	654	500	154	53.8%	71.7	26.0
Montana	627	767	624	143	57.1%	73.6	29.4
Nebraska	94	110	91	19	59.1%	75.2	24.6
Nevada	207	240	175	65	41.7%	68.8	29.0
New Hampshire	185	215	116	99	39.5%	68.6	32.3
New Jersey	695	793	486	307	41.9%	67.9	28.9
New Mexico	68	80	60	20	47.5%	67.7	33.0
New York	3,101	3,575	2,443	1,132	47.3%	70.2	28.4
North Carolina	707	853	646	207	53.2%	72.2	27.5
North Dakota	234	257	208	49	44.4%	67.8	29.6
Ohio	769	880	626	254	48.5%	70.4	27.2
Oklahoma	244	284	203	81	46.1%	69.0	30.0
Oregon	172	197	126	71	50.3%	71.4	32.3
Pennsylvania	987	1,129	803	326	48.9%	70.6	27.7
Puerto Rico	156	170	103	67	37.1%	66.5	29.6
Rhode Island	44	51	38	13	43.1%	64.8	29.9
South Carolina	208	253	197	56	58.1%	72.6	28.5
South Dakota	50	57	46	11	68.4%	74.7	28.7

Jurisdiction	Total Candidates	Total Exam Sections	Sections FT	Sections RE	Average Pass Rate	Average Score	Average Age
Tennessee	504	574	420	154	51.0%	70.8	28.5
Texas	2,264	2,867	2,236	631	54.8%	72.4	28.0
Utah	279	322	253	69	58.4%	74.0	29.1
Vermont	73	111	74	37	49.5%	71.2	28.9
Virginia	824	956	696	260	45.9%	69.4	29.7
Washington	1,180	1,324	1,018	306	55.6%	72.6	31.7
West Virginia	65	73	53	20	42.5%	66.1	27.6
Wisconsin	314	356	242	114	59.8%	74.1	25.8
Wyoming	26	28	24	4	64.3%	75.8	32.0

**30 or more candidates is the cutoff for the annual performance report.*

Notes

1. The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
2. The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
3. Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
4. A cohort is the year in which a candidate enters the CPA Exam pipeline. The candidate's cohort is determined by the very first section attempt on the CPA Examination.
5. The CPA Exam introduced a new Exam on January 1, 2024. AUD, FAR, and REG after 2023 represent the new core sections.

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NASBA UPDATES

Exposure Draft

Issued September 30, 2024

Joint AICPA/NASBA UAA Committee Exposure
Amendments to UAA Section 5: Education requirements to sit for the CPA Exam and education requirements for a certificate; UAA Section 23: Substantial Equivalency for individuals licensed through a non-substantially equivalent pathway

NASBA UAA Committee Exposure
UAA Model Rules Article 3: Definition of the CPA Competency-Based Experience Pathway and Article 6: experience requirements for a certificate under the CPA Competency-Based Experience Pathway

Uniform Accountancy Act Eighth Edition - January 2018

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and

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150 4th Avenue, North, Nashville, TN 37219

Comments must be received by December 30, 2024.
Please click here to submit your comments.

EXPOSURE DRAFT OF CHANGES

Overview

Model Act
n September 2024, the boards of directors of the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) each approved for exposure changes to the Uniform Accountancy Act (UAA) that would:

- Specify the education required to sit for the Uniform CPA Examination;
- Define the requirements for an additional pathway for licensure as a CPA;
- Retain mobility for those licensed under a pathway defined in the UAA; and
- Provide a mechanism for those who are licensed under a pathway that is not defined in the UAA but who later meet the mobility requirements defined in the UAA.

Model Rules
Separately, the NASBA board of directors approved for exposure UAA Model Rule changes updating the definitions to reflect the additional pathway for licensure and the experience required for the issuance of an initial certificate under the proposed additional pathway.

Comments on the proposal are requested via this form by **December 30, 2024**.

Uniform Accountancy Act Background

The AICPA and NASBA have worked together since 1984 to produce the Uniform Accountancy Act (UAA), also referred to as the Model Act, and UAA Model Rules to serve as reference documents for all U.S. states and jurisdictions as they update their own statutes and regulations. These evergreen documents are regularly reviewed and updated by the Joint AICPA/NASBA UAA Committee. The UAA Model Act is subject to the final approval of the two organizations' boards of directors, while the Model Rules are subject to the final approval of NASBA's board of directors.

Additional Licensure Pathway: Competency-Based Experience Pathway

AICPA and NASBA believe that a strong pipeline of accounting talent is essential for a robust economy and public protection. Along with an aging workforce with many CPAs nearing retirement age, recent years have also seen a steady decline in the number of accounting graduates and new candidates taking the CPA Exam. At the same time, there is a need for CPAs with evolving competencies and experiences. The importance of a strong talent pool has led AICPA, NASBA, and other key stakeholders from across the accounting profession to examine the root causes of the recent decline in entrants and consider potential initiatives that could address talent challenges.

With the concurrent exposure draft, CPA Competency-Based Experience Pathway ("pathway"), AICPA and NASBA are seeking to address the financial and time constraints some individuals face in completing the education needed post-bachelor's degree to achieve CPA licensure. The pathway would provide an additional pathway to licensure that is responsive to those challenges.

The AICPA/NASBA UAA Committee elected to pursue equivalent pathways to licensure that

could preserve mobility for CPA licensees amid a changing market and regulatory environment.

he proposed additional pathway identifies model competencies that would be exhibited by a candidate during work experience prior to being granted CPA licensure. The proposed pathway framework also describes how a candidate, the candidate's employer, and boards of accountancy could implement this pathway. Another key goal includes creating evergreen standards that can be adapted as the profession evolves, as well as regulatory updates at the state level.

It is anticipated that if adopted, the model framework and competencies would be included as an evergreen appendix to the UAA Model Act.

In addition to the UAA Model Act amendments, the Model Rules would be updated by:

- Adding a definition of the Competency-Based Experience Pathway.
- Updating the experience required for an initial certificate to include the completion of the Competency-Based Experience Pathway.

Substantial Equivalency

The exposure would also amend Section 23 Substantial Equivalency by acknowledging that a board of accountancy or NASBA's National Qualification Appraisal Service (NQAS) may verify, once a new pathway to licensure is established by a jurisdiction, that a jurisdiction's licensure requirements are in substantial equivalence with the CPA licensure requirements of the UAA. Section 23 also acknowledges that licensees shall be presumed to have met the qualifications of substantial equivalency if the individual was issued an original certificate under the education, examination, and experience rules contained in 5(c)2, or their equivalent, which were in effect at the time of issuance.

The amendments also provide a process for boards of accountancy in jurisdictions that have adopted licensure pathways not substantially equivalent to the UAA, to identify those CPAs licensed through these pathways by providing licensure information to a national licensee database.

Should a jurisdiction enact legislation that includes one or more pathways that are not substantially equivalent to the UAA, the amendments provide a process for boards of accountancy to identify in a national licensee database the pathway used to license CPAs and to verify whether the CPA meets the licensure requirements defined in the UAA. This will allow for easier determination of a CPA's eligibility to practice through mobility with a practice permit.

In addition, the amendments provide a way for CPAs licensed through a pathway, not substantially equivalent to the UAA, to later have their post-licensure credentials reevaluated to determine if the CPA meets one of the licensure pathways defined in the UAA. Thereby, allowing the CPA to practice in another jurisdiction with a practice privilege.

The AICPA, NASBA, and the Joint UAA Committee welcome comments on the proposal.

Thomas Neill, CPA	Nicola Neilon, CPA
Chair, AICPA UAA Committee	Chair, NASBA UAA Committee

The base documents are the January 2018 edition of the UAA (pertinent parts) and April 2023 edition of the UAA Model Rules. Additions are shown in single underlined text, and deletions are shown in ~~single strike through~~ text.

UAA – 8th Edition, January 2018

SECTION 5
QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC ACCOUNTANT

(c) **(1) The education requirement ~~for a certificate~~, which must be met before an applicant is eligible to apply for the examination prescribed in subsection (d), shall be ~~at least 150 semester hours of college education including~~ a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule ~~to be appropriate~~.**

(2) The education requirement for a certificate shall be met through any of the following pathways:

(A) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(B) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(C) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration, or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2).

Comment: In situations where the Candidate is enrolled in a dual degree five- year accounting program where the bachelor's degree is conferred after the completion of the master's degree, the candidate is eligible to sit for the CPA Exam upon the completion of the bachelor's degree requirements and the accounting concentration.

(f) **~~An applicant for initial issuance of a certificate under this Section shall show that the applicant has had one year of experience. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through~~**

~~**employment in government, industry, academia or public practice.**~~

(1) The experience required in section 5(c)2(A) and 5(c)2(B) shall include one year providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through employment in government, industry, academia, or public practice.

(2) The experience required in section 5(c)2(C) shall include two years of experience:

> **(A) At least one year of competency-based experience performed in accordance with a competency framework developed by a national accounting organization and administered in accordance with Board rule, and**
>
> **(B) The remainder of experience as set forth in section 5(f)(1).**

Comment: In meeting the two-year experience requirement, the Candidate works with a CPA Evaluator to ensure the Candidate demonstrates the competencies outlined in the CPA Competency-Based Experience Pathway, which was approved by the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs (AICPA) boards of directors is included as an appendix to the UAA Model Act. In addition to demonstrating the competencies in the Framework, the Candidate must also complete one additional year of general relevant, supervised or verified, work experience. A candidate may apply additional competency-based experience toward the general experience requirement.

The board of accountancy may specify any reasonable approach to meeting the competency-based experience requirement using as a guideline the Competency-Based Experience Pathway jointly approved by NASBA and the AICPA.

SECTION 23
SUBSTANTIAL EQUIVALENCY

(a) (1) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7. Notwithstanding any other provision of law, an individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (2).

(2) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or NASBA Qualifications Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if the individual was issued an original certificate under the education, examination and experience rules contained in 5(c)2, or their equivalent, which were in effect at the time of issuance and the issuing board of accountancy has identified the individual's applicable licensure pathway in a national licensee database which reports the individual has met licensure requirements substantially equivalent to obtain those provided under Section 23(a)(3).

Comment: Subsection 23(a)(3) is intended to seamlessly facilitate substantial equivalency and mobility whenever the Uniform Accountancy Act is modified to establish equivalent pathways to licensure. Individuals who have met any of the recognized equivalent pathways would be allowed to practice under interstate mobility without the need to obtain a separate certificate or permit to practice in any other jurisdiction.

NASBA has created a national licensee database that is provided at no cost to the boards of accountancy. That database may be used by boards of accountancy to satisfy the requirements defined in section 23(a)(2). NASBA has also created

CPAverify.org, a public facing database, that provides limited licensure information to the public regarding U.S. licensed CPAs. This database is available free to the public

(23) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if such individual obtains from the board of accountancy or the NASBA National Qualification Appraisal Service verification that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act., including:

(A) Having met the education requirement for a certificate through any of the following pathways:

(i) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(ii) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(iii) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2), and

(B) Having passed the examination required for licensure as defined in section (5)(d), and

(C) Having met the experience requirement required for licensure as defined in section 5(f).

~~Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirement in Section 5(c) for purposes of this Section 23 (a)(2).~~ Notwithstanding any other provision of law, an individual who offers or renders

professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (3).

Comment: Board verification may include an update of the national licensing database that the individual has met the licensing requirements set forth in section 23(a)(3).

(~~3~~4) …

(~~4~~5) …

ARTICLE 3
DEFINITIONS

Rule 3–11 - CPA Competency-Based Experience Pathway.

"CPA Competency-Based Experience Pathway ("the Pathway") means a twelve-month experience program performed in accordance with generally accepted standards developed and administered by a joint committee established and maintained by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants.

ARTICLE 6
ISSUANCE OF CERTIFICATES AND RENEWAL OF CERTIFICATES AND REGISTRATIONS, CONTINUING PROFESSIONAL EDUCATION AND RECIPROCITY

Rule 6-2 - Experience required for initial certificate.

(a) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(1) of the Act shall meet the requirements of this rule.

(1) Experience may consist of providing any type of services or advice using accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills.

(2) The applicants shall have their experience verified to the Board by a licensee as defined in the Act or an individual licensed in another state. Acceptable experience shall include employment in industry, government, academia or public practice. The Board shall look at such factors as the complexity and diversity of the work.

(3) One year of experience shall consist of full or part-time employment that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services described in subsection (a) above.

(b) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(2) of the Act shall include one year of work experience as defined in Rule 6-2(a) and the completion of the CPA Competency-Based Experience Pathway.

AICPA NASBA

Exposure Draft

CPA Competency-Based Experience Pathway

Issued September 12, 2024

Comments are requested by December 6, 2024

Contents

Explanatory Memorandum

Introduction

This memorandum summarizes a proposed solution to help CPA candidates meet the requirements for initial licensure. Jointly developed by the American Institute of CPAs (AICPA) and National Association of State Boards of Accountancy (NASBA), the "CPA Competency-Based Experience Pathway" (Pathway) aims to provide flexibility for candidates without compromising the rigor needed to protect the public. This additional option would not replace existing pathways to licensure, but instead respond to market changes and expand opportunities for the next generation of accountants.

Under this Pathway, CPA candidates could meet initial licensing requirements by exhibiting their competency in specific professional and technical areas. For example, professional competencies include ethical behavior, critical thinking skills, and effective communication. Technical competencies include options in audit and assurance services, tax engagements, and financial reporting. **These candidates would still be required to earn a bachelor's degree, complete one year of general experience, and pass the CPA Exam.**

The draft Pathway is still in development and requires further evaluation and input from across the profession. We invite you to review the proposal, consider the questions on page 3, and **submit your feedback through** this form.

Background

Why are AICPA and NASBA exposing this proposal?

AICPA and NASBA believe that a strong pipeline of accounting talent is essential for a robust economy. An ample number of CPAs is also critical to protecting the public. Along with an aging workforce with many CPAs nearing retirement age, there is a need for CPAs with evolving competencies and experiences. Recent years have also seen a steady decline in the number of

accounting graduates and new candidates taking the CPA Exam. The importance of a strong talent pool has led AICPA, NASBA, and other key stakeholders from across the accounting profession to examine root causes of the recent decline in entrants and consider potential initiatives that could address talent challenges.

With this solution, AICPA and NASBA are seeking to address the financial and time constraints some individuals face in completing the education needed post-bachelor's degree to achieve CPA licensure. The Pathway outlined in this proposal would facilitate and supplement an additional pathway to licensure that is responsive to those challenges.

How was this proposal developed?
In November 2023, the Professional Licensure Task Force (PLTF) was established by NASBA's chair to consider new concepts for CPA licensure that may be included in the Uniform Accountancy Act (UAA) to update the current licensure model. The task force included representatives from NASBA's board of directors, board of accountancy members and executive directors, state CPA society board members and executive leadership, AICPA executive leadership, and NASBA executive leadership. The task force's primary focus was to develop an equivalent pathway to be included in the UAA that focused on enhanced experience for licensure.

Concurrently, AICPA was reviewing various competency models and researching the competencies needed by newly licensed CPAs. In July 2024, the AICPA Council-designated, multistakeholder National Pipeline Advisory Group (NPAG) recommended moving toward a competency-based CPA licensure model. This pathway represents a first step toward NPAG's goal by incorporating competency-based concepts into the licensure path. Currently, candidates develop or enhance these competencies by either earning a master's or bachelor's degree and up to 30 additional credit hours at an institute of higher learning.

With certain boards of accountancy and state CPA societies evaluating additional pathways with educational requirements at a bachelor's degree or 120 semester credit hours, the AICPA & NASBA UAA Committee elected to pursue equivalent pathways to licensure that could preserve mobility for CPA licensees.

The AICPA and NASBA boards of directors, seeking alignment of these initiatives, agreed to review existing data and develop a potential experience framework for comment. The proposal is based on the AICPA Foundational Competencies Framework for Aspiring CPAs, a Global Accounting Alliance (GAA) competency framework, feedback from firms, on-transcript firm models, and feedback from various stakeholders. Thank you to the NPAG-PLTF and NPAG Substantial Equivalency working groups, which contributed to ongoing conversations about the proposed framework.

How would the main provisions differ from current UAA guidance?
This proposal identifies model competencies that would be exhibited by a candidate during work experience prior to being granted CPA licensure. The proposal also describes how a candidate, the candidate's employer, and boards of accountancy could implement this pathway. Another key goal

includes creating an evergreen framework that can be adapted to the evolution of the profession, as well as regulatory updates at the state level.

How would this pathway be integrated into the UAA?
The UAA is jointly developed by AICPA and NASBA. Changes are approved by the boards of directors of both organizations. The AICPA and NASBA UAA Committee is exploring potential updates that could facilitate adoption of a competency-based pathway. Individual boards of accountancy would determine whether this particular pathway should become an additional option for initial licensure in their jurisdiction.

Who would be affected by this proposal?
This proposal would affect CPA candidates, entities hiring and overseeing candidates' work, and boards of accountancy. More broadly, it would have an impact on the entire accounting ecosystem, including universities and colleges.

When would the amendments be effective?
Adoption and implementation will vary by jurisdiction because some boards of accountancy may need to update their laws and/or rules.

Comment Period Guide

The comment period for this exposure draft ends December 6, 2024.

Respondents are asked to comment on the proposed pathway. Comments are most helpful when they refer to specific paragraphs or sections, include the rationale for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the exposure draft, it would be helpful for the joint committee to be made aware of this viewpoint as well.

Responses should be submitted through this form by December 6, 2024.

Questions for consideration and comments

1. Is the proposed pathway understandable?
2. Is the proposed framework relevant and applicable to the work of candidates applying for licensure?
3. Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?
4. Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

5. Is it clear that the performance indicators and tasks are *examples* of what a candidate may do to exhibit the competencies, and that candidates may use different performance indicators or tasks to adequately exhibit the competencies?
6. Component 1 discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?
7. Component 2 outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficient?
8. Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?
9. Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?
10. Component 3(b) proposes a maximum of five years to complete the Pathway. Should there be a maximum time frame?
11. Component 3(c) proposes credit for prior work experience. Should there be a maximum time frame for this lookback period?
12. What type of legislative support and time would state boards of accountancy need to implement the framework?
13. What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?
14. If the Pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?
15. Would your board utilize a NASBA electronic tracking system if developed? If not, would your board create its own reporting mechanism?
16. Provide any other comments that you may have.

Introduction to the CPA Competency-Based Experience Pathway

The UAA outlines the education requirements and experience requirements (pathways) for CPA licensure in Sections 5(c) and 5(f), respectively. The UAA Model Rules explaining the provisions of these sections are found in Articles 5 and 6.

The CPA Competency-Based Experience Pathway (the Pathway) would serve as an additional potential pathway that may be prescribed in a revised UAA Section 5. Each pathway is designed to allow a licensure Candidate to obtain the minimum qualification needed to be a CPA and would therefore be sufficient for licensure purposes. This document is intended to describe the pathway that allows for licensure with a bachelor's degree, combined with evidence of competencies exhibited through relevant work experience, and other requirements for licensure detailed in the "Pathway Requirements" section that follows. The Pathway represents an approach to licensure that ensures Candidates build upon the content knowledge and skills obtained during the required education for licensure. Candidates following the Pathway enhance their skills through work experience, either in one or multiple industries and on a paid or voluntary basis. The Pathway uses a model competency framework to guide the "competency-based experience," and the framework could be used by a licensed CPA for certification of exhibited competencies. (See appendixes A and B for the CPA Competency-Based Experience Pathway Framework [the Framework] and the CPA Competency-Based Experience Certification Form).

Pathway Requirements for Licensure

The Pathway has Education, Competency-Based Experience, General Experience, and the CPA Exam requirements (and Ethics, if applicable) for licensure. These requirements — other than education — should be completed in the order specified, if any, by the Candidate's board of accountancy.

A. Education:

1. Candidates must complete a bachelor's degree, fulfilling state board education requirements for accounting and business courses, prior to completing other requirements for licensure under the Pathway.

B. Competency-Based Experience:

1. Competency-Based Experience may consist of providing any type of services or advice using accounting, attestation, compilation, management advisory, financial advisory, tax, or consulting skills. The applicants shall have their experience certified to the board of accountancy by a licensee as defined in the UAA (called a CPA Evaluator).

2. Acceptable Competency-Based Experience shall include employment or volunteer[1] work in industry, government, academia, or public practice. The board of accountancy shall consider such factors as the complexity and diversity of the work.

3. One year of Competency-Based Experience shall consist of full- or part-time employment over a period of no less than 1 and no more than 5 years and includes no fewer than 2,000 hours of performance of services described previously in B(1). These 2,000 hours of performance may be earned in a period of less than one year, but the Candidate will not have met this requirement until completion of at least 1 year of employment. See General Experience requirement C(2) below for guidance when a Candidate needs more than 1 year or more than 2,000 hours of performance to complete the Competency-Based Experience.

4. Internship credit earned toward the bachelor's degree will not be allowed for Competency-Based Experience hours.

5. Candidates work with CPA Evaluators to ensure that the Candidates exhibit the competencies outlined in the Framework.

6. After a minimum of one year as described in requirement B above, a Candidate's competencies are certified by a CPA Evaluator using the Competency-Based Experience Certification Form (see appendix B), or on a board-approved form, either via a national tracking system developed by NASBA or per a specific board of accountancy process for submission to the relevant board of accountancy.

C. General Experience:

1. Candidates must complete one additional year of general experience as required in Section 5(f) of the UAA and outlined in UAA Model Rule 6-2.

2. If a Candidate requires more than 1 year or 2,000 hours to complete the Competency-Based Experience requirement, then the additional hours (over 2,000) and time (over 1 year) would be applied to the General Experience requirement (that is, Competency-Based Experience must equal a minimum of 2,000 hours and a minimum of 1 year; combined Competency-Based and General Experience must equal a minimum of 4,000 hours and a minimum of 2 years of combined Competency-Based Experience and General Experience).

D. The CPA Exam:

1. Completion of the CPA Exam is required for licensure.

2. The CPA Exam will remain focused on assessing the knowledge and skills required of an individual with one to two years of experience to ensure public protection, as outlined in the Uniform CPA Examination Blueprints.

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[1] The terms *employer* and *employment* are used to comprise the entity in which a Candidate completes experience, regardless of whether experience is gained under employment or with an associated entity with whom the Candidate volunteers.

The remainder of the document describes the Competency-Based Experience requirement of the Pathway.

Components of Competency-Based Experience

The components of the Competency-Based Experience requirement form the Pathway to licensure from defining the competencies being evaluated to the reporting by the CPA Evaluator to the Candidate's board of accountancy. These components are as follows:

1. Defined competencies
2. A process for evaluating and certifying competencies
3. Timing and transition provisions
4. Tracking and reporting

1. Defined Competencies

The CPA Competency-Based Experience Framework (the Framework) defines the competencies to meet the Competency-Based Experience requirement. The Framework is a model that boards of accountancy can adapt as needed for use by Candidates and employers to ensure the Candidates have the opportunities necessary to exhibit the identified competencies. It incorporates elements from the AICPA Foundational Competencies Framework, the Global Accounting Alliance Competency Framework, and other relevant sources.

Structure of the Competency Framework

The Framework identifies competencies to be exhibited during a minimum of one year of Competency-Based Experience. *Competency*, as defined in the Framework, is an identified set of knowledge, skills, abilities, and behaviors to be exhibited by a Candidate. Competencies are classified as either professional or technical, and each competency has associated performance indicators or tasks providing examples of how Candidates typically exhibit the competencies in practice. These indicators or tasks are for example purposes and are not exhaustive, and certain indicators provided may apply to more than one competency. In practice, Candidates may exhibit competencies through other performance indicators and tasks. These indicators or tasks are representative of a base level of performance that would be expected of a Candidate.

Candidates build upon the content knowledge and skills obtained in education and develop the professional and technical competencies required to promote public protection. The professional and technical competencies are blended in practice. They are applied jointly and in context by the Candidate under the guidance of a CPA.

Professional Competencies

The professional competencies in the Framework are necessary in the accounting profession, regardless of career path.

The professional competencies include the following:

- Ethical behavior
- Critical thinking and professional skepticism
- Communication
- Collaboration, teamwork, and leadership
- Self-management and continuous learning
- Business acumen
- Technology mindset

Candidates should look to professional competencies as the tools needed to effectively manage themselves while undertaking technical accounting tasks. Many professional competencies, such as ethical behavior, are foundational and are pervasive and integral to all tasks completed by a CPA. Others may apply only in specific situations or need to be adapted depending on the context. The Candidate must exhibit all seven professional competencies.

Technical Competencies

The technical competencies in the Framework include both accountancy-specific and broad business knowledge and skills expected to be performed during employment work in industry, government, academia, or public practice. The technical competencies have been organized by area of practice. Candidates are required to exhibit only one technical competency. However, it is possible that more than one technical competency is exhibited based on the Candidate's employment. The CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies, in combination, are sufficient, in the aggregate, for licensure under the Pathway.

The three technical competencies include the following:

- Audit and assurance
- Tax
- Business and financial reporting

Candidates apply the content knowledge and skills obtained in education and develop the required technical competencies in the area or areas in which they practice. The technical competencies are exhibited in tandem with the professional competencies.

Candidates must apply their educational knowledge and develop technical skills in their practice area(s) while exhibiting professional competencies.

See appendix A for the complete Framework, including the defined competencies and example performance indicators and tasks.

2. Process for evaluating and certifying competencies

This section details the responsibilities for Candidates and CPA Evaluators related to expectations and completing the Competency-Based Experience requirement.

See appendix B for related CPA Competency-Based Experience Certification Form.

a) The Candidate and the Candidate's employer work together to identify a CPA Evaluator or series of Evaluators, if necessary, depending on the nature of the Candidate's employment.

b) The CPA Evaluator(s) uses the CPA Competency-Based Experience Certification Form (see appendix B), or board-approved form, to certify that the Candidate has exhibited the competencies as defined in the Framework, the number of hours certified, and the time frame in which the hours were completed.

c) The CPA Evaluator should use due care and professional judgment based on their experience with the Candidate or understanding of the Candidate's experience.

d) A Candidate may have multiple CPA Evaluators depending on the specific circumstances. For instance:

   i. If a CPA Evaluator is no longer available to serve as the Candidate's Evaluator, the Candidate must identify another CPA Evaluator to document the Candidate's Competency-Based Experience. The employer should assist the Candidate where practical.

   ii. If a CPA is not present in an employer, the Candidate takes the initiative to request a licensed CPA to become their CPA Evaluator.

   iii. If a Candidate is no longer with the same employer that has provided a CPA Evaluator(s), the Candidate must identify a CPA Evaluator within the new entity and would be responsible for ensuring the new CPA Evaluator understands the Candidate's progress in completing their Competency-Based Experience requirement.

   iv. When a CPA Evaluator certifies competencies based on less than full completion of the one-year requirement, the Evaluator must base their certification only on the time frame of which they have sufficient evidence of and experience with the Candidate's work experience. If a Candidate did not exhibit competency within this time frame, the CPA Evaluator may select "N/A" to indicate that the competency did not apply to this portion of the Candidate's certification.

e) The CPA Evaluator is a licensed CPA in good standing with a minimum of 3 years of post-licensure experience.

f) If the licensee has agreed to serve as a CPA Evaluator but refuses to certify a qualified Candidate to the board of accountancy, the board of accountancy may request the CPA Evaluator to provide in writing or in person the basis for such refusal.

g) The board of accountancy may require any CPA Evaluator who has certified a Candidate's experience to substantiate the certification.

3. Timing and transition provisions

This section details the length, timing, and transition consideration for the Competency-Based Experience requirement.

a) The one-year minimum requirement is defined consistently with UAA rules related to the one-year general experience requirement.

b) The Candidate will have five years to complete the one-year Competency-Based Experience requirement. This is to allow for part-time work, life changes, or other unknown events that could occur.

c) Credit for prior work experience is acceptable. The CPA Evaluator must use professional judgment to determine if there is sufficient evidence of and if they have had sufficient exposure to the Candidate's experience to certify the competencies. Boards of accountancy have flexibility to craft rules for the Competency-Based Experience requirement to align with current experience rules under current pathways.

d) Transition provisions are acceptable. Boards of accountancy have flexibility to craft rules for the Competency-Based Experience requirement to align with current experience rules under current pathways.

4. Tracking and reporting

This section details considerations for tracking the Competency-Based Experience requirement and the creation of a voluntary national tracking system.

a) Boards of accountancy should maintain a process for managing the documentation for this process, either electronically or manually. Documentation includes the CPA Competency-Based Experience Certification Form (appendix B) or a board-approved form.

b) Periodic reporting of Candidate progress is not required, but boards of accountancy have the ability to require it per board rules.

c) NASBA is willing to develop a voluntary tracking system that boards of accountancy could use to manage the tracking requirements of the Pathway. Boards of accountancy may elect to use or not use this tracking system.

    i. The CPA Evaluator and Candidate would be electronically connected when submitting the Candidate's CPA Competency-Based Experience Certification Form (appendix B) or a board-approved form.

    ii. The NASBA tracking system would require final evaluation of the competencies by the end of the Competency-Based Experience period as a minimum standard.

iii. The tracking system would include Framework competencies. Upon the documented completion of the Competency-Based Experience requirement, a final report would be made available to the respective board of accountancy.

Appendix A: CPA Competency-Based Experience Pathway Framework

Professional competencies (All required)	Example performance indicators
Ethical behavior CPAs must act ethically and behave with integrity at all times, consistently modeling and promoting ethical practices as an individual or as part of an organization.	• Adhere to professional codes of ethics, professional standards, laws, and regulations, demonstrating ethical business practices, such as avoiding conflicts of interest or reporting illegal or unethical behavior to appropriate parties. • Demonstrate a commitment to maintain objectivity and independence when responding to ethical issues. • Raise potential ethical issues or illegal behavior to supervisors or appropriate professional or regulatory body.
Critical thinking and professional skepticism CPAs must think critically when performing all tasks. They must research, investigate, and analyze issues, problems, and questions. They must also apply professional judgment to the evaluation of data and any information from a variety of sources and perspectives.	• Investigate cognitive biases and other impediments to decision making. • Develop and apply professional skepticism using processes and procedures that reduce cognitive biases and other impediments to decision making. • Identify and articulate issues, problems, and questions. • Access, manage, analyze, and evaluate quantitative and qualitative information from multiple sources and perspectives relevant to issues, problems, and questions. • Exhibit a curiosity to embrace unfamiliar topics and opportunities for development and growth. • Consider available solutions and decisions to issues, problems, and questions. • Seek advice from experienced professionals or experts in complex and unique situations. • Develop conclusions supported by logic and critical thinking processes.
Communication CPAs must effectively convey information and ideas to individuals and groups in a variety of situations in a focused way using verbal, nonverbal, written, and graphic techniques and skills.	• Document work in ways that can be easily reviewed, understood, and reperformed by other CPAs. • Exhibit active listening to verify understanding of information provided. • Engage and communicate clearly and concisely using accounting terminology and plain language, as appropriate. • Prepare and deliver presentations, reports, and other documents to supervisors, clients, and stakeholders using a variety of technology and media, including visualizations. • Clearly present a position supported by sufficient and appropriate evidence. • Ensure that communication respects the data requirements of supervisors, clients, and stakeholders and adheres to privacy, confidentiality, and legal requirements.
Collaboration, teamwork, and leadership CPAs must work effectively between and among teams, peers, supervisors, clients, and other stakeholders to meet organizational goals.	• Serve as both an effective team member and leader, as appropriate. • Identify the interests and needs of stakeholders and effectively explain them to others. • Consider and use different interpersonal methods for addressing the needs of different team members, clients, stakeholders, and situations. • Contribute to team planning, performance, and goal attainment. • Participate appropriately, respectfully, and effectively in team, client, customer, or stakeholder meetings.
Self-management and continuous learning CPAs must plan and manage personal development and appreciate how strengths and weaknesses may affect work, learning, and meeting goals. These skills relate to upskilling for new engagements, industries, technologies, and requirements and ensure a willingness to	• Maintain self-awareness to be cognizant of how your behaviors affect others. • Exhibit social awareness to respond to the needs of others. • Build relationships to achieve common goals. • Plan and allocate time and resources to achieve professional commitments. • Critically review work and interactions to ensure they meet organization and quality standards. • Proactively seek advice and feedback from supervisors and team members, responding to positive and negative feedback.

identify where learning and expertise are needed.	• Identify skills, experiences, and knowledge that represent areas for professional improvement and recommend strategies for professional development, paying particular attention to areas relevant to individual needs. • Adapt to ongoing challenges and changes in the context of being a professional.
Business acumen CPAs must understand how a business fits within the broader context of an industry and the geopolitical environment so they can optimize opportunities, minimize risks, and execute planned objectives.	• Perform research to identify the impact of trends, issues, technologies, and the legal environment emerging in the business environment and explain their relevance to clients and organizations. • Identify risks and opportunities arising from industry and global environments. • Understand how strategies, goals, and objectives of a team or entity are developed. • Review and understand team and entity strategies, goals, and objectives. • Understand and use key performance indicators to measure results of progress toward strategies, goals, and objectives.
Technology mindset CPAs must use technology and data ethically as an enabler to optimize decision making and to promote business efficiencies and controls.	• Identify and compare available tools to recommend options, needs, and constraints. • Leverage relevant technologies to facilitate data analyses that support organizational goals. • Understand frameworks for systems of efficient and effective controls for both operations and analyses and reporting. • Identify and understand the impact of emerging technologies on the organization, performance, clients, and stakeholders. • Conduct data analysis activities and techniques. • Identify opportunities where data visualization can help in analysis and communication of results. • Perform data cleaning and preparation activities, addressing quality issues.

Technical competencies (Only one required)	Example tasks
Audit and assurance CPAs participate in assurance engagements, including audit, attestation, and accounting and review services or work internal to an organization such as internal audit. These services are performed across many clients and industries and under multiple regulatory environments. By the end of their experience, a Candidate must have sufficient experience in audit- and assurance-related tasks based on the nature and scope of the specific engagements on which they work.	• Perform research with a focus on reviewing and using source materials (for example, relevant accounting standards, industry news, and related contextual information) to address a challenging issue relevant in an assurance task. • Explore relevant external and internal factors that may affect risk and suggest responses to address those risks. • Analyze a business process to document (for example, flow charts, process diagrams, narratives) the flow of relevant data from initiation through reporting and disclosure. This includes documenting and determining the effect of the relevant automated and manual controls the accountant intends to test within the business process on identified risk. • Design procedures to (1) assess the operating effectiveness of relevant automated and manual controls and (2) test relevant assertions for each significant class of transactions or accounts within a business process. This includes verifying that the procedures comply with the requirements in the appropriate professional standards. • Apply data analytic techniques to structured and unstructured datasets to identify transactions or events that may have higher risk and design procedures to test those transactions or events. • Perform a test of details to identify potential misstatements based on the application of the appropriate financial accounting and reporting framework. This includes applying appropriate sampling techniques to identify the population of items to be tested as well as materiality at the appropriate level and concluding on the sufficiency and appropriateness of evidence obtained.

	• Apply data analytic techniques to structured and unstructured datasets to complete analytical procedures and design and perform follow-up procedures to obtain sufficient appropriate evidence to explain fluctuations and/or variances. This includes performing procedures to validate the completeness and accuracy of the datasets obtained as well as appropriately selecting and using the tools or applications to complete the analytic techniques. • Perform tests of the operating effectiveness of internal controls to identify and evaluate exceptions. This includes applying appropriate sampling techniques to identify the population of items to be tested as well as concluding on the operating effectiveness of the controls and the sufficiency and appropriateness of evidence obtained. • Determine the effect of deficiencies or uncorrected misstatements identified during an engagement. This includes researching and documenting how deficiencies or uncorrected misstatements do not comply with the requirements of the appropriate professional standards. • Prepare relevant statements in accordance with financial accounting and reporting frameworks as allowed by professional standards.
Tax CPAs participate in tax engagements, including tax preparation and planning. These services are performed across many clients, both individual and entities, industries, and under multiple systems, including federal, state, and local laws and regulations. By the end of their experience, a Candidate is expected to perform tax-related tasks based on the nature and scope of the specific engagements on which they work.	• Participate in preparation of materials and supporting documentation to respond to federal, state, and local tax authority notices, proceedings, audits, and other administrative issues. • Perform research with a focus on reviewing and using primary source materials (for example, Internal Revenue Code, Treasury Regulations) and secondary source materials (for example, industry journals, interpretive guidance, editorial materials, internal research memos) to complete a range of tasks, including identifying issues, analyzing facts, and determining appropriate responses with supportable evidence and citations. This includes researching the implications of new or proposed laws and regulations on client situations. • Collect and review information and data provided by clients to ensure that it is complete and accurate and substantiates client and accountant calculations, schedules, and positions with an understanding of how automated calculations, checks, diagnostic tools, and other system processes may highlight or cause errors in other parts of the tax preparation process. • Prepare and review tax calculations and schedules for clients (both individual and entity) for routine and nonroutine transactions and scenarios in accordance with federal, state, and local tax laws and regulations. This includes considering relevant factors in tax calculations, compliance, and tax planning, such as specific tax rates, tax brackets, limitations indexed to inflation, and other specific and relevant factors (for example, reference rates). • Analyze the implications and tax treatment of various transactions, data, and scenarios on client tax outcomes (for example, gross income, taxable income, tax liability, estimated taxes), in relation to individual or entity strategy and planning and personal or organizational constraints. • Participate in the analysis and evaluation of proposed tax planning scenarios for individual and entity clients, understanding the implications of different scenarios, entity structures, and decisions on applicability of different tax treatment, in relation to individual or entity strategy and planning and personal or organizational constraints. • Review individual tax returns to identify tax planning and financial planning opportunities to better serve the individual (for example, minimize tax liability, take all available tax deductions, plan for retirement, plan education funding for dependents). • Prepare, extract, and review tax schedules, reports, and filings (whether manual or automated) to perform quality control or analyze and meet tax planning, cash flow, operational, decision-making, and other engagement needs. This includes

	considering diagnostic tools and automated validation checks highlighting potential errors and anomalies.
Business and financial reporting, including financial, not-for-profit, and governmental CPAs participate in recording transactions, as well as preparing and analyzing financial reports, fluctuation analyses, and projections. These tasks are performed across many entity types, including for-profits, not-for-profits, as well as federal, state, and local governments, reporting under generally accepted reporting standards as defined by FASB, IFRS, GASB, and FASAB. By the end of their experience, a Candidate is expected to perform tasks based on the nature, size, and scope of the specific entity or entities and industries in which they work.	• Prepare periodic reconciliations, roll-forwards, and analyses for accounts affected by recurring and routine transactions that are automated (for example, sales and accounts receivable, purchases and accounts payable, payroll) as part of the financial statement close process to ensure the balances recognized in the trial balance are complete and accurate and comply with the relevant accounting and reporting standards. This includes preparing adjusting journal entries to correct any identified errors or discrepancies and preparing sufficient documentation and support that demonstrates the work was completed in accordance with the entity's policies and procedures. • Prepare analyses and journal entries for routine manual transactions as part of the financial statement close process. This includes extracting and transforming relevant data to determine the amounts to be recognized and preparing sufficient documentation and support that demonstrates the work was completed in accordance with the entity's policies and procedures. • Participate in determining the appropriate accounting policies for nonroutine transactions. This includes reviewing contracts, agreements, and other source documents to identify key terms, researching the relevant accounting and reporting standards, and documenting an accounting position based on that research. • Participate in the development, maintenance, and implementation of policies and procedures that establish sufficient internal controls over financial reporting. • Perform analytical procedures and ratio analysis of both financial and nonfinancial data to identify fluctuations and variances (current period versus prior period, actual versus budget) that require further investigation and to measure the entity's progress in achieving strategic objectives or meeting key performance indicators. This includes drafting commentary that sufficiently explains variances or deviations from expectations. • Prepare analyses, budgets, and forecasts for ongoing operations (that is, monthly, quarterly, annual financial forecasts) and for proposed transactions (for example, capital investment, research and development, expansion, reorganization). This includes considering the impact of external factors (for example, economic, environmental, financial reporting framework, government policy, industry, regulatory, supply chain, technology) and internal factors (for example, ownership and governance structure, investment and financing plans, selection of accounting policies) on the entity. • Participate in the preparation and review of financial statements and regulatory filings. This includes verifying that reported amounts agree with underlying source data (that is, trial balance, sub-ledgers, management reports) and that qualitative commentary is consistent with the reported amounts. • Participate in the allocation of expenses between program expenses and general and administrative expenses or the classification of restricted and nonrestricted revenues. • Participate in the analysis of or balancing of transfers between funds.

Note: Candidates are required to exhibit only ONE technical competency. However, Candidates may exhibit multiple technical competencies if they work in more than one area of practice. In this case, the CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies are sufficient for licensure under the Pathway.

Appendix B: Draft CPA Competency-Based Experience Certification Form

Note: This document will be integrated into the tracking app developed by NASBA.

Each CPA Evaluator should use this to document the Candidate's exhibition of competencies for licensure with a board of accountancy under the Competency-Based Experience Pathway. Exhibition of competency means that the Candidate has had the opportunity to display the competency, as defined below, in the course of their work experience, such as when completing performance indicators and tasks set forth in the CPA Competency-Based Experience Pathway Framework.

Candidate Name: _____

Candidate Address: _____

Candidate Email: _____

Candidate ID/Position: _____

The certification on this form applies to the following time frame:
Beginning date: _____ Ending date: _____

Evaluation key

Yes: The Candidate's experience was applicable to this competency, and the Candidate did exhibit the competency.

No: The Candidate's experience was applicable to this competency, and the Candidate did not exhibit the competency.

NA: The Candidate's experience was not applicable to or measured for this competency, or I do not have sufficient evidence to certify this competency.

Professional competencies

By the conclusion of the Competency-Based Experience, the Candidate must exhibit all seven professional competencies.

Professional competency 1 **Ethical behavior**

CPAs must act ethically and behave with integrity at all times, consistently modeling and promoting ethical practices as an individual or as part of an organization.

	Yes	No
Did the Candidate exhibit the **ethical behavior** competency?	☐	☐

Professional competency 2 **Critical thinking and professional skepticism**

CPAs must think critically when performing all tasks. They must research, investigate, and analyze issues, problems, and questions. They must also apply professional judgment to the evaluation of data and any information from a variety of sources and perspectives.

	Yes	No	NA
Did the Candidate exhibit the **critical thinking and professional skepticism** competency?	☐	☐	☐

Professional competency 3 **Communication**

CPAs must effectively convey information and ideas to individuals and groups in a variety of situations in a focused way using verbal, nonverbal, written, and graphical techniques and skills.

	Yes	No	NA
Did the Candidate exhibit the **communication** competency?	☐	☐	☐

Professional competency 4 **Collaboration, teamwork, and leadership**

CPAs must work effectively between and among teams, peers, supervisors, clients, and other stakeholders to meet organizational goals.

	Yes	No	NA
Did the Candidate exhibit the **collaboration, teamwork, and leadership** competency?	☐	☐	☐

Professional competency 5 **Self-management and continuous learning**

CPAs must plan and manage personal development and appreciate how strengths and weaknesses may affect work, learning, and meeting goals. These skills relate to upskilling for new engagements, industries, technologies, and requirements and ensure a willingness to identify where learning and expertise are needed.

	Yes	No	NA
Did the Candidate exhibit the **self-management and continuous learning** competency?	☐	☐	☐

Professional competency 6 **Business acumen**

CPAs must understand how a business fits within the broader context of an industry and the geopolitical environment so that they can optimize opportunities, minimize risks, and execute planned objectives.

	Yes	No	NA
Did the Candidate exhibit the **business acumen** competency?	☐	☐	☐

Professional competency 7 **Technology mindset**

CPAs must use technology and data ethically as an enabler to optimize decision making and to promote business efficiencies and controls.

	Yes	No	NA
Did the Candidate exhibit the **technology mindset** competency?	☐	☐	☐

Technical Competencies

Candidates are required to exhibit only one technical competency. However, Candidates may exhibit multiple technical competencies if they work in more than one area of practice. In this case, the CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies, in combination, are sufficient for licensure under the Pathway.

Technical competency 1 **Audit and assurance**

CPAs participate in assurance engagements, including audit, attestation, and accounting and review services, or work internal to an organization such as internal audit. These services are performed across many clients and industries and under multiple regulatory environments. By the end of their experience, a Candidate must have sufficient experience in audit- and assurance-related tasks, such as those detailed in the Framework based on the nature and scope of the specific engagements on which they work.

	Yes	No	NA
Did the Candidate exhibit the **audit and assurance** competency as defined by the framework?	☐	☐	☐

Technical competency 2 **Tax**

	Yes	No	NA
CPAs participate in tax engagements, including tax preparation and planning. These services are performed across many clients, both individual and entities, industries, and under multiple systems, including federal, state and local laws, and regulations. By the end of their experience, a Candidate is expected to perform the types of tasks detailed in the Framework, based on the nature and scope of the specific engagements on which they work.			
Did the Candidate exhibit the **tax competency** as defined in the Framework?	☐	☐	☐

Technical competency 3 **Business and financial reporting**

	Yes	No	NA
CPAs participate in recording transactions, as well as preparing and analyzing financial reports, fluctuation analyses, and projections. These tasks are performed across many entity types, including for-profits, not-for-profits, as well as federal, state, and local governments, reporting under generally accepted reporting standards as defined by FASB, IFRS, GASB, and FASAB. By the end of their experience, a Candidate is expected to perform the types of tasks detailed in the Framework, based on the nature, size, and scope of the specific entity or entities and industries in which they work.			
Did the Candidate exhibit the **reporting competency** as defined in the Framework?	☐	☐	☐

Certification of CPA Evaluator

During the course of the Competency-Based Experience, the Candidate exhibited the professional and technical competencies as defined in the CPA Competency-Based Experience Pathway Framework.

The Candidate has completed _____ hours of the required minimum of 2,000 hours of Competency-Based Experience working hours.

I hereby certify that the Candidate has been supervised or employed by me or my organization for the period indicated herein and, in the course of such employment, has obtained the experience indicated on this Certificate of Experience.

I hereby certify that I have met the CPA Evaluator requirements as defined in the Competency-Based Experience Framework.

Organization Name: _____

Organization Address: _____

Contact Name: _____

Contact Title: _____

Contact Email & Phone: _____

CPA Evaluator Name: _____

CPA Evaluator License Number: _____

State and Date of Issuance: _____

CPA Evaluator Signature: _____

Date: _____

Introduction

Response Form

The AICPA and NASBA value the views of all stakeholders and are seeking comments on the questions on the CPA Competency-Based Experience Pathway Exposure Draft. The comment period for this exposure draft ends **December 6, 2024**.

You will have the option to respond directly to the individual questions posed in the Exposure Draft on pages 3-4, or attach a prepared response. If you respond directly to the individual questions, there will be an option to provide general comments

at the end of the survey.

General comments are most helpful when they refer to specific paragraphs or sections, include the rationale for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the exposure draft, it would be helpful for the joint committee to be made aware of this viewpoint as well.

Click the arrow to continue.

The following survey responses or prepared response represent:

- ○ The official response of a state board of accountancy, state CPA society, or regulator.
- ○ The official response of a firm, business, or other organization.
- ○ The official response of an academic entity (e.g, university, program, or academic organization).
- ○ My individual opinion and points of view.
- ○ [ ] Other

Enter your demographic information below.

Your organization's (or your name if you are responding in your personal capacity) [ ]

Name(s) of person(s) responsible for this response (or leave blank if same as above)

Name(s) of contact(s) for this response (or leave blank if same as above)

Title of individual respondent

State or territory

Email address of primary respondent

Other information

You may provide a prepared response to the exposure draft questions in an uploaded document, or respond directly to the individual questions. If responding to the questions, there will be an option to provide general comments at the end of the survey. If you would like to submit your prepared response in an uploaded document, please indicate below and upload the document as instructed next.

- ○ I will submit the responses in a prepared document.
- ○ I will respond directly to the individual questions in this survey form.

You elected to submit a prepared response. Attach document below.

Exposure draft questions

You have elected to respond to the questions in this form. The questions are copied from pages 3-4 of the Exposure Draft, with space provided for you to explain your responses, if desired.

Question 1: Is the proposed Pathway understandable?

- ○ Yes
- ○ No

Please provide additional feedback for your response to **question 1.**

Question 2: Is the proposed framework relevant and applicable to the work of candidates applying for licensure?

- ○ Yes
- ○ No

Please provide additional feedback for your response to **question 2**.

Question 3: Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?

	Yes	No
Competencies	○	○
Performance Indicators for professional competencies	○	○
Tasks for technical competencies	○	○

Please provide additional feedback for your responses in **question 3.**

Question 4: Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

	Yes	No
Example performance indicators for professional competencies	○	○
Example tasks for technical competencies	○	○

Please provide additional feedback for your responses in **question 4.**

Question 5(a): Is it clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies?

○ Yes
○ No

Question 5(b): Is it clear that candidates may use different performance indicators or tasks to adequately exhibit the competencies?

- ○ Yes
- ○ No

Please provide additional feedback for your responses to **questions 5(a) and (b).**

Question 6: Component 1 (Defined Competencies) discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?

- ○ Yes
- ○ No

Please provide additional feedback for your response to **question 6.**

Question 7: Component 2 (Process for Evaluating and Certifying Competencies) outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficiently rigorous?

- ○ Yes
- ○ No

Please provide additional feedback for your response to **question 7.**

Question 8: Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?

- ○ Yes
- ○ No

Please provide additional feedback for your response to **question 8.**

Question 9: Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?

Question 10: Component 3 (Timing and Transition Provisions) proposes a maximum of five years to complete the pathway. Should there be a maximum time frame?

- ○ Yes
- ○ No

Please provide additional feedback for your response to **question 10.**

Question 11: Component 3 proposes credit for prior work experience. Should there be a maximum time frame for this look-back period?

- ○ Yes
- ○ No

Please provide additional feedback for your response to **question 11.**

Support

Question 12: What type of legislative support and time would state boards of accountancy need to implement the framework?

Question 13: What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?

Question 14: If the pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?

- ○ Yes
- ○ No
- ○ Uncertain

Please provide additional feedback for your response

to **question 14.**

Question 15: Would your board utilize a NASBA electronic tracking system if developed?

- ○ Yes
- ○ No
- ○ Unknown
- ○ Not applicable

Question 15: If not, would your board create its own reporting mechanism?

- ○ Yes
- ○ No
- ○ Unknown at this time

Please provide additional feedback for your response to **question 15.**

Other Comments

Question 16: Provide any other comments that you may have.

NASBA Upcoming Meeting Schedule

43rd Annual Conference for Executive Directors

Clearwater Beach, FL

March 25-27, 2025

Hondolero – will submit request as soon as agenda is released

Western Regional Meeting

New Orleans, LA

June 17-19, 2025

Stuart/Hondolero – will submit request as soon as agenda is released

118th Annual Meeting

Chicago, IL

October 26-29, 2025

NASBA – Committee Info

Communications Committee (Rachel Hanks) – Promote effective and efficient communication among Boards of Accountancy, NASBA, and their respective stakeholders.

Communications Committee (Mark Diehl) – Promote effective and efficient communication among Boards of Accountancy, NASBA, and their respective stakeholders.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

July 19, 2024 – Anchorage, AK

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, July 19, 2024, in Anchorage, AK, the Board took the following actions:

- Unanimously approved the minutes of the April 26, 2024, Board of Directors meeting.

- Unanimously approved the slate of 2024 award recommendations submitted by the Awards Committee:
  - Distinguished Service Award – Jimmy Burkes (MS).
  - Lorraine P. Sachs Standard of Excellence Award – Doreen Johnson (MN).
  - William H. Van Rensselaer Public Service Award – Ted Lodden (IA).

- Chair Stephanie Saunders (VA) reported that she had updated the Executive Committee about her activities for the last quarter. She also congratulated the Regional Directors for their efforts at the regional meetings in June.

- President Bishop congratulated Ms. Nicola Neilon (NV) for her nomination as Vice Chair in 2024-25.

- President Bishop and Executive Vice President and Chief Operating Officer Colleen Conrad provided an organizational update, including employee activities and information technology projects. President Bishop and Vice President, State Board Relations Daniel J. Dustin reported on the status of the leadership transition. Mr. Dustin provided an overview of recent promotions and additions to the leadership team.

- President Bishop and Ms. Conrad provided an update on meetings held with several outside organizations including Financial Accounting Foundation (FAF), The Accountants Coalition (TAC), and the Government Accounting Standards Board, as well as the AICPA Spring Council Meeting.

- Heard a report from Vice Chair Maria Caldwell (FL) on her activities during the past quarter. She reported that the 2024-2025 final committee planning meeting will occur in early September.

- Heard a report from the Administration and Finance Committee:
  - Operations outperformed budget by $4.6M.
  - Examination driven revenue has exceeded budget due to volume increases.
  - Net assets are projected to increase $9.7M for the fiscal year ending July 31, 2024.
  - Review of the fiscal year 2025 operating and capital budgets.
  - Mr. Bonner made a motion that the May 31, 2024, financial statements, as recommended by the Administrative and Finance committee, be accepted. The motion was seconded as coming from a standing committee of the board and the motion was approved.

- Mr. Bonner made a motion to approve the fiscal year 2025 operating and capital budgets, as recommended by the Administration and Finance committee. The motion was seconded as coming from a standing committee of the board and the motion was approved.

- Heard an update from Bylaws committee chair Jason D. Peery (ID) on proposed amendments to the bylaws that will be presented to NASBA membership during the 2024 annual business meeting.
  - Mr. Peery made a motion to approve the proposed amendments to the bylaws as presented. The motion was seconded by Ms. Neilon and the motion carried.

- Report of the Nominating Committee presented by Mr. Reisig, as the following slate of board members was unanimous approved by the BOD for nomination for 2024-25:
  - Vice Chair Maria E. Caldwell (FL – Associate)
  - Directors-at-Large (three-year term)
    - J. Andy Bonner, Jr. (TN - Delegate) (first term)
    - Jason D. Peery (ID - Delegate) (first term)
    - Michael Schmitz (ND - Associate) (first term)
  - Regional Directors (one-year term), a Regional Director may serve three one-year terms.
    - Melissa Ruff (NE – Delegate) – Central (first term)
    - Thuy Barron (WI – Delegate) – Great Lakes (first term)
    - Laurie Warwick (VA – Delegate) – Middle Atlantic (second term)
    - Dan Vuckovich (MT – Delegate) – Mountain (second term)
    - Timothy Egan (CT – Delegate) – Northeast (second term)
    - Haley Lyons (OR – Delegate) – Pacific (first term)
    - Wilhelmus Schaffers (AL- Delegate) – Southeast (first term)
    - Jeannette Smith (TX – Delegate) – Southwest (second term)

- Relations with Member Boards Chair Gerald Weinstein updated the board on the activities of the committee's recent meeting including planning for the upcoming regional calls.

- Executive Directors Committee Chair Boyd D. Busby provided an update on the activities of the committee, including discussions pertaining to licensure models, substantial equivalency and mobility, and private equity investment in public accounting firms. He also reported that there is interest in developing a Uniform Accountancy Act provision for Employee Stock Ownership Plan (ESOP) minority ownership of public accounting firms. In addition, he discussed a desire to update the Accountancy Licensee Database (ALD) to include the national candidate identification number (NCID) as a CPA identifier.

- Heard updates from various committees including the Audit committee, the Diversity committee, and the Examination Administration committee.

The next meeting of the NASBA Board of Directors will be held on October 25, 2024, in Orlando, FL.

Distribution: State Board Chairs/Presidents, Members and Executive Directors, NASBA Board of Directors and Committee Chairs, and NASBA Staff Directors

National Association of State Boards of Accountancy, Inc.
Meeting of the Board of Directors
April 26, 2024 – Las Vegas, NV

Call to Order

A meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Stephanie M. Saunders at 9:00 a.m. PDT on Friday, April 26, 2024.

Chair Saunders asked President and Chief Executive Officer Ken L. Bishop to report on the meeting's attendance.

Report of Attendance

President and CEO Ken Bishop reported the following were in attendance:

Officers
Stephanie M. Saunders, CPA (VA), Chair
Maria E. Caldwell, CPA (FL), Vice Chair
Richard N. Reisig, CPA (MT), Past Chair
J. Andy Bonner, Jr., CPA (TN), Treasurer
Nicola Neilon, CPA (NV), Secretary

Directors-at-Large
Alison L. Houck Andrew, CPA (DE)
Barry M. Berkowitz, CPA (PA)
Chandra Lalvani, CPA (PA)
Stephen F. Langowski, CPA (NY)
Jason D. Peery, CPA (ID)
Katrina Salazar, CPA (CA)
Kenya Y. Watts, CPA (OH)

Regional Directors
Nancy J. Corrigan, CPA (CA), Pacific Regional Director
Timothy F. Egan, CPA (CT), Northeast Regional Director
Michael Schmitz, CPA (ND), Central Regional Director
Willie B. Sims, Jr., CPA (MS), Southeast Regional Director
Jeannette P. Smith, CPA (TX), Southwest Regional Director
Dan Vuckovich, CPA (MT), Mountain Regional Director
Laurie A. Warwick, CPA (VA), Middle Atlantic Regional Director
Gerald Weinstein, CPA (OH), Great Lakes Regional Director

Executive Directors' Liaison, D. Boyd Busby, CPA (AL), Executive Director, Alabama State Board of Public Accountancy

Staff
Ken L. Bishop, President and Chief Executive Officer
Alfonzo Alexander, Chief Ethics and Diversity Officer and President, NASBA Center for the Public Trust

Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer
Daniel J. Dustin, CPA, Vice President – State Board Relations
Philip A. Groves, CPA, Director, Finance and Controller
Thomas Kenny, Chief Communications Officer
Troy A. Walker, CPA, Vice President and Chief Financial Officer

Guests
Carlos Barrera, CPA, Chair, Selection Advisory Committee (Executive Session only)
Laurie Tish, CPA, Member, Selection Advisory Committee (Executive Session only)

President Bishop announced there was a quorum present.

Approval of Minutes

Secretary Nicola Neilon presented the minutes of the January 19, 2024, meeting. Chair Saunders asked if there were any revisions to the January 19, 2024, minutes. Being none, Ms. Neilon moved that the January 19, 2024, minutes be accepted. Ms. Salazar seconded, and the motion passed.

Report of the Chair

Chair Saunders welcomed all. She reported the Executive Committee and Relations with Member Boards committee met the prior day. She reported that one of the questions asked by the Committee on Relations with Member Boards concerned the activities of the Professional Licensure Task Force. An update will be provided during the policy discussions portion of the agenda. She also provided an update on the President & CEO selection process, reminding everyone that a discussion of the process followed, and a vote of the Board of Directors was planned for an executive session later in the day.

Chair Saunders noted it had been a busy first quarter of the calendar year. She reported that the AICPA-NASBA Summit was held in February and both organizations were working toward addressing pipeline issues. She noted that it was important that the equivalent licensure model be relevant, make sense, draw people into the profession and ensure quality. There is broad consensus that it should minimize any impact on substantial equivalency or mobility. Vice Chair Maria Caldwell stated that the model would lay the groundwork for future discussions.

Chair Saunders reviewed a list of all outside appointments to various committees and boards including the Accounting and Review Services Committee, Auditing Standards Board, Professional Ethics Executive Committee, Peer Review Board and Board of Examiners and related committees. The Board congratulated Ms. Salazar for being named Chair of the Board of Examiners.

Report of the President & CEO

President Bishop reported there has been much activity in the current year and things are going well. NASBA continues to work with AICPA on key issues and it has been a good year financially. There will be a discussion of the CEO selection process later in the day.

Executive Vice President and COO Colleen Conrad provided an organizational update. In February, there was a presentation for Black History Month and an employee Sunshine Day. She reported that NASBA contributed to the Dickson County Rotary Club to fund college scholarships. She also reported that a tour of NASBA offices was provided to attendees of the Executive Director/Legal Counsel Conference to much success. A large number of NASBA employees attended and participated in the tour of the various NASBA service groups.

President Bishop reported on the 2024 Executive Directors Conference. Ms. Conrad noted that there was recognition of Susan Somers, Executive Director of the Kansas Board of Accountancy, who is retiring later in 2024. Ms. Conrad also reported on the upcoming executive planning meeting with Vice Chair Caldwell, and she encouraged all board members to submit their committee interest forms.

President Bishop noted that speakers from the PCAOB and DOL were well received and responded to questions from the audience. President Bishop provided an update on the AICPA-NASBA Summit and the efforts to get to consensus on key issues. Ms. Conrad reported on NASBA participation in an American Accounting Association meeting and the creation of work groups to focus on key academic issues. Questions being considered by the work groups include: why is accounting program enrollment going up; why are students deciding to go into accounting; and what are the reasons people are going back into accounting?

President Bishop reported on the importance of international relevance. He and Ms. Conrad reported on recent activities including the Camden International Conference; Chartered Accountants Worldwide, the merger of CPA Ireland and Chartered Accountants Ireland; working toward a Mutal Recognition Agreement with Institute of Chartered Accountants in England and Wales (ICAEW); the Financial Reporting Council (FRC); and the Asia Pacific Economic Council. There has been significant activity on issues in the international arena.

Ms. Conrad provided an information technology (IT) update. She reported on the transition to a virtual CISO and noted that he participates in NASBA meetings and is available on an as needed basis. She reported on the status of several technology projects and noted that a senior data analyst was hired and would be starting in mid-May. Ms. Conrad also reported on the creation of a task force to develop policies and a vetting process to use when considering use of artificial intelligence.

Ms. Conrad reported that the 20th anniversary of computer-based testing occurred on April 5th and that 4.3 million exam sections were given since the launch in 2004. She

also provided an update on the CPA Exam, including efforts to encourage candidates to sit for the exam and not procrastinate, as well as efforts to nurture candidates through the examination process. She reported 26,000 sections were administered during the first quarter of calendar 2024. Approximately 1,800 discipline sections were administered. The breakdown of section taken among the disciplines was 40% BAR; 39% TCP; 21% ISC. The first score releases for the discipline sections taken occurred earlier in the week. Score releases for the core sections of the exam will occur on June 4. Pass rates will be released in early June.

She reported on the adoption of conditional credit among the jurisdictions and the Credit Relief Initiative and that NASBA staff was continuing to update credit expiration records as jurisdictions informed us of decisions. Fifty-one jurisdictions have voted to move to a thirty-month conditional credit window and three have voted to move to a thirty-six month conditional credit window. Forty-one jurisdictions have changed the calculation of conditional credit to the date of score release. She also provided an update on the contract negotiations with AICPA and Prometric.

President Bishop reported that a discussion of the activities of the Professional Licensure Task Force and the Structured Professional Program would be part of the meeting's policy discussions.

President Bishop and Mr. Dustin provided an update on recent board activities. Mr. Dustin also provided an update on the status of various legislation from across the country.

Mr. Alexander reported on the activities of the NASBA Center for Public Trust (CPT), including the Ethics in Action video competition. Other recent activities include a program with the Alabama Society of CPAs to expose accounting to business students from Historically Black Colleges and Universities, while promoting diversity in the profession. He reported on the involvement of students in the Leadership Certification Program with an estimated 5,700 students completing the program during the academic year and that twenty boards of accountancy are using the program as a remedial disciplinary tool. Mr. Alexander announced the launch of a podcast series on March 21 with future podcasts being released twice per month. The CPT is also preparing the launch of a young professional's program that will offer career advice, career development, and career resources to students. He closed his report by noting that CPT is currently working with three universities in California to establish chapters within the next twelve months.

Mr. Kenny reported on the upcoming board of directors' meetings and the upcoming regional meetings. The annual meeting will be held in Orlando, FL in late October.

Report of the Vice Chair

Vice Chair Maria E. Caldwell reported that she had participated in a number of

committee meetings and was pleased with the passion and commitment displayed by committee members during those meetings. She noted that she was encouraged by the delegates and associate members who had completed committee interest forms. The executive planning meeting for the fiscal year 2024-2025 will be held in mid-May.

Report of the Nominating Committee

Past Chair Richard Reisig provided an update on the activities of the Nominating committee. The Committee had met twice to update the interview process and had scheduled interviews of Vice Chair candidates during May. A second two-day meeting will be held in July to interview candidates for the Directors-at-Large and Regional Directors positions.

Report from the Audit Committee

Ms. Warwick stated that the committee had held an introductory meeting in January to walk through the committee charter, discuss the audit timeline, conduct a committee orientation and discuss update pronouncements that might impact NASBA's audit. No pronouncements were deemed to have a significant impact. She also reported that engagement letters had been executed and the engagement shareholder provided an update during the January committee meeting. The next committee meeting is scheduled during May with reports being given by NASBA staff on outstanding issues, if any, related to legal, ethics, cyber security and risk management matters.

Report of Other Committees

Mr. Langowski reported on behalf of the Regulatory Response Committee and encouraged participation and input from fellow board members. He noted the importance of NASBA's input to other regulatory bodies who proactively seek NASBA's input during the standard setting process.

Mr. Vuckovich reported the Communications committee held a meeting on April 22nd and that the committee members were very enthusiastic about moving forward with the work of the committee.

Mr. Berkowitz reported that the Examination Administration committee will meet once the scores for the first quarter of calendar 2024 are released.

Report of the Administration and Finance Committee

Treasurer J. Andy Bonner, Jr. reported on the activities of the Administration and Finance committee. He reported that the total candidate volume continued to have a significant impact on the financial results through February 2024. Mr. Bonner also

reported that the Investment committee, a subcommittee of the Administration and Finance committee, met with NASBA's investment advisors earlier in the week.

Vice President and Chief Financial Officer Troy A. Walker reported on the consolidated financial statements through February 29, 2024. He noted that total revenue was better than budget by $4.2 million primarily due to increased candidate volume driven by the January 2024 CPA Examination change. The better-than-expected candidate volume during the first part of Fiscal 2024 leading into the launch of CPA Evolution is expected to help carry positive financial results through the end of the fiscal year despite lower expected candidate volume than budgeted during the remaining five months of the fiscal year. Mr. Walker also stated total expenses were $1.0 million less than budget through the first seven months of the fiscal year and are projected to continue to have a positive variance to budget for the full fiscal year. Professional services and Technology expenses were the primary captions contributing to the positive variance. Information technology (IT) projects are a significant part of the organizational activities during Fiscal 2024. The CPA Evolution post-launch support finished in February 2024 and the next IT projects on the horizon are the (1) Data and Reporting project, which includes the Candidate Performance Books, and (2) implementation of software tools taking advantage of artificial intelligence (AI). He noted that Credit cards/Other service costs were greater than budget due to higher than budgeted examination section volume and associated revenue. Finally, Mr. Walker reported on investment income of $3.1 million through the first seven months, which was $1.5 million better than budget. Investments continue in an overall positive direction with a fiscal year-to-date return on the long-term fund of almost 5% through February 2024.

Mr. Bonner made a motion that the February 29, 2024, financial statements, as recommended by the Administration and Finance committee, be accepted. Mr. Langowski seconded, and the motion carried.

Mr. Bonner reported that the Investment committee had reviewed and discussed some revisions to the Investment Policy Statement that were proposed by NASBA's investment advisors. The proposed changes were also shared with the Administration and Finance committee. Mr. Bonner reviewed the proposed changes and moved to approve the changes to the Investment Policy Statement as recommended by the Administration and Finance committee. Mr. Berkowitz seconded, and the motion carried.

Report of the Education Committee

Ms. Andrew Houck reported that the Education committee had established a five-person task force to review the fourteen accounting education grant proposals received after being vetted by NASBA staff. Seven of the fourteen submissions met the program requirements and the task force identified three proposals for additional consideration by the Education committee. These proposals were recommended by the Education committee for funding. Ms. Andrew Houck moved for acceptance of the recommendations of the Education committee and awarding of the following grants:

"Job Stressors and Career Commitment in Early-Career Auditors' Work Experiences" by Dr. Kris Hoang and Amy Matthews of the University of Alabama $5,500.

"Demystifying Accounting and Using Immersive Analytics to Increase Enrollment, Recruitment, and Retention" by Dr. Denis Gracanin of Virginia Tech and Dr. Dina El Mahdy of Morgan State University $9,750.

"Balancing Books and Bytes: A Survey of Accountants' Use of AI in the Workplace" by JT Thazhathel of Drexel University $9,750.

Ms. Lalvani seconded, and the motion carried.

Report of the Bylaws Committee

Bylaws committee Chair Jason Peery asked the board members for input regarding a possible bylaw's amendment concerning the withdrawal of a nominee before election at the annual meeting. He reviewed applicable sections of the bylaws and noted that the bylaws were amended during the pandemic to include virtual meetings, which are considered face-to-face meetings.

Following a discussion by the board members, it was determined that Mr. Peery would meet with NASBA Chief Legal Officer to make final wording changes and to bring the proposed amendments back to the July meeting for possible action.

Resolution evidencing the authority to sign agreements and other documents with the State of New Hampshire

President Bishop noted that although his contract empowers him to sign contracts on behalf of NASBA, a state of New Hampshire government requirement necessitates specific NASBA board action to provide its authority to sign a contract. He reported that he is seeking approval for Ms. Conrad to sign a CPAES contract with the state of New Hampshire. On a motion by Ms. Neilon, seconded by Ms. Salazar, the motion carried.

Report of the Executive Directors Committee

Mr. Busby reported on the 2024 Executive Directors conference. He noted that presentations by representatives of the Public Company Accounting Oversight Board and the US Department of Labor on employee benefit plans were well received. He also reported that there was continued interest in learning more about the activities of the Professional Licensure Task Force and the Structured Professional Program. He noted that there was significant participation by state society executives and that maintaining good relationships was helpful and encouraged.

Report of the Committee on Relations with Member Boards

Mr. Weinstein reported that the committee met the prior day. Four regions will put forth nominees for the Nominating committee. He reported that the committee had discussed three questions with the Executive committee. The committee also discussed possible topics for discussion during the regional breakout sessions at the regional meetings. The Regional Directors also reviewed the role of the regional directors at the regional meetings, including New Board Member Orientation.

Policy Discussions

Chair Saunders and Mr. Dustin provided an update on the activities of the Professional Licensure Task Force, including a webinar for Board of Accountancy members and executive directors in March and a presentation at the Executive Directors conference. They provided an overview of a potential process and discussed feedback received to date from various stakeholders. Following the presentation, the board members shared their input on the concept and agreed that the Professional Licensure Task Force continue to explore and develop an equivalent pathway to licensure.

Other/New Business

None

Future Meetings

Chair Saunders reviewed the upcoming meeting calendar, including the regional meetings, July and October Board of Director meetings, and the annual meeting in Orlando, FL.

Executive Session

Chair Saunders adjourned the Board of Directors meeting and convened the Executive Session at 3:28 p.m.

Adjournment

The Board reconvened at 4:53 p.m. Ms. Saunders adjourned the meeting at 5:01 p.m. PDT.

NASBA

STATE • BOARD • REPORT

A Digest of Current Developments Affecting State Accountancy Regulation

Summer 2024

A LOOK BACK AT THE 2024 REGIONAL MEETINGS

State Board of Accountancy representatives convened at NASBA's 2024 Regional Meetings. Read about it on page 4.

IN THIS EDITION

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Nominating Committee Announces Slate

The 2023-2024 NASBA Nominating Committee has nominated the following officers and directors to be voted on by the member Boards of Accountancy at NASBA's Annual Business Meeting in October:

Vice Chair Nicola Neilon (NV – Associate)

Directors-at-Large (first year of three-year term)

First Term

- J. Andy Bonner (TN – Delegate)
- Jason Peery (ID – Delegate)
- Michael Schmitz (ND – Associate)

Regional Directors (one-year term), a Regional Director may serve three one-year terms

First Term

- Central: Melissa Ruff (NE – Delegate)
- Great Lakes: Thuy Barron (WI – Delegate)
- Pacific: Haley Lyons (OR – Delegate)
- Southeast: Wilhelmus Schaffers (AL – Delegate)

Second Term

- Middle Atlantic: Laurie Warwick (VA – Delegate)
- Mountain: Dan Vuckovich (MT – Delegate)
- Northeast: Timothy Egan (CT – Delegate)
- Southwest: Jeannette Smith (TX – Delegate)

The following NASBA Board members will continue to serve for the balance of their unexpired terms. At-large directors may serve two three-year terms. For purposes of Bylaws Section 4.5.7 compliance, an at-large director's status as a delegate or associate is based upon their status when elected.

Directors-at-Large (second year of three-year term)

First Term

- Alison Houck Andrew (DE – Associate)
- Barry Berkowitz (PA – Associate)

Directors-at-Large (third year of three-year term)

First Term

- Stephen Langowski (NY – Delegate)
- Katrina Salazar (CA – Delegate)
- Kenya Watts (OH – Delegate)

Unexpired Term

TBD (Board will appoint someone to fill Nicola Neilon's term for two more years.)

Maria Caldwell (FL – Associate), 2023-2024 Vice Chair, will accede to the office of chair.

Stephanie Saunders (VA – Associate) will accede to the office of past chair upon the installation of Maria Caldwell as chair.


Maria Caldwell


Nicola Neilon


Stephanie Saunders


Alison Houck Andrew


Thuy Barron


Barry Berkowitz


J. Andy Bonner


Timothy Egan


Stephen Langowski


Haley Lyons


Jason Peery


Melissa Ruff


Katrina Salazar


Wilhelmus Schaffers


Michael Schmitz


Jeannette Smith


Dan Vuckovich


Laurie Warwick


Kenya Watts

PRESIDENT'S MEMO

First, Principles

Exactly 30 years ago, British Prime Minister John Major convened a "Committee on Standards in Public Life," an independent ethics commission whose charge was to advise the government on a code of conduct befitting those who work in public service or who seek public office. On completing its work, the Committee identified what it called "the seven principles of public life." These principles included: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Not a bad list, is it? In an election year, how many of us would like our representatives to commit themselves to such a code?

Reflecting on the list now as I alternate between Zoom calls and unpacking boxes in my new office, I am struck by two things: The first is how guiding these seven concepts can be for any leader, whether seasoned or a recently named CEO like me. The second is how much the Committee's elaboration on each connects so well to the work of regulators.

Take selflessness, for instance. The commission translated the term as public servants acting solely in the public interest. Integrity, it specified, was about officeholders avoiding placing themselves under obligation to individuals or entities that might try to influence them inappropriately. Objectivity was defined as making decisions impartially, fairly, on merit, and using the best evidence without discrimination or bias. Aren't all these precisely what makes those who dedicate themselves to public protection so necessary *to the public*?

Compare these principles, however, to a recent study conducted by global firm Edelman, which found that 63 percent of people these days do not trust government; 61 percent do not trust business leaders; and 64 percent do not trust journalists. Might those percentages correlate to how well—or how poorly—our society observes those seven principles of public life?

Prior to interviewing for the role of NASBA president and CEO, I thought long and hard about what my vision for the organization might be. It was a challenge I set for myself in order to determine whether what I produced would serve NASBA's hard-won stability and any organization's always-needed innovation. But I also applied another test to this vision: Was every aspect of my plan rooted in one or more of those seven qualities? I felt the only way I could put myself forward as a candidate was if both boxes were checked.

I called this plan a "mission of modernization" because modernization is a concept that honors an organization's founding principles by looking at the places where renewal might make it that much more "principal" to those it serves. The mission ended up having five foci with five broad aspirations, which include:

Revisiting our culture: It was author William Faulkner who said that "we cannot swim for new horizons unless we have the courage to lose sight of the shore." By examining new approaches internally—elevating our aspirations, awareness and collaboration—NASBA can integrate and enhance its impact externally.

Refining our technology: In the age of Amazon, when you can order an obscure product one day and have it at your doorstep the next, how do we at NASBA make nimbler and more dependable the systems and transactions on which our members rely?

Reframing regulation: Storytelling is all—and for the past 40 years, the regulatory story has largely been one-sided and anti. This has set us back. I want NASBA to become an ever-refreshing hub of original content and thought leadership in order to provide members with a "rising tide" of insights and arguments on the issues that will lift regulators and our common cause.

Reasserting NASBA as the "first call": Whether it's pathways, pipeline, legal counsel, legislative support, or yes, persuasive storytelling that can beat back antiregulatory ruses, NASBA should be top-of-mind to its members. Calling (or emailing) us second means we've missed an opportunity.

Reflecting rigorously: Every good institution—every good leader—has blind spots. The best organizations (and leaders) don't shy from shedding a light on them. That's why, over this first year of my presidency, I plan to convene a formal diagnostic process that will seek our members' unfiltered candor in order to learn where those spots reside and how we can adapt our mission of modernization to remedy them.

Nine months after my self-test—and deciding to put myself forward—here I am. And here we are—together. How do we keep NASBA relevant, impactful, stable but thriving? How do we keep regulation a fundamental of the public good? If you find yourself in the trust business—as you, our members, are—and as we, by extension, are too, the answer is the same: by delivering on what you promise. Over the last 116 years, NASBA has come far by upholding this principle. And while some of the projects I described above will take time, I believe the modernization NASBA will pursue will not only sustain, but further the organization.

I am excited by the new role, invigorated by the prospect of what lies ahead, and eager for the innumerable ways I know your ideas and your inspirations will shape our shared journey.

Daniel J. Dustin
President & CEO

2024 NASBA Regional Meeting Highlights

Each year, NASBA hosts its Regional Meetings in different locations across the country to bring together Board of Accountancy representatives, NASBA staff and various NASBA stakeholders alike. This year, the Eastern Regional Meeting was held in Louisville, KY, June 4-6, and the Western Regional Meeting took place in Omaha, NE, June 25-27.

Both meetings were a success and allowed attendees and staff to participate in the conference's daily plenaries, topical breakfast meetings and breakout sessions. The closing celebration in Louisville took place at Churchill Downs, famous for hosting the Kentucky Derby. Attendees enjoyed Twilight Thursday races, tours and a live band with dinner. In Omaha, the 'Dancing in the Garden' closing celebration was held at Lauritzen Gardens, Nebraska's Premier Botanical Garden, where guests enjoyed live music and a delicious meal.

In conjunction with the Eastern Regional Meeting, the NASBA Center for The Public Trust (CPT) hosted its annual StudentCPT Leadership Conference (SLC) in Louisville, KY, June 3-5. This year's conference theme was "Empowered to Lead," focusing on the resources StudentCPT provides and how the journey to being an ethical leader empowers students at work, on campus and in their communities. A total of 28 colleges and universities and 45 students were represented at the conference, with students ranging in age, areas of study and academic classification. CPT Board of Directors members also participated in the conference. Members David Costello, Donald Burkett (board chair) and Kymberly Messersmith served as guest panelist speakers, while others provided consultation during the case study competition. Students were able to hold open discussions on where ethical dilemmas are found, how to overcome them in life and in the work force and, most importantly, how to be empowered when navigating professionally on campus through activities and Q&A sessions with panelists.

View a video highlight reel of the Regional Meeting here: https://vimeo.com/982196170
View photos from the Eastern Regional Meeting here: https://adobe.ly/3yYddn1
View photos from the Western Regional Meeting here: https://adobe.ly/3VXjCrT
View a video highlight reel of the SLC here: https://vimeo.com/975369133/d256f7e5d7?share=copy
View photos from the SLC here: https://lightroom.adobe.com/shares/85b5fd29c7b8400486f2dc29b4da8b8a

NASBA welcomed 274 attendees to the 2024 NASBA Regional Meetings. Attendees heard from NASBA leadership, received a report on the Professional Licensure Task Force, were updated on the AICPA National Pipeline Advisory Group (NPAG), met with their regions to share insights on trending topics, networked with members of NASBA and heard from students regarding the CPA pipeline. These photos are just a glimpse of the meetings. NASBA looks forward to hosting the Boards of Accountancy at its 117th Annual Meeting.

Dustin Welcomes New Leadership Team

NASBA President and CEO Daniel Dustin has selected Kent Absec, Brenner Allen, William Emmer, John Johnson and Sedrik Newbern to join the leadership team at NASBA, effective August 1, 2024. These changes to leadership follow the recent retirement of former NASBA President and CEO Ken Bishop.


Kent Absec


Brenner Allen


William Emmer


John Johnson


Sedrik Newbern

Kent Absec is NASBA's newly appointed vice president, state board relations. In this role, Absec will serve as an advocate for State Boards of Accountancy and explore opportunities to provide support and services to NASBA's member boards.

Brenner (Brie) Allen, returns to NASBA as chief legal officer. In this role, Allen will oversee all legal matters on behalf of the Association.

William (Bill) Emmer, serves as NASBA's vice president, operations, and oversees multiple operations including services related to the CPA Examination, CPA licensing, the National Candidate Database, the National CPE Registry, other NASBA products and services, as well as Information Technology (IT).

John Johnson was promoted to vice president, legislative and governmental affairs. In this capacity, Johnson will work to evolve NASBA's legislative efforts by connecting its member boards to NASBA and with each other, while finding new ways to draw a line between people's everyday lives and regulatory work.

Sedrik Newbern serves as president of the NASBA Center for the Public Trust (CPT) and as chief ethics officer of NASBA. As CPT President, Newbern will manage the non-profit ethics and leadership organization's day-to-day operations and growing number of CPT programs. As Chief Ethics Officer, Newbern will oversee ethics compliance for the organization and will represent NASBA in ethics related activities within the accounting profession.

NASBA Awards 2024 Accounting Education Research Grants

2025 Call for Proposals Now Open

On August 13, NASBA announced the recipients of its 2024 Accounting Education Research Grants. This year's grant recipients include Dr. Kris Hoang and Amy Mathews at the University of Alabama. They received $5,500 for their 'Job Stressors and Career Commitment in Early-Career Auditors' Work Experiences' study, which will investigate job stressors among early-career auditors and their influence on workplace well-being and career commitment.

The team of Dr. Denis Gracanin at Virginia Tech and Dr. Dina El Mahdy at Morgan State University received $9,750 for their study 'Demystifying Accounting and Using Immersive Analytics to Increase Enrollment, Recruitment, and Retention.' Their project aims to demystify accounting and make it an exciting educational experience by developing an immersive data analytics tool - DataWorld.

The final recipient, Drexel University Assistant Clinical Professor JT Thazhathel, received $9,750 for his 'Balancing Books and Bytes: A Survey of Accountants' Use of AI in the Workplace' study. The project seeks to examine the prevalence and practical uses of artificial intelligence (AI) among accounting professionals.

"Amy Mathews (co-principal researcher) and I are thrilled to receive a NASBA Accounting Education Research Grant to study job stressors in early-career auditors," said Associate Professor Kris Hoang, PhD, CPA, CA. "The grant will help us address the challenge of recruiting volunteers with real-world experience. We appreciate NASBA's role in connecting scholars with practitioners to advance the accounting profession."

Established in 2011, the grants program is spearheaded by members of NASBA's Education Committee, under the leadership of Alison Houck Andrew. The program seeks to advance research on educational issues impacting certified public accountants, the accounting profession and state boards' charge to protect the public.

The 2025 Call for Proposals is open August 13, 2024, through 11:59 p.m. CT on Monday, March 3, 2025. Suggested research interest areas include integrating data analytics and AI as part of an accounting education, inclusivity within the CPA profession, CPA pipeline related items or impact of licensing requirements on students' decisions to pursue accounting careers *(suggested research areas are subject to change throughout the year)*. Post-doctoral researchers and professors seeking funding are encouraged to submit grant proposals for consideration prior to the deadline. The 2025 class of grant recipients will be announced in summer 2025.

For additional information (including a full program description, eligibility requirements, research topics and details on past recipients), CLICK HERE. For questions regarding the program, email: grantproposal@nasba.org.

Professional Licensure Task Force Work Continues

The Professional Licensure Task Force (PLTF), established by NASBA Chair Stephanie Saunders, is continuing its work to consider new concepts for CPA licensure that may be included in the Uniform Accountancy Act (UAA) to update the current licensure model.

Earlier in the year, the PLFT-NPAG (National Pipeline Advisory Group) Working Group agreed to move forward on exploring a licensure pathway that is commonly referred to as a competency enhanced experience pathway. This pathway can be defined as having the requirement of a baccalaureate degree (120 semester hours) plus 1-year of general experience, which is consistent and currently in the UAA, plus one additional year of experience, which would be considered as "competencies enhanced experience."

Two subgroups born out of the PLTF-NPAG Working Group and charged with creating the *Standards* (requirements) and a Model (competencies and objectives) for the potential new licensure pathway, provided the PLTF with their recommendations for review and input during an August meeting. The subgroups are comprised of stakeholders currently engaged in the new pathway concept and new stakeholders, who will help to broaden the number of persons involved in future discussions and offer fresh perspectives.

During its August meeting, the PLFT was informed of upcoming forums that will be delivered to various stakeholders. Stakeholders include, but are not limited to, members of the NASBA Board of Directors, NASBA regional directors, State Board of Accountancy chairs and executive directors, State CPA Society executives, and members of the Joint UAA Committee and NPAG Working Group.

The PLTF is comprised of representatives from key stakeholder groups including the NASBA Board of Directors, the AICPA, member Boards of Accountancy, and State CPA Societies.

BAP and AAA 2024 Annual Meetings

Representatives of NASBA and the NASBA Center for the Public Trust (CPT) recently attended the 2024 Beta Alpha Psi Annual Meeting (Orlando, FL) and American Accounting Association Annual Meeting (Washington, DC).

Team members served in a variety of capacities during the meetings, including showcasing products and services catering the academic community, participating on panel discussions and exchanging dialogue with educators, students, CPA Exam review course providers and partnering organizations. NASBA also demonstrated its continued commitment to AAA by serving as a meeting sponsor.

Announcements of NASBA's 2024 Accounting Education Research Grant recipients (and opening of the 2025 Call for Proposals) and relaunch of the *NASBA Report: Candidate Performance on the CPA Exam* publications were also shared with meeting goers.

Top Photo: NASBA representatives attend the American Accounting Association Annual Meeting,

Bottom Photo: NASBA CPT attends the Beta Alpha Psi Annual Meeting.

U.S. CPA Exam Expands to Philippines

Did you know that the Uniform CPA Examination (Exam) is now offered in 19 countries? On July 1, 2024, NASBA and the AICPA, in partnership with Prometric, expanded international testing availability of the Exam to the Republic of the Philippines. As part of this expansion, CPA candidates in the Philippines can now register to take the CPA Exam in three testing centers within the country – two in Manila and one in Cebu City.

According to NASBA Executive Vice President and COO Collen Conrad, "NASBA is excited to expand the international administration of the U.S. CPA Examination to the Philippines. We hope this expansion will result in greater interest in the accounting profession and greater flexibility for testing among international CPA Exam candidates."

In addition to passing the Exam, which consists of three core sections and one selectable discipline section, candidates also must meet education and experience requirements, as well as any additional steps required by their home jurisdictions.

Additional information on the international availability of the Exam can be found on nasba.org.

LEGISLATIVE UPDATES

Regulation and Oversight Matter

In a recent Public Opinion Survey conducted by the Alliance for Responsible Professional Licensing (ARPL), surveying 1,200 U.S. voters on professional licensing perceptions, survey results provided valuable insight into the importance of licensing (generally), the role of licensing boards, workforce development pressures, and responsible artificial intelligence (AI) uses.

69% believe that without rigorous licensing and expert human oversight, AI could increase public safety risks.

76% believe state licensing boards are best equipped to ensure responsible AI integration within their respective industry. These boards, which oversee exam requirements, ethical codes of conduct, and continuing education standards, are viewed as trusted experts by the American public.

75% agree that licensing is critical for guaranteeing professional qualifications.

72% say that licensing keeps the public safe.

64% believe that lowering licensing standards would fail to solve workforce shortages and increase the risk of licensing under qualified professionals, and therefore oppose such downgrading.

To read more on the survey results, visit responsiblelicensing.org or contact John Johnson, Vice President, Legislative and Governmental Affairs, at legislative@nasba.org.

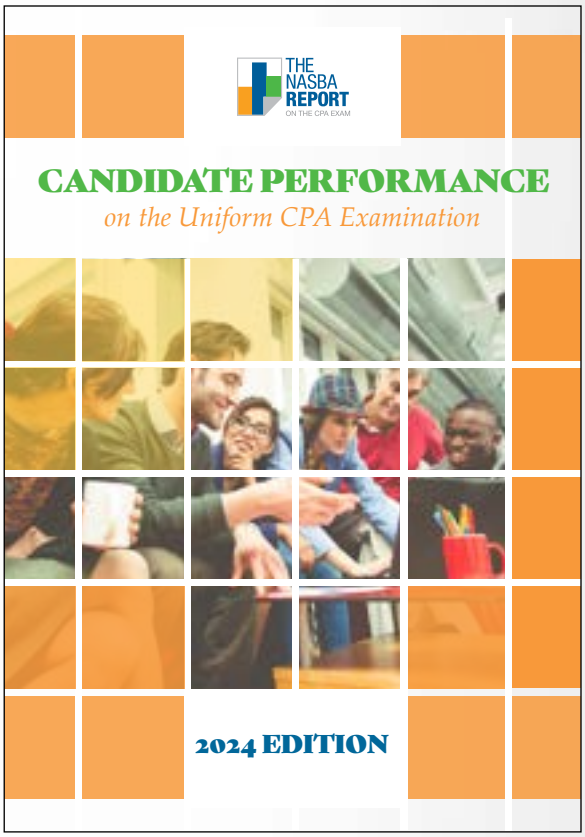
The NASBA Report Makes a Comeback

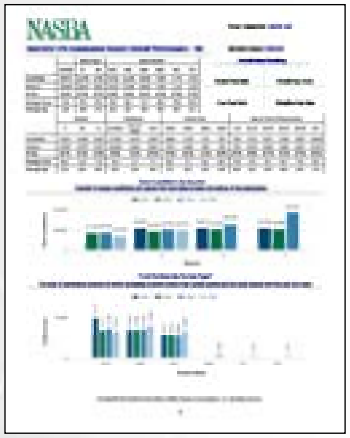
NASBA is pleased to announce the return of the long-awaited *NASBA Report: Candidate Performance on the Uniform CPA Examination*, for the 2020 – 2023 Exam years. The publication series was paused in recent years to ensure the successful planning and implementation of CPA Evolution.

Designed with jurisdiction and university/accreditation analyses in mind, the annual publication features comprehensive statistical data from all (4) testing windows and sections (AUD, BEC, FAR, REG) of the Uniform CPA Examination (Examination). The *NASBA Report* provides summary performance for candidates applying to each U.S. jurisdiction, with trending data for number of sections, number of unique candidates, average age and percent pass, while also providing university rankings and program accreditation statistics based upon Uniform CPA Examination data. The publication offers the best overview of CPA Examination trends from around the world, and at the jurisdiction and university level.

Additional features include country performance for the top five countries and jurisdiction rankings for number of sections, number of unique candidates, average age and percent pass. Section descriptions are also included to explain each view of the performance metrics.

The 2023 edition, as well as the 2020, 2021 and 2022 editions are now available for pre-order on www.nasbareport.com. Estimated shipping for these editions is scheduled for September 2024.





Total Sections by Section Type - 2024-Q2

The total of Examination sections for which candidates received scores in the current quarter and the same quarter over the past four years.

NASBA

117th NASBA Annual Meeting

October 27-30, 2024 | Orlando, Florida

Visit https://nasba.org/blog/2023/12/06/117th-annual-meeting/
to view the details and register today!

Alabama State Board of Public Accountancy

2024
Annual Report

Alabama State Board of Public Accountancy

LETTER FROM THE BOARD CHAIR

It has been a pleasure to serve as Chair of the Alabama State Board of Public Accountancy with such a committed group of people representing the entire state. My favorite part of serving on the Board is the opportunity to meet at various universities throughout Alabama. In September, I was fortunate to be elected chair at the meeting held at the University of South Alabama in my hometown, Mobile. November's meeting was at the University of Alabama, and Troy University hosted the meeting in January. We will close the cycle in September by meeting at Auburn University. Since students, faculty, and guests are welcome to attend, it is a great opportunity to interact with those who are shaping our profession's future. Our Executive Director, Boyd Busby, does an excellent job explaining the role of the Board and the topics being covered.

It is certainly an exciting time to be in the practice of public accounting. After a few years of meetings, research and deliberation, the CPA Evolution Initiative, a joint effort between the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA), culminated with the successful launch of a new Uniform CPA Exam effective January 1, 2024. The new CPA exam has been modified to consist of three core exams all candidates must pass as well as one of three discipline sections in Business Analysis and Reporting, Tax Compliance and Planning, or Information Systems and Controls. These changes are reflective of the changes occurring in the profession and the tremendous opportunities afforded to a CPA.

Another significant initiative that has been underway between NASBA and the AICPA is referred to as the CPA Pipeline. This has been a multi-faceted approach to promote the benefits of being a CPA and recruit new CPA candidates. The need for an organized effort is highlighted by a retiring baby boomer population and a decline in college students, including fewer students majoring in accounting. There has been a focused effort to target students earlier in college as well as in high school and educate them about the many career opportunities present for people with their CPA license. Some of the focal points being proposed include the number of hours required to be eligible to become a CPA, and how those hours are achieved. The potential alternative pathways to achieving those hours are being debated across the country among the various state boards. A primary challenge to implementing these alternatives is the issue of firm mobility. As the law stands, many CPAs can work in other states if those states recognize mobility from the "home state." That mobility may be jeopardized if individual states make changes that aren't recognized by other states.

As I look ahead to the future, I am filled with excitement and optimism. The rapid advances in technology over the last several years and the continued adoption of artificial intelligence are revolutionizing our field in extraordinary ways. Embracing these changes will allow us to spend time on meaningful work like more time with clients and driving strategic decisions for their organizations. These technological enhancements present an opportunity to redefine our profession, inspiring and attracting younger talent. Together, we can shape a more engaging and impactful future.

Looking forward with optimism,

MICHAEL J. KINTZ, CPA
CHAIRMAN

TABLE OF CONTENTS

LETTER FROM THE EXECUTIVE DIRECTOR

Greetings! The Board remains focused on our essential mission of safeguarding the public interest. This focus takes shape through ensuring competence, integrity and ethical conduct of certified public accountants and public accountants within the state of Alabama. More specifically, to safeguard the public interest, the Board accomplishes this mission through proactive investigative processes, disciplinary actions designed to educate licensees in their chosen practice, required continuing professional education and promoting quality assurance through the peer review program.

In addition to this mission, the Board is also interested in the many issues involving the accounting profession, issues ranging from changes in the CPA Exam to concerns over the CPA pipeline. While the Board has very little control over these changes, we are taking action on the issues we can control. The following is a list some of the great things the Board has done and continues to do for the good of the profession.

- **Exam Application Fees** – The Board has taken the extraordinary step of waiving the application fees for all CPA Exam candidates, application fees for transfer of credit and application fees for reciprocal licenses. The annual cost to the Board is approximately $80,000, but the Board feels that this has been a great benefit to candidates and will continue this waiver as long as financially feasible for the Board.
- **Credit Expiration Window** – In July of 2023, the Board approved a change to extend the credit expiration window from 18 months to 30 months. This change was effective December 15, 2023. There had not been a change in the credit expiration window for 20 years. By giving the candidate more time to complete all four parts of the CPA exam, this should increase the number of candidates who remain in the pipeline.
- **Direct Student Connections** – The Board meets a minimum of 3 times per year at college campuses across the state. These Board meetings are designed for student and faculty interaction and involvement. Also, the Executive Director speaks at colleges and universities on a regular basis.
- **Credit Relief Initiative** – This program was approved by the Board on September 19, 2023 and will extend credit for those that lost credit due to the economic and education disruption during the pandemic. Nationally, there are approximately 15,000 candidates that could benefit from this program.
- **Pipeline Effort** – The Pipeline Effort, although a national issue, has the Board's focus. There are several Board members and staff directly involved in various national committees that are working to solve the issue. Below is a list of Board members/staff and their respective committee assignments:

  - **Michael Kintz, CPA** – Nominating Committee, Administrative and Finance Committee
  - **Wim Schaffers, CPA** – Standard-Setting and Professional Trends Advisory Committee
  - **Rita Prince, CPA** – Communications Committee
  - **Steve Smith, CPA** – Ethics Committee
  - **D. Boyd Busby, CPA** –Chair of the Executive Directors Committee and Liaison to the NASBA Board of Directors, ELE Task Force Committee, and ALD Task Force

  Board Members with Terms Ended September 30, 2023:

  - **Dr. Steve Grice, CPA** – Education Committee, Pipeline Task Force, Professional Licensure Task Force

Continued on page 4.

LETTER FROM THE EXECUTIVE DIRECTOR (continued)

» **Delbert Madison** – Diversity Committee, CPT Board of Directors, NASBA CEO Search Committee

» **Earl Blackmon, CPA** – Legislative Support Committee

- **CPA Exam Evolution** – The AICPA (American Institute of Certified Public Accountants) drastically changed the CPA Exam to allow for concentrations to make the Exam and the CPA License more attractive. The traditional exam has had 4 required sections. The new exam that began on January 1, 2024, has 3 core required sections with the candidate choosing a 4th section from one of three concentrations. The concentrations are Business Analysis and Reporting (BAR), Information Systems and Controls (ISC), and Tax Compliance and Planning (TCP). The new CPA Exam is an attempt to future proof the exam and draw candidates from the IT field.

As you can see, the Alabama Board is engaged nationally in support of efforts that encourage the next generation to join the important field of accounting.

In summary, the Alabama State Board of Public Accountancy serves as a guardian of the public trust. Its unwavering dedication to excellence, integrity, and accountability contributes significantly to the overall well-being of Alabama residents and businesses. The Board staff is always available to answer questions related to Alabama statute and Board rules, and we encourage both licensees and the public alike to utilize our resources.

Sincerely,

D. BOYD BUSBY, CPA
EXECUTIVE DIRECTOR

ASBPA THREE YEARS RUNNING NO EXAM APPLICATION FEES

The ASBPA takes pride in helping to remove barriers to enter the accounting profession. In January 2021, the Board announced that Alabama would no longer be requiring aspiring accountants to pay the Initial Application fee for the CPA Exam. This decision marked a pivotal moment for individuals pursuing a career in accounting within the state. During the September 2023 Board meeting, the Board approved the move to continue to waive the Initial Application fee through December 2024. The Board reviews this waiver annually to determine if it remains financially feasible.

This move by the Alabama State Board of Accountancy aligns with efforts within the accounting industry to usher new candidates into the profession. The decision to waive the application fee for the CPA Exam is a positive development for candidates in the state. By removing this financial barrier, the Board is helping aspiring CPAs take a significant step in their career without having to worry about an additional upfront cost. By taking steps to make the CPA Exam more accessible, the ASBPA is reinforcing its objective of promoting the accounting profession and creating a broader future for professionals in this industry.

COLLEGE CAMPUS VISIT HIGHLIGHTS

The Alabama State Board of Public Accountancy has had a busy year, marked by the increase in college campus visits across the state. In 2023, Executive Director Boyd Busby visited 22 different colleges and universities in Alabama. During these visits, ASBPA Staff spoke to students about the CPA Exam, licensure, managing their work-life balance, and the History of the ASBPA. To end the class lectures, ASBPA staff recounted recent Board disciplinary hearings and their outcomes. When the lectures end, the students carry with them vital knowledge about the accounting profession.

One of the outreach objectives of the ASBPA is to promote a broader understanding of the accounting profession to the public it protects and to students interested in the field of accounting. To help fulfill this objective, the ASBPA uses multiple avenues to help spread its messaging. In addition to speaking to students who aspire to enter the accounting profession, the State Board holds its meetings at various universities in Alabama. College hosted Board Meetings allow students and the public in the area to see firsthand the inner workings of the Board that regulates this industry. Additionally, the students in attendance gain a better understanding of the rules and standards that they will be required to uphold once they earn the CPA license.

"Being able to experience the Board meeting in person was incredibly eye-opening for me in the accounting world. It helped me understand many of the issues that CPAs can be reprimanded for, as well as giving me the visual of what an ASBPA Board meeting looked like. Mr. Boyd Busby did a wonderful job of explaining everything that was going on and engaging the students," said Mark, an undergraduate student at Troy University.

"I enjoyed being able to attend the State Board meeting because it gave me insight into the accounting profession. It made me realize the high standards that CPAs are held to, and why this is such a distinguished career," said Jessica, a Troy University undergraduate student.

Lastly, the ASBPA crafts messages on its social media platforms (LinkedIn, Facebook, and Instagram) to reach target audiences with pertinent and useful information about CPAs in Alabama. This strategic messaging allows the ASBPA to connect with CPAs, other accounting professionals and the public it serves. This avenue helps the Board fulfill three of the ASBPA's strategic objectives:

1. **Streamline Regulatory Processes:** Improve CPAs' understanding of regulatory processes to ensure compliance and facilitate a smoother experience for accountants.
2. **Support Candidates:** Provide helpful resources and tips to CPA Candidates to support them while they prepare for the CPA Exam.
3. **Promote the Accounting Profession:** Emphasize the importance of the role CPAs and PAs play in the broader community.

PROTECTING THE PUBLIC THROUGH A COMPLAINT REVIEW PROCESS

The Board has a process for any citizen to make a complaint against a CPA, PA, NLO or Firm practicing in the state. Alternatively, if the individual in concern is not licensed by the Board, then the Board cannot pursue the complaint. However, we do suggest the complainant contact someone else, or another agency, that may can help them.

To file a complaint, a citizen can go to the Complaint page on the Board's website and submit the completed form online or by mailing or emailing the paper form. Once a complaint is filed, we will send a letter to the licensee, allowing them an opportunity to respond and explain their side. Once we get all the information needed from the complainant and the licensee, we assign it to an Investigation committee to study the merits of the complaint. The Investigative committee consists of the Executive Director and a Board member. The Board member assigned is determined based on who would be most knowledgeable in the topic or the closest geographically to the licensee in question.

The Investigative committee determines whether there is probable cause to continue. While the Board strives to be efficient and settle cases quickly, the technical elements of accounting issues require careful review and study. Once the review is complete, if the committee finds there is no probable cause, the case will end there. If there is probable cause, a summons and complaint will be sent to the licensee that will set the time and place of a hearing before the Board. At the hearing, the licensee will have the opportunity to respond to the charges made by appearing before the Board. Once the Board votes on the outcome of the case, a Board Order will be issued stating the findings of the case. If found guilty, the licensee must complete the steps outlined by the Board in the final Board Order.

CPE RULES AND REPORTING

All active CPAs, PAs and NLOs are responsible for remaining compliant with Board CPE requirements. CPE is an important part of maintaining competence to practice public accounting. All active licensees are required to comply with the continuing education requirements.

Licensees who wish to renew an Active permit to practice must complete 40 hours of CPE (including 8 hours of Accounting and Auditing and 2 hours of Ethics). All CPE must be earned by September 30th of each year.

The applicant for renewal of an Active permit to practice shall, by December 31st of each year, provide a report of the continuing education which he or she completed by the prior September 30th.

Sole responsibility for documenting the requirements rests with the licensee and evidence to support fulfillment of those requirements must be retained for a period of five years after the completion of educational courses.

Evidence of course completion must include one of the following:

- Certificate of completion from the course sponsor that verifies date and number of hours with sponsor signature.
- Transcript from an educational institution

PEER REVIEW

Firms that complete specific reports are required to enroll in the peer review program. These reports are as follows:

- Audit Reports
- Compilation Reports
- Employee Benefit Plan Audit Report (ERISA)
- Government Single Audit Report
- Review Report
- Special Report
- General Contractors Board Report

When required, a firm must first enroll in the peer review program. They will go through the process of choosing a peer reviewer, that is a firm that is properly trained in performing peer reviews. Once a firm's peer review is finished, they will submit their report to the administering entity, Partners in Peer Review, a division of the Alabama Society of CPAs. After the administering entity's peer review committee reviews the peer reviewer's report, the committee will issue an acceptance/completion letter to the firm. If there are problems with the peer review, the firm must complete the steps required to rectify any issues or deficiencies. Finally, once complete, the firm is required to submit to the Board a copy of the peer reviewer's report and a copy of the acceptance/completion letter. Both of these items are required to be in compliance with the peer review requirements. The firm's initial peer review is due 18 months after the date they issued their first report. A subsequential peer review is due 36 months after that. Failing to complete a required peer review is cause for disciplinary actions. The Board staff is available to answer any questions licensees may have about peer review requirements.

FAQS/TIDBITS

1. How do I change from inactive status to active status?

To change from inactive to active status, a licensee must complete the required number of Catch-up CPE hours. That is 40 hours of CPE, including 8 hours of Accounting and Auditing CPE and 2 hours of Ethics CPE for each year the licensee was inactive, not to exceed a total of 120 hours.

2. Reminder: Change of Information

You have 30 days to update the Board of any information changes, including address or work changes. There is a Change of Information page on the Board's website where these submissions may be submitted: https://www.asbpa.alabama.gov/changeinfo.aspx.

3. What is a qualifying Ethics course?

Alabama does not require a state specific ethics course. Any course that states Behavioral or Regulatory ethics as the field of study on the certificate may be claimed for the Ethics requirement. This is great news for licensees that maintain a license in multiple states that may require a state specific Ethics course.

4. Rules and Regulation Changes

Periodically things may occur that require the Board to make Rule changes. When this occurs we will keep you up to date on those changes through the ASBPA website, newsletter, social media outlets and the ASBPA Annual Report.

5. There is a difference – ASBPA and ASCPA.

Often the Alabama State Board of Public Accountancy (ASBPA) is confused with the Alabama Society of CPAS (ASCPA). The ASBPA is a regulatory board that regulates CPAs and CPA firms in Alabama. The ASCPA is a membership organization for CPAs in Alabama.

THANK YOU TO OUR PREVIOUS BOARD MEMBERS

As we reflect on the invaluable contribution and tireless dedication of our former Board members at the Alabama State Board of Public Accountancy, we are filled with profound gratitude. Their commitment to upholding the highest standards of accountability, professionalism, and integrity has been instrumental in shaping the landscape of accountancy in our state. In 2023, three Board members; Delbert Madison, Earl Blackmon, and Steve Grice completed their years of service to the ASBPA. To express our gratitude for their dedication and service, we would like to share the profound impact each member has made in the community and the accounting industry.

From left to right: Earl Blackmon, Delbert Madison and Steve Grice

Delbert Madison

Delbert Madison, Senior Vice President at ServisFirst Bank, has served the Board faithfully as its second Public Member. Delbert was first appointed to the Board in 2015 by Governor Robert Bentley, serving from 2015 to 2019. Re-appointed for a second term by Governor Kay Ivey in 2019, Delbert completed his service in 2023. After being a part of the startup of ServisFirst Bank in Montgomery in 2007, Delbert Madison continued to serve the City of Montgomery and State of Alabama in countless ways. Delbert Madison has served the community through service on the following Boards and Committees: Jubilee Cityfest Board (2005-2010), Leadership Montgomery Mayoral Council (2011; Chair), Leadership Montgomery Board (2009-2014), Small Business Resource Center Board (2013-2014), Montgomery Zoological Society Board (2012-present), YMCA (southeast) Board (2006-2015; Chair 2013-2015), Brantwood Children's Home Board (2009-2015; President 2 years), Director of Alabama Churches of Christ Youth Rally (2003-2016), Child Protect Board (2013-2019; Treasurer), American Red Cross Board (2014-present), Goodwill Industries Board (2016-Present), Montgomery Metro YMCA Board (2017-present), NASBA Strategic Planning Committee (2022), ASU President Inauguration Committee (2018; Chair), Alabama State University Foundation (2018-2020; Treasurer), Lee High School Hall of Fame (2021-present; Chair), River Region United Way Board (2019-present), Alabama State University Board of Trustees President Pro Temp (2022-present), Alabama State University Board of Trustees (2020-present), Delbert B. Madison II Foundation (2021-present; President/CEO), Leadership Alabama Board of Directors (2022-present), United Way Campaign (2022-present; Co-Chair), NASBA Diversity Committee (2022-present), and NASBA CPT Board of Directors (2022-present). Delbert has been listed in RSVP Magazine's feature "The List" (2010), graduated from Leadership Montgomery (2008), was recipient of the Humanitarian Award (2014), named YMCA (southeast) Man of the Year (2015), was inducted into the Lee High School Hall of Fame (2016), and graduated from Leadership Alabama (2022).

Earl Blackmon

After eight years of serving as Board member of the Alabama State Board of Accountancy, Earl Blackmon completed his tenure in September of 2023. Through his time serving on the Board, Earl has enjoyed working with leaders across the state in taking proactive steps to build up the accounting profession. Specifically, he is proud of the Board's efforts over the years to encourage more people to take the CPA exam. This effort has included waiving state fees and extending the testing window from 18 months to 30. Earl is a founding member of Avizo Group, Inc. (formerly Hartmann, Blackmon & Kilgore). The firm was established in October 1990 to provide the Gulf Coast community with tax, assurance, and business guidance services. Earl serves his clients with a passion for enhancing their success by providing financial analysis, wealth management consulting, and business process improvement. As a Lean Six Sigma CPA Green Belt, Earl has worked with CPA firms and a variety of businesses nationwide to assist in applying the Lean Six Sigma methodology to integrate technology and improve processes. In addition to his service to our profession, Earl is also an active member of his local community. As an alum of the University of South Alabama, he serves on the board for the USA National Alumni Association, the Accounting Advisory Board, and the Gift Planning Council. He is also committed to participating in his community through assisting his church, continuing a 40-year active membership in the Eastern Shore Sertoma Club, and volunteering for a local food shelter, Prodisee Pantry.

Continued on page 9.

From left to right: Steve Grice, Steven Smith, Delbert Madison, Boyd Busby, Michael Kintz, Wim Schaffers, Rita Prince and Earl Blackmon.

THANK YOU TO OUR PREVIOUS BOARD MEMBERS (continued)

Steve Grice

Dr. Steve Grice devoutly served on the Board for eight years from 2015 to September of 2023. Dr. Grice currently serves as a scholar-in-residence for the Troy University School of Accountancy and for the accounting firm of Carr, Riggs, & Ingram, LLC. Previously, he served as the Director of Troy University's School of Accountancy and the Botts Professor of Accounting. Prior to rejoining Troy University, he was the Director of the Master of Accounting program and a professor of accounting at the University of Alabama at Birmingham. The Alabama Society of CPAs honored Dr. Grice with the Lifetime Member Award in 2022. In 2021, Dr. Grice was selected as the Sunbelt Conference Faculty of the year as well as Troy University Faculty of the Year by the Student Athletic Advisory Committee. Dr. Grice was the 2018/2019 Outstanding Accounting Educator awarded by the Alabama Society of CPAs. In 2016, he was a gubernatorial appointment to serve on the Alabama State Board of Public Accountancy and he was assigned to the National Association of State Boards of Accountancy (NASBA) Education Committee for 2019/2020. In 2020 he began serving on the AICPA Board of Examiners. In 2011, Dr. Grice was the recipient of the UAB *President's Award for Excellence in Teaching.* In 2010 he was honored as the Beta Gamma Sigma *Professor of Year* and in 2008 he was the recipient of the *Loudell Ellis Robertson Teaching Excellence Award*, both at UAB. In 2003, he was honored as the first recipient of Troy University worldwide system *Wallace D. Malone, Jr. Distinguished Faculty Award*. In 1998, he was honored as the Delta Sigma Pi *Business Professor of the Year* at Troy University. Dr. Grice has also been named *Faculty of the Semester by the Student Government Association* on three occasions. Dr. Grice has authored more than 50 articles for various journals including *Review of Quantitative Finance and Accounting, Journal of Business Research, Advances in Accounting, The CPA Journal, Practical Tax Strategies, The National Accounting Journal, The Cooperative Accountant, The Journal of 21st Century Accounting, Southern Business & Economic Journal, National Public Accountant, Ohio CPA Journal, Today's CPA, Business Quest, Tennessee CPA,* and the *TSU Business and Economic Review*.

Dr. Grice has designed professional education courses on various accounting and auditing topics. He has taught more than 240 continuing professional education courses for the Alabama Society of CPAs, Mississippi Society of CPAs, and various CPA firms and organizations. He received the Alabama Society of CPAs *Outstanding Discussion Leader Award* in 2002 and 2005. He also has designed Internet based Executive Master of Business Administration accounting courses that are taught exclusively through Internet capabilities. Dr. Grice has provided technical consultation to various CPA firms and currently serves as the Scholar-in-Residence for Carr, Riggs, & Ingram, LLC.

Again, we thank the Board members who have served dutifully to the Alabama State Board of Public Accountancy. Their hard work, dedication and service does not go unnoticed. We wish these past Board members the best in their future endeavors, knowing that their impact on the Board will continue to be felt for years to come.

ASBPA WELCOMES THREE NEW BOARD MEMBERS

It is with great pleasure that we extend a heartfelt welcome to our new Board Members who were sworn into office in 2023. These three Board members were sworn into office for a 4-year term: Alan Skinner, Tod Etheredge, and Connie Sheppard-Harris. The dedication of these leaders to the accounting profession has already made an impact on the great community that we serve.

From left to right: Connie Sheppard-Harris, Alan Skinner and Tod Etheredge

Alan Skinner

Alan is a partner at Carr, Riggs & Ingram, LLC and serves as the Assurance Service Line Leader. In this role, Alan leads the design, implementation, and maintenance of the firm's system of quality control over its accounting and assurance practice. This includes leading a group that supports engagement teams on technical accounting and auditing issues, helping solve complex accounting, auditing, and financial reporting challenges, communicating new developments, and monitoring the quality of services provided.

Alan's experience in the profession includes 11 years with the Public Company Accounting Oversight Board ("PCAOB"). Alan was a deputy director in the PCAOB's Division of Registration and Inspections where he led the Non-Affiliate Firm Inspection Program for domestic and international registered accounting firms. In this capacity, Alan managed a team of more than 70 accountants and other professional staff in the conduct of inspections and related remediation assessments. As a program leader in the inspections division, Alan served as a liaison with PCAOB board members and their staff, other PCAOB divisions, and the SEC's Office of the Chief Accountant.

Prior to joining the PCAOB, Alan was a senior manager at Ernst & Young, where he worked for 13 years providing audit and related services to public and private companies in a variety of industries.

Tod Etheredge

Tod Etheredge is a Jackson, Mississippi native and Jackson Public Schools alumnus. Tod accepted an appointment to the United States Military Academy at West Point after graduating from high school.

After graduating from West Point, Tod was commissioned as a second lieutenant in the U S Army Field Artillery and later earned the rank of captain. He served with the First Infantry Division, better known as the Big Red One. His military awards include the Bronze Star Medal, Army Achievement Medal, Saudi Arabian and Kuwaiti Liberation Medals, the Parachutist Badge, and others. Tod saw combat duty with the Coalition Forces' lead combat unit in Operation Desert Storm.

After leaving the Army in October 1991, Tod returned to Jackson, Mississippi to work with Deposit Guaranty National Bank (later First American National Bank and AmSouth Bank) where he served as a Vice President of Commercial Banking for the bank's middle market business customers in the metropolitan area. At the suggestion of the bank's executive management, Tod moved into retail banking with AmSouth in Middle Tennessee. Tod returned to Jackson to work with Trustmark National Bank, where he served as Market Manager for Trustmark's North Metro Jackson Market, Trustmark's largest market. Tod now serves with Trustmark's Montgomery, Alabama office as Market Leader for Central Alabama and President of the Montgomery Market. As Market Leader for Central Alabama, Tod is responsible for presidents and their markets in Central Alabama.

Tod serves as a Community Partner with the Adjutant General of the State of Alabama through the Montgomery-Gunter-Maxwell Partners Program; he also serves on Montgomery Area Chamber of Commerce Board of Directors, the Montgomery Committee of 100, the Valiant Cross Academy Board of Directors, and the Samaritan Counseling Center Board of Directors. Tod is both a Leadership Jackson and Leadership Mississippi graduate and served on the Boards of St. Dominic's Memorial Hospital, The Mississippi Sports Hall of Fame and Museum and the Jackson Zoo in Jackson just prior to transferring to Montgomery. He has also served on several boards to include Jackson 2000, Mississippi Food Network, Mississippi West Point Society, Piney Woods

Continued on page 11.

ASBPA WELCOMES THREE NEW BOARD MEMBERS (continued)

School, and others. He was the president of the Jackson Chapter of the National Association of Urban Bankers and received the national organization's most improved chapter award during his presidency. He has worked with the Quitman County Youth Exchange Program, served as a member of the United Way Youth in Action Committee, and taught Junior Achievement Project Business. He is a member of Alpha Phi Alpha Fraternity, Inc. and was active as a member and mentor with the 100 Black Men of Jackson having been selected as mentor of the year. In 1992 Parents for Public Schools selected Tod as a Jackson Public Schools outstanding alumnus.

Connie Sheppard-Harris

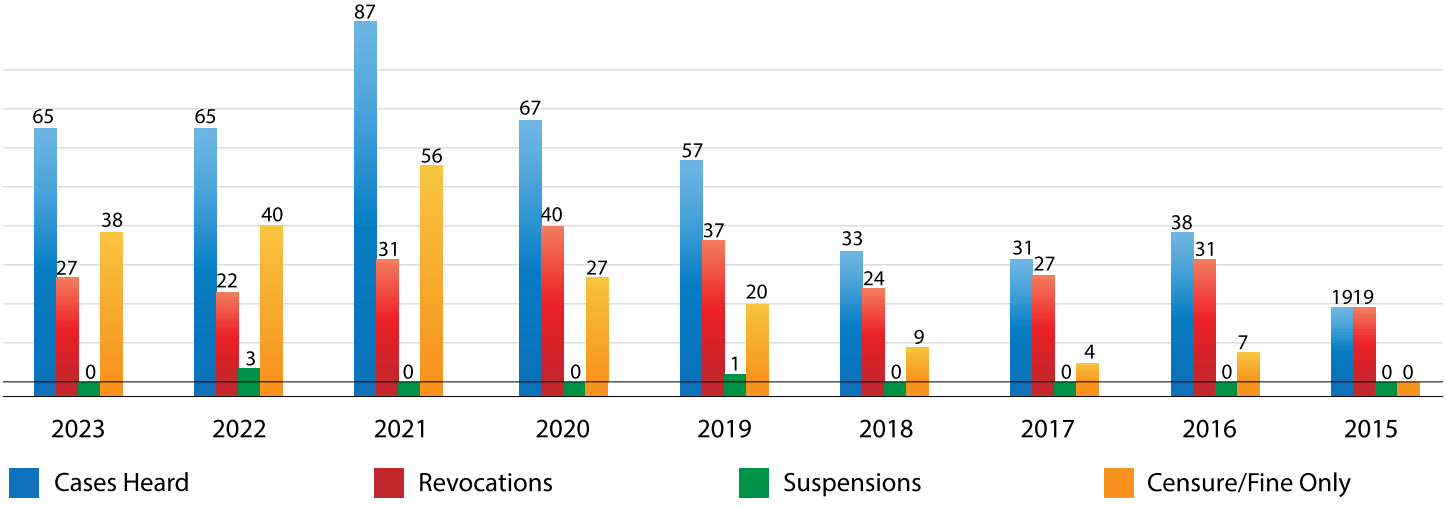
Connie Sheppard-Harris is now beginning her third term with the ASBPA after devoutly serving on the Board since 2015. Connie has over 30 years of experience as a CPA and has been an integral leader in accounting services within the state of Alabama and as a Board member of the State Board thus far.

Connie is the first African American woman to chair the ASBPA. During her tenure, she has helped guide the Board, playing a key role in important inclusive initiatives. Connie has played an integral role in making changes to the CPA exam, helping to reduce the exam's administrative costs, hours, and similar key CPE regulations. In addition to her ASBPA duties, Connie currently serves on the Boards of the General Retirement System for the employees of Jefferson County, the Help to Others ("H2O") Foundation, where

Boyd Busby (far right) swears in the new Board members, Connie Sheppard-Harris, Alan Skinner and Tod Etheredge.

she is a founding Board member, and the University of Montevallo Foundation. In her capacity, Connie oversees the rules and regulations for pension funds of the citizens of Jefferson County, assists lower-income Birmingham citizens access their rights to water, and promotes the value of the accounting certification and reputation by encouraging young women and minorities to pursue a career in public accounting. Ms. Harris is also deeply committed to community involvement, actively serving the local and national chapters of the Links, Incorporated, and Delta Sigma Theta Sorority, Incorporated, as an integral member to both service focused organizations. Connie has always been an active leader in the accounting profession and in her community. Prior to serving on the Alabama State Board, Connie was an advocate voice on the diversity and student outreach committee of the Alabama Society of Certified Public Accountants. She was also previously a member of the Miles College Advisory Board.

ENFORCEMENT STATISTICS



2023 CPA EXAMINATION PERFORMANCE - ALABAMA

CPA Exam Performance Summary: 2023 Q-1

SECTION PERFORMANCE			
	Sections	Avg. Score	%Pass
First time	192	74.67	66.15%
Re-exam	209	74.07	53.11%
AUD	84	72.54	52.38%
BEC	64	74.73	50.00%
FAR	143	72.97	57.43%
REG	113	76.95	70.80%

OVERALL PERFORMANCE	
Unique Candidates	294
New Candidates	128
Total Sections	404
Passing 4th Section	28
Sections / Candidates	1.37
Pass Rate	58.91%
Average Score	74.27

CPA Exam Performance Summary: 2023 Q-2

SECTION PERFORMANCE			
	Sections	Avg. Score	%Pass
First time	198	75.51	63.64%
Re-exam	290	73.01	54.83%
AUD	171	72.52	53.8%
BEC	170	77.39	67.65%
FAR	86	70.59	48.84%
REG	63	73.40	57.14%

OVERALL PERFORMANCE	
Unique Candidates	343
New Candidates	73
Total Sections	490
Passing 4th Section	91
Sections / Candidates	1.43
Pass Rate	58.16%
Average Score	73.99

CPA Exam Performance Summary: 2023 Q-3

SECTION PERFORMANCE			
	Sections	Avg. Score	%Pass
First time	146	68.54	45.89%
Re-exam	382	72.47	46.86%
AUD	109	71.15	37.61%
BEC	244	72.68	48.36%
FAR	81	67.37	44.44%
REG	95	71.89	54.74%

OVERALL PERFORMANCE	
Unique Candidates	394
New Candidates	122
Total Sections	529
Passing 4th Section	52
Sections / Candidates	1.34
Pass Rate	46.69%
Average Score	71.41

CPA Exam Performance Summary: 2023 Q-4

SECTION PERFORMANCE			
	Sections	Avg. Score	%Pass
First time	216	68.69	43.98%
Re-exam	563	69.27	38.19%
AUD	147	69.94	42.18%
BEC	482	68.61	35.27%
FAR	67	67.19	43.28%
REG	95	72.02	54.74%

OVERALL PERFORMANCE	
Unique Candidates	616
New Candidates	216
Total Sections	791
Passing 4th Section	54
Sections / Candidates	1.28
Pass Rate	39.57%
Average Score	69.15

Michael J. Kintz, CPA
Chair
Wilkins Miller, LLC
Mobile, AL

Rita Prince, CPA
Vice Chair
Patterson Prince & Associates, LLC
Florence, AL

Tod Etheredge
Public Member
Trustmark Bank
Montgomery, AL

Wilhelmus "Wim" J. Schaffers, CPA
Member
Amedex Assurance Company Corp
Dadeville, AL

Connie Sheppard-Harris, CPA
Member
Sheppard-Harris & Associates, PC
Birmingham, AL

G. Alan Skinner, CPA
Member
Carr Riggs & Ingram, LLC
Dothan, AL

Steven N. Smith, CPA
Secretary
Birmingham, AL

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Activity Review

North Carolina State Board of Certified Public Accountant Examiners

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PROPOSED ALTERNATIVE PATHWAY TO CPA LICENSURE

Page 3

In This Issue

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DISCIPLINARY ACTION

Pursuant to NCGS 93-12(9), "any disciplinary action taken [by the Board] shall be in accordance with the provisions of Chapter 150B of the General Statutes. The clear proceeds of any civil penalty assessed under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2." NCGS 115C-457.1(b) states, "The Fund shall be administered by the Office of State Budget and Management. The Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining free public schools."

ANDRE JAMES, #28888 | GREENSBORO, NC

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners (the "Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on August 19, 2024, that:

Findings of Fact

1. At all times relevant to the facts leading to this matter, Andre James (hereinafter "Respondent"), was the holder of North Carolina certificate number 28888 as a Certified Public Accountant.
2. The Board has jurisdiction over the Respondent and the subject matter of this action.
3. The Respondent received at least fifteen (15) days written notice of the Hearing. The notice was achieved by serving a Notice of Hearing via a method of delivery authorized by N.C. Gen. Stat. §150B-38(c).
4. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. The Respondent was not present at the Hearing and was not represented by counsel.
6. The Respondent did not object to any Board Member's participation in the Hearing of this matter.
7. On April 17, 2023, the Internal Revenue Service (hereinafter "IRS") suspended the Respondent from practicing before the IRS following a default decision. The Order for Indefinite Suspension was sent by the IRS to the Respondent on April 18, 2023.
8. The Order for Indefinite Suspension was based upon an IRS Order to Show Cause, dated November 22, 2022. The Order to Show Cause recited that the Respondent had not filed individual income tax returns for the periods of 2016 through 2020.
9. On June 25, 2023, the Respondent renewed his North Carolina CPA certificate. The certificate renewal, among other pertinent questions, asked:

   Have you been investigated, charged, or disciplined since filing your last renewal, or are you currently under investigation by a governing or licensing board or professional organization or by a state or federal agency?

   The Respondent responded to the foregoing question in the negative.
10. As a result, the Board staff opened a case against the Respondent. On August 28, 2023, the Board staff mailed a letter of inquiry to the Respondent and requested that he provide a copy of the IRS order and any other documents or communications from the IRS pertaining to the matter. The staff also provided the Respondent with the opportunity to provide an explanation or mitigating circumstances.
11. On February 7, 2024, the Respondent provided the Board staff with a letter detailing mitigating circumstances regarding his health and employment. The Board considered those circumstances when making a determination in this matter.
12. In that letter, the Respondent also confirmed that he had failed to timely file or pay his income taxes. He asserted that in 2024, he was able to file his 2017 through 2022 taxes, but they remained unpaid, and no repayment plan had been put into place. He also asserted that the 2016 taxes remained unfiled. He further confirmed his understanding that "... not to file my tax returns is a violation of the law..."
13. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

Conclusions of Law

1. Per N.C. Gen. Stat. §150B-42, this Board Order constitutes a Final Agency Decision of the Board.
2. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code. Pursuant to N.C. Gen. Stat. §93-12(9), the Board has the authority to impose discipline upon the Respondent.
3. By virtue of the facts set forth above, the Respondent violated Rules 21 NCAC 08N .0204 (Discipline by Federal Authorities), .0207 (Violation of Tax Laws), and .0202 (Deceptive Conduct).

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to the Respondent, Andre James, is hereby permanently revoked.
2. The Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner, nor shall the Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

More Disciplinary Actions on Pages 8 & 9

Proposed Alternative Pathway to CPA Licensure

The American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) are asking for feedback on a proposed initiative to help CPA candidates meet initial licensure requirements.

If implemented, the CPA Competency-Based Experience Pathway would provide an additional option for candidates to demonstrate their professional and technical skills after earning a bachelor's degree and meeting their jurisdiction's accounting and business course requirements.

The State Board of CPA Examiners (Board) and the NC Association of CPAs (NCACPA) each plan to respond to the AICPA/NASBA Exposure Draft. The Board urges licensees, Exam candidates, and other interested parties to respond directly to the Exposure Draft or email the Board's Executive Director. Input on the proposed model competency framework and other aspects of the potential additional pathway is due December 6, 2024.

In addition to responding to the Exposure Draft, the Board encourages all interested parties to participate in the NCACPA's online survey on issues related to the CPA pipeline and alternative pathways to licensure. You do not need to be an NCACPA member to complete the survey.

CPA EXAM TESTING AND SCORE RELEASE DATES

All dates are tentative and subject to change. For official testing & score release dates, check the AICPA website. For score release notifications, please follow @NASBA on X (Twitter).

2024			
Exam Section	**Testing Dates**	**If the AICPA Receives Your Exam Data File By*:**	**Your Target Score Release Date Is:**
Core Sections			
AUD, FAR, REG	07/01/2024-09/25/2024	09/25/2024	10/31/2024
	10/01/2024-12/26/2024	12/26/2024	01/29/2025
Discipline Sections			
BAR, ISC, TCP	10/01/2024-10/31/2024	10/31/2024	12/10/2024
2025			
Core Sections**			
AUD, FAR, REG	01/01/2025-01/23/2025	01/23/2025	02/07/2025
	01/24/2025-02/14/2025	02/14/2025	02/25/2025
	02/15/2025-03/09/2025	03/09/2025	03/18/2025
	03/10/2025-03/31/2025	03/31/2025	04/09/2025
	04/01/2025-04/23/2025	04/23/2025	05/08/2025
Discipline Sections			
BAR, ISC, TCP	01/01/2025-01/31/2025	01/31/2025	03/14/2025
	04/01/2025-04/30/2025	04/30/2025	05/16/2025

**Exam data files received after this date will be included in the next scheduled score release.*
***Continuous testing will be in effect for Core sections in 2025, but not Discipline sections.*

Board Member Spotlight: Kecia Williams Smith, Ph.D., CPA

Kecia Williams Smith, Ph.D., CPA, was appointed to the Board on July 11, 2024, and took the Oath of Office at the Board's August 19, 2024, meeting. She is a member of the Professional Education & Applications Committee, the Audit Committee, and the Personnel Committee. Dr. Smith, who was licensed as a North Carolina CPA in 1998 and a Georgia CPA in 1999, is a member of the North Carolina Association of CPAs (NCACPA), the American Institute of CPAs (AICPA), the American Accounting Association (AAA), and the National Association of Black Accountants, Inc. (NABA).

Why did you want to serve on the Board? Marian Wright Edelman said, "Service is the rent we pay for being." This quote is one of my guiding principles. Being a former practitioner, former regulator, and now a university professor, I wanted to be on the NC State Board of CPA Examiners to give back to a profession that has enriched my life and to serve the citizens of my home state. I view myself as a servant leader who is focused on empowering others to reach a common goal. With my background, I believe that I bring a unique perspective to ensure that the CPA credential in North Carolina is maintained with the utmost integrity and professionalism.

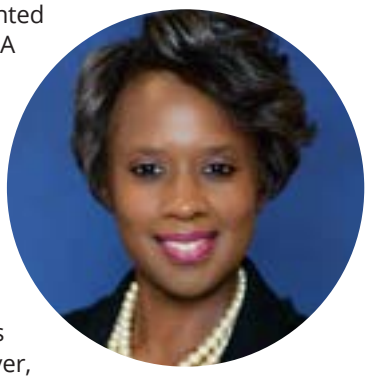
What would you like people to know about the Board? I want people to know that the Board is here to protect the citizens of North Carolina by ensuring that all licensed CPAs and registered accounting firms are operating in accordance with the rules and statutes. Additionally, the Board is a facilitator of growing the profession through its oversight of the CPA Exam application and CPA licensure processes. With the Board's oversight of both new and active CPAs in North Carolina, the citizens can be assured that the services they receive from their NC CPA are in accordance with the professional standards.

What advice would you give a CPA just starting in the profession? The accounting profession is undergoing a seismic shift that we have never seen before. Whether due to evolving technologies, firm structural changes, or talent shortages, today's CPA will require a different skill set than ever before. Young CPAs should be technically competent in their chosen area and be adaptable to the changing environment. It is also imperative that young CPAs know that there is still a place for smart, innovative, and diverse individuals in the profession.

Where do you work? What's your job title? I am an Associate Professor and Director of the Master of Accountancy (MACC) Program at North Carolina A&T State University. It is pretty cool to work at my alma mater!

What's the most exciting part of your job? The most exciting part of my job is educating and encouraging the brilliant students at the largest public HBCU in the country in my graduate financial accounting and undergraduate auditing classes. The only downside is grading assignments. Ha!

What motivates you at work? I am motivated by the need for diversity in the accounting profession. Since I was a student at North Carolina A&T State University in the 1990s, the percentage of Black CPAs has not materially changed. I have had three careers in the accounting profession, and I know the value of the CPA credential. This undergirds my desire to encourage my students from all walks of life to stay the course and attain the CPA license. My hope is that my commitment to my students will help move the needle in increasing the percentage of Black and other underrepresented groups holding the CPA license.



Why did you choose accounting? If you were not a CPA, what would you be? I initially thought I would pursue Chemical Engineering because the majority of my high school camps were STEM-based. However, I always had a desire to be a "business person," and accounting allows me to exercise my analytical skills in the business environment. If I were not a CPA, I would probably be a librarian or a funeral director. I love books, wear a lot of black, and have too many pearl necklaces.

Do you have any hobbies? I am an avid reader and enjoy shopping.

Is there a quote that is meaningful to you? Leading up to World War II, the quote "Keep Calm and Carry On" was created to increase the morale of the citizens of the United Kingdom while dealing with an impending war. This quote has helped me maneuver countless challenges by not succumbing to emotion and moving forward with the task of the day. In the current global business environment, this quote still rings true. CPAs possess the unique qualities to keep calm (integrity and objectivity) and carry on (serve the public).

CPA CERTIFICATES ISSUED

The Board is pleased to announce that it approved the following individuals for NC CPA licensure on September 23, 2024:

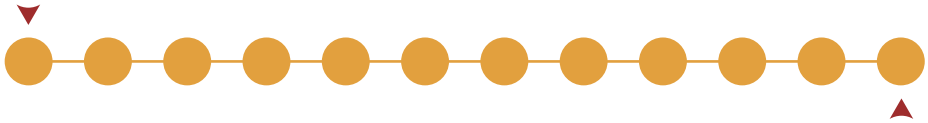
Skyler Price Bohall
Christian Thomas Brill
Ashley Joanne Brown
Catherine Anne Buchanan
Heather Michelle Carrasco
Patricia Grace Costagliola
Vanessa Dane
James Willis Denam
Paul Bennett Early III
Jessica Cathey Frank
Michelle Alyssa Goodwin
Rachel Lauren Gosnell
Stephen Eric Hazel
Daniel Boone Honan
Maia Cadence Lew
Gavin Daniel Mahony
Olivia Marie McCarthy
Nathan Connor McCloskey
Sloman Rhett McDurmon
Miriam Leah Miller
Laura Colleen Miranda
Georgia Parks Modla
Jennifer Lynn Palmer
Emerson Makenna Porter
Maxwell Colin Ramage
Richard Philip Rignola
Emma Jane Rodman
Gregory Scott Rowland
Daria Serdiuk
Samuel August Sheldon
Ryan Henry Sikorski
Allison Noel Simpson
Ian Arthur Smith
William Dallas Stanley Jr.
Thomas Earl Thaggard
Robert W. Thorburn VII
Melia Paige Tinnin
Elizabeth Marie Turner
Noah Daniel Ward
MacKenzie Lea Wilkinson

The Annual Continuing Professional Education (CPE) Requirement

Please refer to 21 NCAC 08G, *Continuing Professional Education (CPE)*, for complete information about the annual CPE requirement.

CPE COMPLETION PERIOD

JANUARY 1



CPE COMPLETION PERIOD = 1/1 TO 12/31 ANNUALLY

DECEMBER 31

CPE REPORTING/LICENSE RENEWAL DEADLINE

JUNE 30

GENERAL CPE REQUIREMENTS

2,000 minutes
(40 hours)
annually

- The number of hours (minutes) required is pro-rated if licensed after March 31 of the current year.
- To claim credit for a course or activity, you must complete the course/activity and receive a Certificate of Completion.
- Each course or activity claimed for CPE credit must
  - increase your professional competency;
  - be in an approved field of study (**nasbaregistry.org/the-standards**); and
  - comply with 21 NCAC 08G .0401.

ETHICS REQUIREMENTS

50 minutes
(1 hour)
annually

- Must be a course or activity in regulatory or behavioral professional ethics and conduct
- Must be offered by a sponsor in good standing on the National Registry of CPE Sponsors (**nasbaregistry.org**)
- New licensees (licensed in the current year) who completed the accountancy law course in the current year may use one hour (50 minutes) of that course to satisfy the ethics requirement for the current year.

Please note: There are no CPE requirements for individuals on inactive or CPA-retired status.

CPE CREDIT LIMITATIONS

1,000 Minutes
20 Hours
INSTRUCTOR CREDIT

- Credit is limited to 1,000 minutes annually
- The course must be above the level of accounting principles
- Calculated by converting the college credit hours to minutes using a specific formula

1,000 Minutes
20 Hours
PREPARATION/PRESENTATION CREDIT

- Credit is limited to 1,000 minutes annually
- Credit is equal to the number of minutes spent preparing or presenting
- Includes authoring or conducting a technical review

1,000 Minutes
20 Hours
COLLEGE COURSE CREDIT

- Credit is limited to 1,000 minutes annually
- Calculated by converting the college credit hours to minutes using a specific formula
- No credit allowed for auditing a course

500 Minutes
1 Hour
AUTHORSHIP CREDIT

- Credit is limited to 500 minutes annually
- Credit is equal to the number of minutes spent writing the article or book
- No credit for client or business newsletter

Instructor credit, preparation/presentation credit, college course credit, or a combination of those credits can equal no more than 50% of the required CPE credits [21 NCAC 08G .0409(i)].

CPE CREDIT CALCULATIONS

INSTRUCTING/ COMPLETING COLLEGE COURSE

One semester hour of college credit equals 750 minutes (15 hours)

GROUP ACTIVITY

Contact minutes as determined by the sponsor

SELF-STUDY

Minutes needed to complete the activity as determined by the sponsor

NANO LEARNING

Contact minutes as determined by the sponsor

BLENDED LEARNING

Contact minutes incorporated in all the learning formats in the blended learning activity

EXEMPTIONS FOR NON-RESIDENT LICENSEES

Non-resident licensees may satisfy the annual CPE requirements in the jurisdiction in which they are licensed and currently work or live. If the jurisdiction in which they are licensed **and** work or reside does not have an annual CPE requirement, they must meet North Carolina's requirements.

Non-resident licensees with a primary office in North Carolina must meet the North Carolina ethics requirement. All other non-resident licensees may meet the ethics requirement by completing the ethics requirement in the jurisdiction in which they are licensed **and** work or live. If the jurisdiction in which they are licensed **and** work or reside does not have an ethics requirement, they must meet North Carolina's ethics requirements.

CARRY-FORWARD CREDIT

***1,000 Minutes* (20 Hours)** A maximum of 20 hours (1,000 minutes) may be carried forward from one reporting period to the next reporting period.

To check your CPE carry-forward, search for yourself using the "Find CPA/CPA firm" link on the website, **nccpaboard.gov**. When your record displays, click the "details" link to view your CPE carry-forward.

ETHICS: The ethics requirement cannot be met using carry-forward credit.

MISCELLANEOUS

You must keep records (Certificates of Completion) that support the CPE credits claimed for the current year and each of the four prior calendar years.

If you don't complete the CPE requirement before the end of the previous calendar year but complete it by June 30, you can renew your license. If it's the first time in a 5-calendar year period that you missed the deadline, you may receive a Letter of Warning. Under 21 NCAC 08G .0406, if you miss the deadline twice in a 5-calendar year period, the Board may deny your license renewal for at least 30 days and until you meet the reinstatement requirements in 21 NCAC 08J .0106.

If you have questions about the annual CPE requirement, please contact Cammie Emery at **cemery@nccpaboard.gov.**

FAQs: Peer Review Reporting Requirements

Q. Who is required to participate in the peer review program?

A. 21 NCAC 08M requires that any CPA or CPA firm that performs audits, reviews, compilations, or engagements performed in accordance with the attestation standards participate in a peer review program. The latter category includes agreed-upon procedure services such as those required by the North Carolina Licensing Board for General Contractors. It should be noted that SSARS preparation services do not fall within any of the above categories. CPAs or CPA firms that do not provide any of the above services are exempt from peer review requirements.

Q. When should I enroll in a peer review program?

A. A CPA or CPA firm should register with the peer review program within 30 days of issuing the first report that meets the above criteria.

Q. Since it's a Board rule, doesn't the Board automatically receive all the information it needs related to the peer review process?

A. No. Although the Board's rules require participation in a peer review program, the program is administered by the AICPA and, for North Carolina, Coastal Peer Review, Inc. The administrative entities maintain the documentation of the peer review process, and the Board is not a recipient of the peer review results until the CPA or CPA firm submits the information to the Board.

Q. What information is required to be submitted to the Board to document the completion of the peer review process?

A. At the conclusion of the peer review process, all participants must submit the final Letter of Acceptance from the peer review program. This letter identifies to the CPAs or CPA firms the due date for the next peer review. In those situations where the CPAs or CPA firm receives a fail or a second consecutive pass with deficiencies result, the CPAs or CPA firm must also submit a copy of the Peer Review Report and the Letter of Response in addition to the final Letter of Acceptance.

Q. Is there a particular time when the final reporting is due to the Board?

All information must be submitted to the Board within 60 days of the issuance date of the final Letter of Acceptance, which is also communicated in the final Letter of Acceptance received from Coastal Peer Review. Timely submission is crucial to ensure compliance and avoid any potential disciplinary action.

Q. What could happen if CPAs or CPA firms fail to submit their peer review information to the Board?

A. CPAs or CPA firms that fail to submit peer review information to the Board would be identified as non-compliant with the Board rules. Recently, the number of CPAs or CPA firms that have failed to properly report their peer review results has increased. The Board is currently reviewing how to address this issue. However, it is important that CPAs or CPA firms understand that failure to comply with the Board's peer review reporting requirements may lead to disciplinary action against the CPA firm's members, which may include suspension of each member's CPA certificate and/or a civil penalty.

For all CPAs or CPA firms participating in the peer review program, please take a moment to review the Board's peer review requirements identified in 21 NCAC 08M .0105 and .0106. The Board staff encourages peer review program participants to ensure compliance with the reporting requirements. If you have questions about the peer review reporting process, please contact the Board's Executive Director, David R. Nance, CPA.

Hurricane Helene Tax Relief

On October 1, 2024, the IRS announced tax relief for individuals and businesses in the entire state of North Carolina affected by Hurricane Helene. On October 11, 2024, the IRS provided further information on other assistance available from the IRS.

The "Tax Relief in Disaster Situations" page of the IRS website includes state-specific relief information, FAQs, information on recovering lost records, and links to other resources.

The NCDOR released Notices on October 3, 2024, and October 18, 2024, addressing who qualifies for Hurricane Helene's relief, the type of relief available, and how to receive tax relief.

The October 11, 2024, Notice explains the Disaster Recovery Act of 2024 (Act) which provides disaster relief for North Carolinians, and provides additional time for eligible partnerships and S corporations to elect to have the partnership or S Corporation pay North Carolina income tax for tax year 2023.

The Notices, FAQs, and relevant Executive Orders are accessible from the NCDOR's Hurricane Helene page.

CARLTON TIMOTHY SMITH, #22208 | LINCOLNTON, NC

THIS CAUSE coming before the North Carolina State Board of Certified Public Accountant Examiners (the "Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, at public hearing ("Hearing"), with a quorum present, the Board finds, based on the evidence presented at the Hearing on August 19, 2024, that:

Findings of Fact

1. Respondent is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. The Board has jurisdiction over Respondent and the subject matter of this action.
3. Respondent received at least fifteen (15) days written notice of the Hearing. The notice was achieved by serving a Notice of Hearing by personal service as authorized by N.C. Gen. Stat. §150B-38(c).
4. Venue is proper and the Hearing was properly held at 1101 Oberlin Road, Raleigh, North Carolina.
5. Respondent did not object to any Board Member's participation in the Hearing of this matter.
6. Respondent was present at the Hearing and was not represented by counsel.
7. On February 8, 2024, the Board received a complaint against the Respondent from one of his tax clients ("Complainant").
8. The Complainant provided testimony that the Respondent failed to complete his tax returns or otherwise complete their engagement.
9. The Complainant provided testimony that the Respondent became unresponsive to the Complainant's communications.
10. The Complainant requested his records from the Respondent. The Respondent did not provide those records within the time prescribed by the Board's rules.
11. Following receipt of the complaint, the Board staff issued numerous communications to the Respondent. The Respondent did not respond to all of those communications within the time prescribed by the Board's rules.

Conclusions of Law

1. Per N.C. Gen. Stat. §150B-42, this Board Order constitutes a Final Agency Decision of the Board.
2. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code. Pursuant to N.C. Gen. Stat. §93-12(9), the Board has the authority to impose discipline upon the Respondent and Respondent's certificate and to impose civil monetary penalties.
3. The Respondent's failure to complete the Complainant's tax returns or otherwise fulfill their engagement constitutes a violation of 21 NCAC 08N .0212.
4. The Respondent's failure to communicate with the Complainant constitutes a violation of 21 NCAC 08N .0203.
5. The Respondent's failure to timely provide records to the Complainant constitutes a violation of 21 NCAC 08N .0305.
6. The Respondent's failure to timely respond to all Board inquiries constitutes a violation of 21 NCAC 08N .0206.

BASED ON THE FOREGOING, the Board orders in a vote of 7 to 0 that:

1. The Certified Public Accountant certificate issued to Respondent Carlton Timothy Smith is hereby permanently revoked.
2. Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this State either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner, nor shall Respondent claim or attempt to use any practice privileges in any other state based upon his permanently revoked North Carolina certificate.

CPA Certificate Reclassifications

Reinstatement

On August 19, 2024, the Board approved the following applications for certificate reinstatement:

Michael Thomas Briers, #27187	Bonita Springs, FL
Stephen James Cole, #45178	Charlotte, NC
James Barry Sargeant, #26968	Wilson, NC

On September 23, 2024, the Board approved the following applications for certificate reinstatement:

Daniel Davis Carter, #39378	Carolina Beach, NC
Olena Mykolaiyvna Romanchuk, #42037	Franklin, NC
Kristie Ann Weiss, #34949	Greensboro, NC

Reissuance

On September 23, 2024, the Board approved the following applications for certificate reissuance:

Virginia Ann DeVine, #27776	Chapel Hill, NC
John Richard Joyner, #14835	Dallas, TX

CPA-retired Status

Between August 1 and September 30, 2024, the Board approved the following applications for CPA-retired status:

Terry McFetters Ball, #8587	Greensboro, NC
Stephen Joseph Barnes, #14407	Rocky Mount, NC
Walter Conaway Davenport, #8813	Raleigh, NC
Susan Caroline Jordan Freeman, #22728	Raleigh, NC
Peter Theodore Harakas, #38372	Charlotte, NC
Keith Gordon Huskins, #10959	Bermuda Run, NC
Sherri Grace Salvarola, #27605	Hillsville, VA
Carol Hicks Stott, #18348	Lexington, NC

Inactive Status

Between August 1 and September 30, 2024, the Board approved the following applications for inactive status:

Bonnie Lynn Beliveau, #16388	Rolesville, NC
Sally Waldrup Brown, #25167	Belmont, NC
Mark Kevin Coffey, #18777	Hilton Head Island, SC
Monica Elizabeth Glaescher, #45950	Charlotte, NC
Jeffrey Dean Griffin, #22295	Monroe, NC
Adam Frederick Harshman, #41685	Davidson, NC
Pamela Tucker Hinson, #20205	Monroe, NC
Elizabeth McMurray Holliday, #27622	Morrisville, NC
Robin Hunt, #32921	Jupiter, FL
Leigh Gilmore Kagan, #46539	Longmont, CO
Sheila Kim Martin, #28418	Simpsonville, SC
Matthew Charles McNeely, #34741	Greer, SC
Diania Lee McRae, #40595	Robbinsville, NC
Sandhya Rani Haritha Penmatcha, #39317	Milton, FL
Barbora Silovska, #41520	Pflugerville, TX
Amber Virginia Smith, #45655	Leicester, NC
Derek Ross Smith, #39509	Huntersville, NC
Louis Foster Stables, #10761	Charlotte, NC

MARK S. RING, FL CPA NO. AC0034280 | VENICE, FL

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. §150B-41, the Board and the Respondent stipulate to the following:

1. Mark S. Ring, CPA (hereinafter "Respondent"), is the holder of a Certified Public Accountant certificate in the State of Florida.
2. The Respondent maintains a principal place of business in the State of Florida and is allowed to practice in the State of North Carolina under a practice privilege pursuant to N.C. Gen. Stat. §93-10.
3. The Respondent is a member of a Homeowners Association (HOA) in the State of North Carolina. He was a member of the Board of the HOA and acted as its treasurer until June 6, 2020.
4. The Respondent and the Respondent's firm subsequently conducted audits of the HOA. One of the audits was for the fiscal year ended March 31, 2021.
5. One of the other members of the HOA filed a complaint with the Board. The complaint primarily alleged deficiencies in the Respondent's audit of the HOA for fiscal year ended March 31, 2023. The complaint contained other allegations as well.
6. Upon review of the arguments and documentation submitted by both parties, the Board discerns no deficiencies based upon the allegations contained in the complaint.
7. However, the Board notes that the Respondent performed an audit for a time period when he was both a member of the HOA board and acted as the Board's treasurer.
8. The Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Per 21 NCAC 08N .0402(a) (Independence):

   A CPA, or the CPA's firm, who is performing an engagement in which the CPA, or the CPA's firm, will issue a report on financial statements of any client (other than a report in which lack of independence is disclosed) shall be independent with respect to the client in fact and appearance.
3. Further, 21 NCAC 08N .0402(d) provides that:

   (d) Independence is impaired if, during the period covered by the financial statements, or during the period of the professional engagement, a shareholder, a member, a partner, or professional employee of the firm was simultaneously associated with the client as a:

   (1) director, officer, employee, or in any capacity equivalent to that of a member of management.
4. Because the Respondent was a member of the HOA board and acted as the HOA treasurer for a period of time that overlapped the time period audited by the Respondent's firm, the Respondent has violated 21 NCAC 08N .0402.
5. Per N.C. Gen. Stat. §§93-10 and 93-12(9), and also by virtue of the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and the Respondent agree to the following Order:

1. The Respondent's practice privilege is hereby censured.
2. The Respondent shall reimburse the Board for its administrative costs in the amount of two thousand dollars ($2,000), which is due with this signed Consent Order.

Firm Registration Renewal

21 NCAC 08J .0108, *CPA Firm Registration*, requires a North Carolina CPA firm to renew its registration annually. This is the second year the firm registration renewal will be completed by the supervising CPA in the Board's portal. If your firm's supervising CPA has changed since last year, please provide updated information to Cammie Emery, Licensing Specialist, so we can notify the right person when it's time to complete the firm renewal.

50 YEARS OF LICENSURE

Congratulations to the following individuals who have been actively licensed as North Carolina CPAs since September 2024.

William Paul Brown, #8141
Barry Keith Cummins, #7975
Kent Lyle Dewey, #7976
James Arthur Lee, #7995
Dan Eldridge Minor, #8149
Terry Van Norman Rice, #8151
Steven Dale Scarboro, #7987

State Board of CPA Examiners

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Member, Greensboro

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Deputy Director
S. Lynne Sanders, CPA

Staff Attorney
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Examinations
Phyllis Elliott

Licensing
Alice Grigsby
Cammie Emery

Professional Standards
Julia Mayo
Jeffrey Tankard

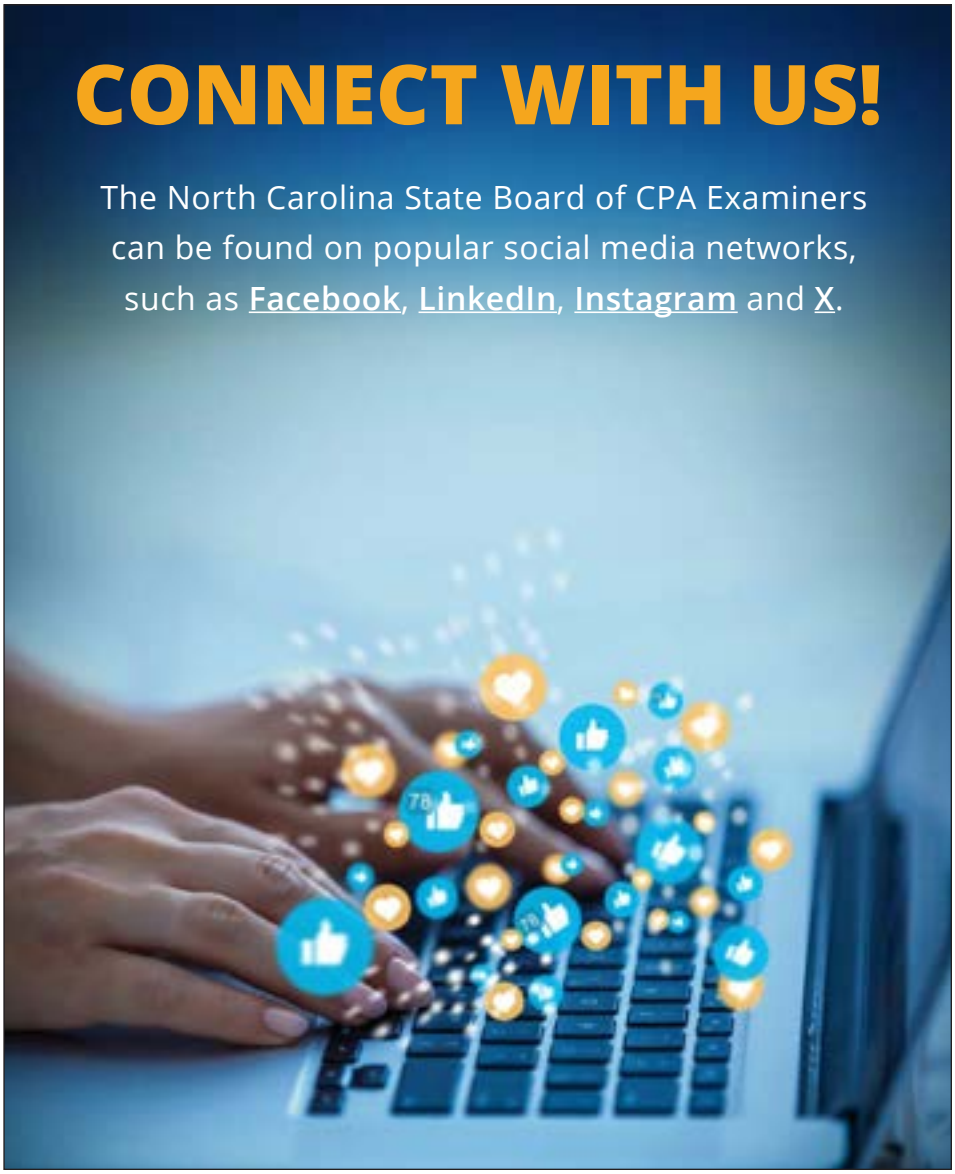
Other

Legal Counsel
Noel Allen, Esq.

2024 Dates to Remember

Dates, times, and locations are subject to change.

Nov.11	Office Closed
Nov.18	Board Meeting, Raleigh
Nov. 28-29	Office Closed
Dec. 1	CPA Firm Renewal/Peer Review Compliance Reporting Begins
Dec. 16	Board Meeting, Raleigh
Dec. 24-26	Office Closed
Dec. 31	Deadline: CPA Firm Renewal/Peer Review Compliance Reporting
Dec. 31	Deadline: CPE Completion for 2025-2026 CPA License Renewal



Activity Review

North Carolina State Board of Certified Public Accountant Examiners

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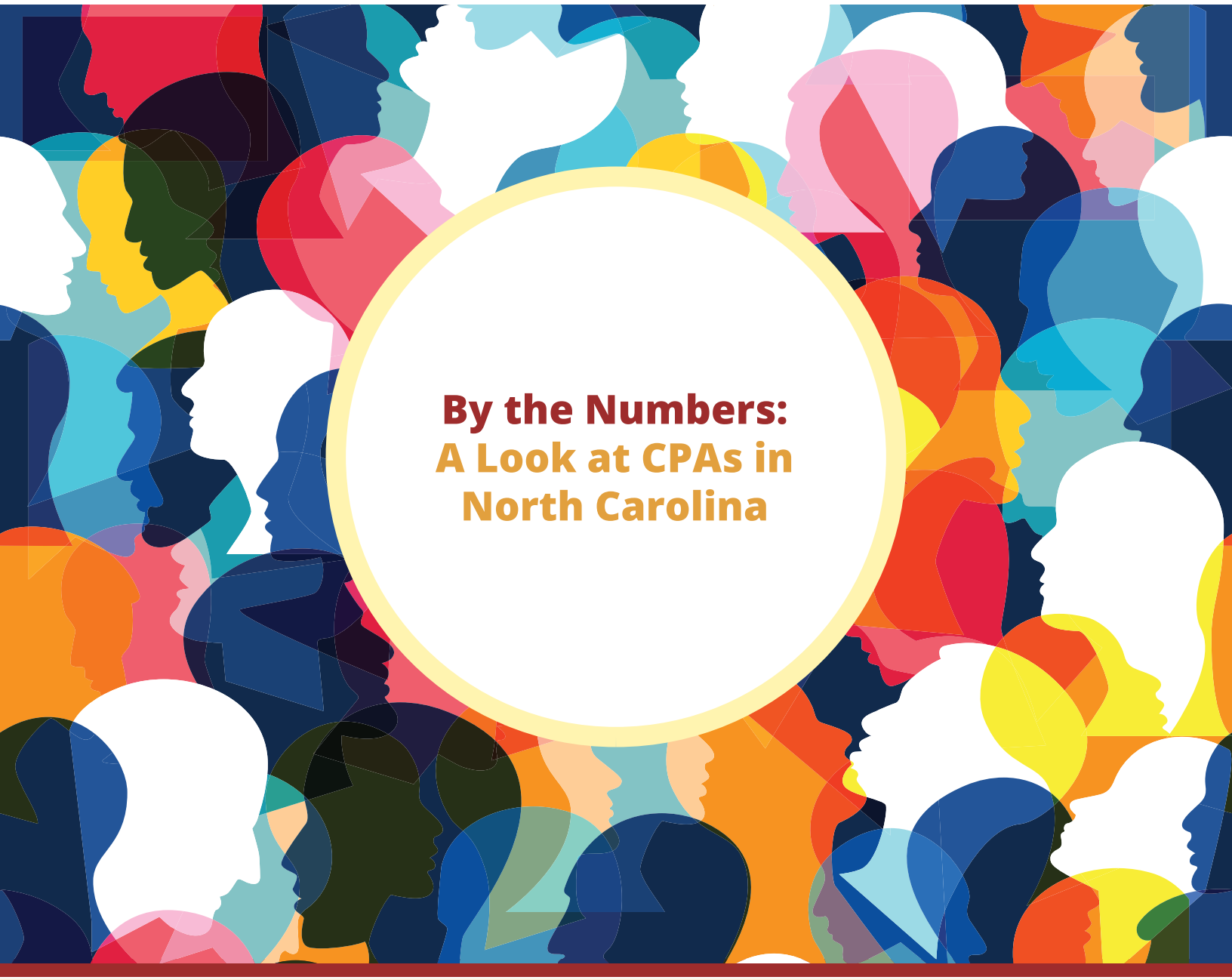

By the Numbers: A Look at CPAs in North Carolina

In This Issue

Published by the North Carolina State Board of CPA Examiners

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PO Box 12827
Raleigh NC 27605-2827

DISCIPLINARY ACTION

Pursuant to NCGS 93-12(9), "any disciplinary action taken [by the Board] shall be in accordance with the provisions of Chapter 150B of the General Statutes. The clear proceeds of any civil penalty assessed under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2." NCGS 115C-457.1(b) states, "The Fund shall be administered by the Office of State Budget and Management. The Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining free public schools."

JAMES KELLY McCLELLAN, #26599 | MOYOCK, NC

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. §150B-41, the Board and the Respondent stipulate to the following:

1. James Kelly McClellan, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number #26599 as a Certified Public Accountant.
2. The Board received a complaint from one of the Respondent's clients ("Complainant") alleging, among other things, that the Respondent ceased communicating with her.
3. The Complainant requested a copy of her file on March 14, 2023.
4. The Respondent did not fulfill that request until March 28, 2024.
5. The Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board ex parte, whether or not the Board accepts this Consent Order as written. The Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Per 21 NCAC 08N .0305(h), a "CPA who is required to return or provide records to the client shall comply with the client's request as soon as practicable, but no later than 45 days after the request is made."
3. The Respondent's failure to provide the Complainant's records within 45 days after March 14, 2023, constitutes a violation of 21 NCAC 08N .0305.
4. Per N.C. Gen. Stat. §93-12(9), and also by virtue of the Respondent's consent to this Order, the Respondent is subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and the Respondent agree to the following Order:

1. The Respondent, James Kelly McClellan, CPA, is hereby censured.
2. The Respondent shall pay a one thousand dollar ($1,000) civil penalty, to be remitted to the Board with this Consent Order.

The information below is general information about billing clients who have declared bankruptcy. It is not legal advice and is not binding on the Board.

Q. I have a client who has not paid me for the work I did for them, even though I have been billing them for months. I found out that they declared bankruptcy last month. Can I keep billing them?

A. Once your client declares bankruptcy, an automatic stay is imposed. This is an injunction that immediately halts lawsuits, foreclosures, garnishments, and all collection activity against the debtor.

It's important to understand that there can be severe penalties for individuals who violate the automatic stay and attempt to collect fees from clients who have declared bankruptcy.

Instead of continuing to send invoices, it's highly recommended that you consult the bankruptcy courts and consider retaining an attorney to obtain relief from that stay. For more information, visit Bankruptcy Basics |United States Courts (uscourts.gov).

Board Member Spotlight: Mickey Payseur, CPA

D. Michael (Mickey) Payseur, CPA, a North Carolina CPA since 1976, was appointed to the Board in 2022. He is a member of the Professional Standards Committee, the Investment Committee, and the Strategy Committee and a past member of the Professional Education & Applications Committee. Mr. Payseur is a member of the NCACPA and AICPA, and serves on NASBA's Enforcement Resources Committee.

Why did you want to serve on the State Board of CPA Examiners? I became a CPA 48 years ago and remember thinking I would like to be on the State Board someday. As a young CPA, I was impressed with the Board's responsibility to protect the public. Over these many years, my respect for this Board has only increased. Becoming a member of this Board has helped me to understand the Board's mission better. I am honored to serve on the Board.

What would you like people to know about the Board? I did not know any of the Board members when I was appointed, but I quickly developed a great respect for everyone. Each of the Board members is very sincere about the Board's work. Our Board is fortunate to have a staff of experienced and talented people providing us with the information we need.

What advice would you give a CPA just starting in the profession? I have always been proud to be a CPA; I am just as proud now as I was when I first became a CPA. Becoming a CPA can give you a professional career that can take you anywhere you want to go. The CPA certificate is highly respected and can open many doors. The experience you gain from working as a CPA gives you skills that are in demand and can be valuable in various industries and situations.

Where do you work, and what is your job title? Presently, I am the sole owner of D. Michael Payseur, CPA. I retired as a Partner of Butler & Stowe, located in Gastonia, NC, and was previously the Managing Partner. I continue to be a consultant to Butler & Stowe.

What's the most exciting part of your job? Taking on a task for a client in need of help.

What motivates you at work? Knowing that every day presents new challenges. Public accounting provides a daily variety of challenges in meeting the needs of clients.

What's something you find challenging about your work? The constant change that affects what we do as CPAs.

Do you have any mentors in your professional life? Over the years, many people have significantly influenced my life and career; I will mention two. The first was Professor Raymond M. Strunk, a professor of accounting at Lenoir-Rhyne College (now University) for many years. He was a gifted teacher and always presented himself as the "ethical professional."

The second was J. Edward Stowe, CPA, who hired me at Butler & Stowe and taught me how to provide professional services to people.

Why did you choose accounting? If you were not a CPA, what career would you choose? I was sure I wanted to be a CPA when I was in high school. I was drawn to it because it was the "language of business." A language that not everyone could understand. I was also drawn to it because I knew two men in my hometown of Cherryville who were accountants who were role models for me. I really have no idea what I would be if I were not a CPA. I cannot imagine doing anything else.

What kind of music do you like? What's the best concert you've attended? Beach music is my favorite, along with all the music of the '60s and early '70s. Best concerts were the original Temptations and Chairman of the Board (with General Johnson).

Do you have any hobbies? I enjoy surf fishing at the coast, baseball, cars, and music. Friends and family are very important to me, especially my six grandchildren.

Which historical figure would you most like to meet and why? I would like to meet Winston Churchill because he was such a strong leader. I enjoy his many quotes, which are filled with passion and wisdom.

What is the number one item on your bucket list? I love good Westerns, and my favorites are Tombstone and Rio Bravo. I want to visit Tombstone, Arizona--the location of the gunfight at OK Corral.

What is the best piece of advice you have received? My dad told me always to be early for work and give my employer a full day's work.

Is there a quote that is meaningful to you in some way? Winston Churchill's "The price of greatness is responsibility." I grew up a baseball fan and a big fan of the New York Yankees. I am named after Mickey Mantle, who was my favorite player, but I am also a big fan of Yogi Berra. Most people know of the Yogi-isms, and I enjoy many of his quotes. One of my favorites is, "I'm not going to buy my kids an encyclopedia. Let them walk to school like I did."

By the Numbers: A Look at CPAs in North Carolina

By: David R. Nance, CPA, Executive Director

For many years, the Board has asked North Carolina CPAs to provide information about residency, occupation, and area of concentration on the CPA license application and annual certificate renewal. In 2022, questions about gender and ethnicity were added.

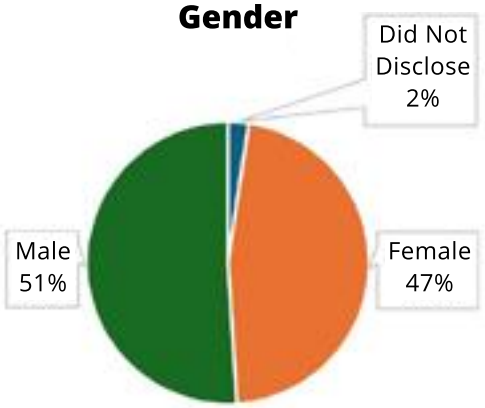
Although answering the questions about gender and ethnicity is not mandatory (there is an "I do not wish to disclose" option), the information provided allows the Board to capture a snapshot of the changing demographics in the profession.

The information is not provided to outside users except in a summary format that does not include personally identifiable information.

The Board and I hope you find the charts and graphs below and on the following pages informative. All information was self-reported by North Carolina's active CPAs--22,289 as of late August 2024.

If you have questions or comments about the information please contact me at dnance@nccpaboard.gov.

Gender

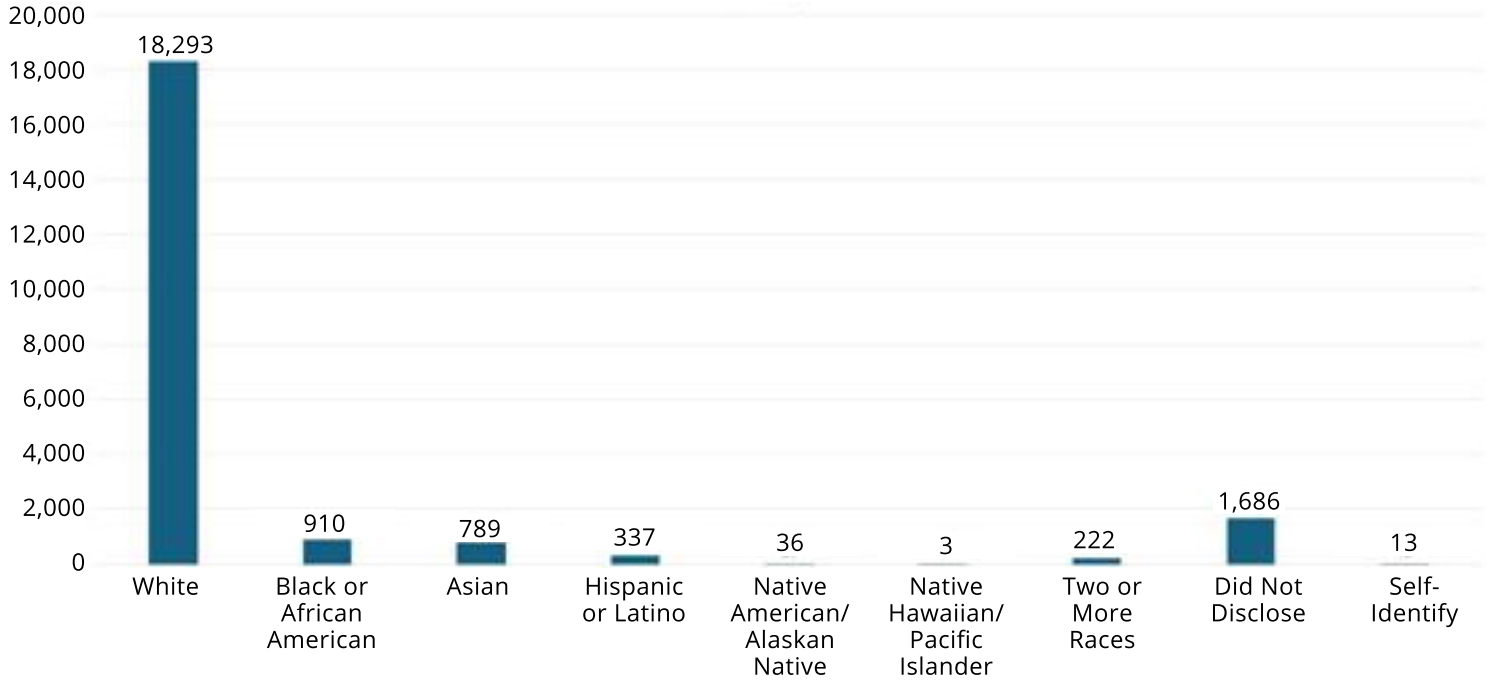


Did Not Disclose	526
Female	10,387
Male	11,376

Ethnicity

	2023	2024	% Change
White	18,194	18,293	0.54%
Black or African American	886	910	2.71%
Asian	750	789	5.20%
Hispanic or Latino	298	337	13.09%
Native American/Alaskan Native	33	36	9.09%
Native Hawaiian/Pacific Islander	4	3	-25.00%
Two or More Races	213	222	4.23%
Did Not Disclose	1,813	1,686	-7.00%
Self-Identify	12	13	100%

Ethnicity

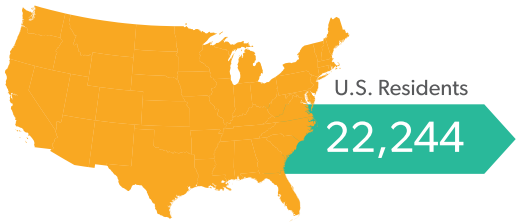


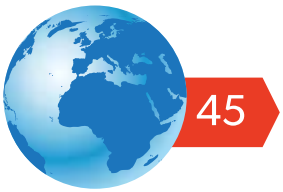
By the Numbers:
A Look at CPAs in North Carolina

Where do NC CPAs live?

82% Active Licensees live in NC

18% Active Licensees live outside NC





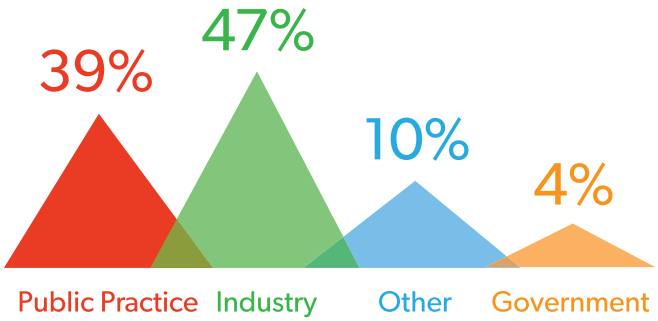
International Residents

Top 5 States

NC	18,253
SC	974
FL	445
VA	400
GA	372

Where do NC CPAs work?

Educator	271
Firm Partner	1,517
Firm Staff	4,670
Government, Accounting	883
Government, Non-Accounting	105
Individual Practitioner	1,440
Industry, Accounting	8,502
Industry, Non-Accounting	1,858
Legal	176
Other/No Response	1,011
PC Share Holder	614
PLLC Member	536
Retired	439
Student	11
Unemployed	256



What type of certificates do NC CPAs have?

Original NC Certificates

Total: 16,779

76%

Reciprocal Certificates

Total: 5,510

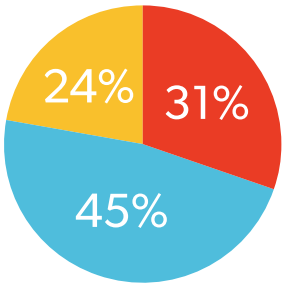
24%

What type of jobs do NC CPAs focus on?

Administration	638
Advisory Services	1,111
Auditing	3,190
Financial Planning	637
General Accountancy	9,316
Law	138
Non-Accounting	734
Other	1,042
Taxation	5,423
No Response	60

By the Numbers:
A Look at CPAs in North Carolina

How old are active NC CPAs?



Age Range: 23-39

Age Range: 40-69

Age Range: 70 or older

94

Oldest Person with an Active NC CPA License

23

Youngest Person with an Active NC CPA License

Age Range	Total
23-29	1,770
30-39	5,160
40-49	4,690
50-59	5,317
60-69	4,016
70-79	1,155
80-95	181
	22,289

How many years of NC licensure do active NC CPAs have?

0-9	7,708	30-39	3,092
10-19	5,558	40-49	1,014
20-29	4,760	>50	157

CPA CERTIFICATES ISSUED

The Board is pleased to announce that it approved the following individuals for CPA licensure on August 19, 2024:

Apeksha Agrawal
Julie L. Armel
Gardner McLean Atkinson
Matthew Thomas Boyes
Blake Evan Buffaloe
Manuel Alexander Carreno
Grace Isabel Castaneda
Darby Baysden Cayson
Aaron Benjamin Choi
George M. Cleland V
Alyssa Jane Core
Hadley Blake Daniel
Timothy Brevard Dillon
Christian Stone Douglas
Jackson S. Dye
Ronald J. Eagar
Matthew Wayne Finney
Abigail Elizabeth Gration
Allison Marie Griffin
Rachel Catherine Grote
Andrew Terry Hall
Matthew Lee Helms
Blake Allen Hicks
Mary Joy Houghton
Thomas Mitchell Hudson
Ndidi Ayesha Israel
Claire Kathleen Jackson
Michael Jonathan Jara
Dawn Marie Johnson
Anil Kumar
Steven Joseph Mack
Ryan Lee Macy
John Joseph Nadaskay Jr.
Chad Daniel Nagel
Meghan Marie Nelson
Merilee Ann Newman
Luke Hunter Newquist
Howard Lars Nilson III
Jonah Michael O'Brien
Kevin Ohuoba
Jordan Paige Parks
Anna Rose Pickard
Teresa K. Posey-Kazaglis
Herbert Ellwood Pray V
Levi Brady Pruett
Matthew James Raynor
Sara Raza
Kevin Tyler Reid
Allie Michelle Richards
Melissa Lowery Ross
Jamison Lauderdale Russ
Andrew Richard Ryder
Ahmad Saleem
Bruce Edward Sawyer Jr.
Jonathan David Sharon
William Thomas Speight
Norbert Sporbeck
Paola C. Arbulu Stewart
Julia Isabelle Stocklin
Jeffrey Martin Streyle
Fakhar E Haider Syed
Christopher Powell Thornton
Sarah Rose Tierney
Suzanne Renee Trainor
Vanessa Rose Versandi
Jack Andrew Weber
Kody Ray Wilder
Margaret R. S. Wolpert
Jessica Catherine Woolfe
Matthew Ryan Yatovitz
William Jarrett Yerkes IV
Roger Lee Yost II
Xinyue Zhang
Meghan Lindsay Zuzolo

CPA EXAM TESTING AND SCORE RELEASE DATES

All dates are tentative and subject to change. For official testing & score release dates, check the AICPA website. For score release notifications, please follow @NASBA on X (Twitter).

2024			
Exam Section	**Testing Dates**	**If the AICPA Receives Your Exam Data File By*:**	**Your Target Score Release Date Is:**
Core Sections			
AUD, FAR, REG	07/01/2024-09/25/2024	09/25/2024	10/31/2024
	10/01/2024-12/26/2024	12/26/2024	01/29/2025
Discipline Sections			
BAR, ISC, TCP	07/01/2024-07/31/2024	07/31/2024	09/10/2024
	10/01/2024-10/31/2024	10/31/2024	12/10/2024
2025			
Core Sections**			
AUD, FAR, REG	01/01/2025-01/23/2025	01/23/2025	02/07/2025
	01/24/2025-02/14/2025	02/14/2025	02/25/2025
	02/15/2025-03/09/2025	03/09/2025	03/18/2025
	03/10/2025-03/31/2025	03/31/2025	04/09/2025
	04/01/2025-04/23/2025	04/23/2025	05/08/2025
Discipline Sections			
BAR, ISC, TCP	01/01/2025-01/31/2025	01/31/2025	03/14/2025
	04/01/2025-04/30/2025	04/30/2025	05/16/2025

** Exam data files received after this date will be included in the next scheduled score release.*
*** Continuous testing will be in effect for Core sections in 2025, but not Discipline sections.*

CPA EXAM FEES EFFECTIVE SEPTEMBER 1, 2024

Administrative Fees	
Initial Exam Application	$230.00
Re-Exam Application	$75.00
Section Fees	
AUD	$262.64
BAR	$262.64
FAR	$262.64
ISC	$262.64
REG	$262.64
TCP	$262.64

Submit your Exam Application by Email

Exam candidates, if you are paying by MasterCard, VISA, or American Express and are not submitting transcripts, you may send your application (including all required attachments) and the completed Credit/Debit Card Payment Authorization slip to Phyllis Elliott at phyllise@nccpaboard.gov.

If you submit your application and payment by email, please do not send another copy by US Postal Service or delivery service (FedEx, UPS, etc.).

State Board of CPA Examiners

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Bernita Demery, CPA
Vice President, Harrisburg

Jodi K. Kruse, CPA
Secretary-Treasurer, Raleigh

Maria M. Lynch, Esq.
Member, Raleigh

D. Michael (Mickey) Payseur, CPA
Member, Cherryville

Kecia Williams Smith, Ph.D., CPA
Member, Greensboro

Jennifer Van Zant, Esq.
Member, Greensboro

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Examinations
Phyllis Elliott

Licensing
Alice Grigsby
Cammie Emery

Professional Standards
Julia Mayo
Jeffrey Tankard

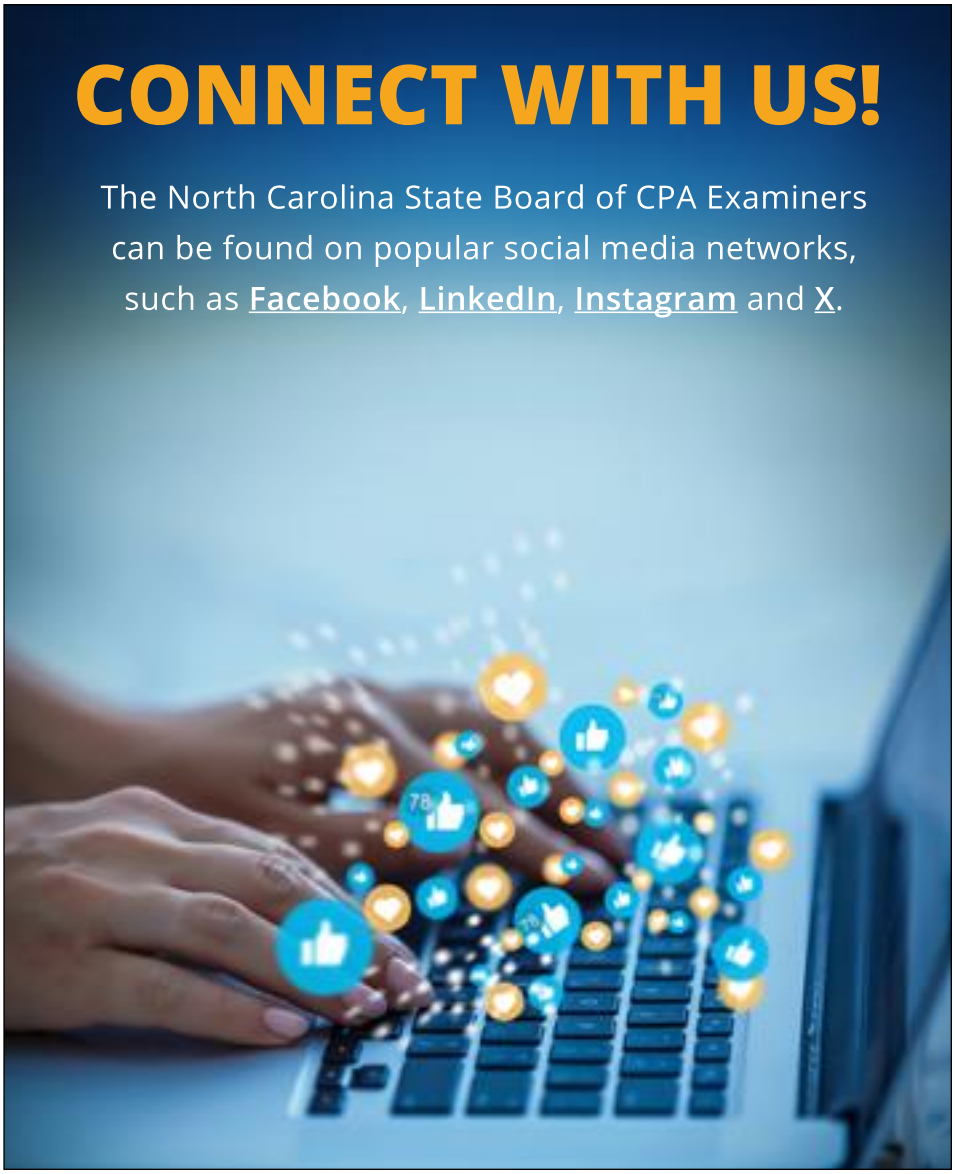
Other

Legal Counsel
Noel Allen, Esq.

2024 Dates to Remember

Dates, times, and locations are subject to change.

Oct. 21	Board Meeting, Raleigh
Nov.11	Office Closed
Nov.18	Board Meeting, Raleigh
Nov. 28-29	Office Closed
Dec. 1	CPA Firm Renewal/Peer Review Compliance Reporting Begins
Dec. 16	Board Meeting, Raleigh
Dec. 24-26	Office Closed
Dec. 31	Deadline: CPA Firm Renewal/Peer Review Compliance Reporting
Dec. 31	Deadline: CPE Completion for 2025-2026 CPA License Renewal



Activity Review
North Carolina State Board of Certified Public Accountant Examiners
1101 Oberlin Rd., Ste. 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • nccpaboard.gov • No. 8-2024

BOARD MEMBER APPOINTMENTS

Governor Roy Cooper Appoints Kecia Williams Smith, Ph.D., CPA, and Reappoints Jodi Kruse, CPA, and Maria Lynch, Esq.

The Board is pleased to announce that Governor Roy Cooper appointed Kecia Williams Smith, Ph.D., CPA, to the Board on July 11, 2024. She took the Oath of Office at the Board's August 19, 2024, meeting; her term expires on June 30, 2026.


Kecia Williams Smith, Ph.D., CPA

Dr. Smith is an Associate Professor at North Carolina Agricultural and Technical (A&T) State University and serves as Director of the Master of Accountancy (MAcc) program and Director of the Center for Accounting Diversity at the University. She was previously an Assistant Professor at Virginia Polytechnic Institute and State University (Virginia Tech).

Before entering academia, Dr. Smith was an Associate Director at the Public Company Accounting Oversight Board (PCAOB) and a Senior Manager at Deloitte.

Dr. Smith, who was licensed as a North Carolina CPA in 1998 and a Georgia CPA in 1999, is a member of the North Carolina Association of CPAs (NCACPA), the American Institute of CPAs (AICPA), the American Accounting Association (AAA), and the National Association of Black Accountants, Inc. (NABA).

We'll share more information on Dr. Smith in an upcoming issue of the *Activity Review*.

The Board is pleased to announce that Governor Roy Cooper re-appointed Jodi Kruse, CPA, and Maria Lynch, Esq. to three-year terms on the Board. Their terms expire on June 30, 2027.

Ms. Kruse was first appointed to the Board in July 2021, and is the current Secretary-Treasurer of the Board. She is a member of the Executive Committee, the Audit Committee, and the Investment Committee. She is Chair of the Professional Standards Committee and Co-Chair of the Education Task Force. Ms. Kruse is Managing Director, Assurance with Ernst & Young, LLP.


Jodi Kruse, CPA

Ms. Lynch was first appointed to the Board in 2007 and served until 2013. She was appointed to the Board again in August 2021. Ms. Lynch, who previously served as the Board's Secretary-Treasurer, is a member of the Professional Education and Applications Committee and Chair of the Personnel Committee. She is a partner in the Raleigh law firm, Lynch & Eatman, LLP.


Maria Lynch, Esq.

In This Issue

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Raleigh NC 27605-2827

DISCIPLINARY ACTION

The following matters are excerpted from Consent Orders issued by the Board in response to Continuing Professional Education (CPE) audit findings. Pursuant to NCGS 93-12(9), "any disciplinary action taken [by the Board] shall be in accordance with the provisions of Chapter 150B of the General Statutes. The clear proceeds of any civil penalty assessed under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2." NCGS 115C-457.1(b) states, "The Fund shall be administered by the Office of State Budget and Management. The Fund and all interest accruing to the Fund shall be faithfully used exclusively for maintaining free public schools."

MICHAEL TEOFILO ZANCHELLI, #44445 | CARY, NC

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. §150B-41, the Board and the Respondent stipulate to the following:

1. Michael Teofilo Zanchelli, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 44445 as a Certified Public Accountant.

2. The Respondent self-disclosed to the Board that he had been charged criminally and that there was a related civil suit.

3. The Respondent later disclosed that the issues were resolved via a civil settlement and a guilty plea on three counts of N.C. Gen. Stat. §14-202.1

4. The Respondent was sentenced to sixty (60) months of supervised probation. The Respondent is also subject to a number of conditions of probation ("Conditions").

5. The Respondent has asserted several mitigating circumstances which were duly considered by the Board. The Respondent provided information indicating that he did not knowingly engage in criminal activity.

6. The Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. The Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. By virtue of the facts set forth above, the Respondent violated Rules 21 NCAC 08N .0203 (Acts Discreditable) and .0201 (Integrity).

3. Per N.C. Gen. Stat. §93-12(9), and also by virtue of the Respondent's consent to this order, the Respondent is subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and the Respondent agree to the following Order:

1. The Respondent's CPA certificate is hereby actively suspended for two years.

2. At the conclusion of the two-year suspension, the Board will accept an application to reissue the Respondent's CPA certificate. Upon reissuance, the Respondent's CPA certificate will be subject to a three-year stayed suspension. If the Respondent fails to conform to the aforementioned Conditions, the stay will be lifted, and the remaining suspension period will become an active suspension.

CPA CERTIFICATE FORFEITURES

On August 2, 2024, the Board notified 24 individuals that their North Carolina CPA certificate was forfeited for failure to renew.

A person whose CPA certificate is on forfeited status is no longer a CPA and cannot use the CPA title in North Carolina. They must also return their wall certificate to the Board.

The Board will consider reissuing a forfeited certificate if the applicant submits an application and is in compliance with **21 NCAC 08J .0106**.

50 YEARS OF NC CPA LICENSURE

Congratulations to Thomas Ray Howell and Benjamin Boykin II who have each held an active North Carolina CPA license since August 1974.

NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Resolution Honoring Arthur M. Winstead, Jr., CPA

WHEREAS Arthur M. Winstead, Jr., CPA, has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2017;

WHEREAS during his tenure he served as President and Secretary-Treasurer;

WHEREAS during his tenure he served on the Executive Committee, the Audit Committee, the Personnel Committee, the Professional Standards Committee, and the Joint Task Force on CPE Rules;

WHEREAS during his tenure he served as NASBA Middle Atlantic Regional Director and as a member of the NASBA Board of Directors, the Relations with Member Boards Committee, and the Uniform Accountancy Act Committee;

WHEREAS during his tenure he faithfully and tirelessly served as a leader in the profession and is an eloquent spokesman for the best interests of the public and the profession;

NOW, THEREFORE BE IT RESOLVED, the members of the North Carolina State Board of Certified Public Accountant Examiners honor Arthur M. Winstead, Jr., CPA, and thank him for his tireless, dedicated commitment to protecting the public interest through the regulation of the CPA title in North Carolina.

BE IT FURTHER RESOLVED this Resolution is entered into the minutes of the North Carolina State Board of Certified Public Accountant Examiners and a copy is presented to Arthur M. Winstead, Jr., CPA.

As adopted on the 19th day of August 2024 by the North Carolina State Board of Certified Public Accountant Examiners.

DID YOU KNOW?

A Few Facts about Art Winstead

- He served four terms (2003-2006, 2006-2009, 2017-2020, & 2020-2024) on the Board and was elected President, Vice President, and Secretary-Treasurer of the Board.
- He received the NCACPA's Distinguished Public Service Award.
- He doesn't mind dressing up for Halloween.
- He was licensed as a North Carolina CPA in 1980.
- He is an avid golfer.
- He is a big fan of beach music.

BUCK WINSLOW, MANAGER OF LICENSING, ANNOUNCES RETIREMENT

Buck Winslow, the Board's Manager of Licensing, will retire from the Board on September 20, 2024, after 38 years of service. Buck describes his upcoming retirement by quoting Shakespeare, saying, "Parting is such sweet sorrow," and says this is a "bittersweet time" for him.

As Licensing Manager, Buck works closely with CPAs regarding licensure, individual and firm renewals, CPE audits, and peer review. He spends countless hours on the phone answering questions from CPAs, especially during firm and individual certificate renewal.

In addition to his licensing responsibilities, Buck has been very involved in the technological upgrades to the Board's operations. Buck recalled, "In 1986, the Board had a two-user minicomputer to house its database and used IBM Selectric memory typewriters to create most correspondence."

The Board has come a long way since then and, with Buck's help, moved its technological platform into the twenty-first century.

Buck says that helping licensees and applicants achieve their professional goals has been the most rewarding part of his career with the Board. "Helping individuals find an alternate pathway to licensure or a way to keep their certificate renewed has brought great satisfaction," he notes.

This commitment to the Board's licensees and applicants has made Buck a "go-to" resource, resulting in their many expressions of kindness and appreciation.

Buck works with the Board's Professional Education and Application (PEA) Committee as they review and approve applications for licensure. Board member and Committee Chair Bernita Demery said, "We sincerely appreciate Buck's professionalism in providing direction to the PEA Committee."

When asked about the most unusual incident in his career with the Board, Buck says it involved his sister when she took the CPA Exam.

Buck Winslow in Malta last year.

"My sister took the Exam in pencil and paper format, and at that time, candidates wrote their candidate ID number on the answer sheets but did not include their name. NASBA matched the numbers and names after the AICPA released the grades."

"When grades were released, my sister's passing score was credited to the individual who sat at the table with her because he had erroneously written her candidate ID number instead of his own. He realized the error, and after he contacted the Board, my sister was appropriately awarded her passing grade."

David R. Nance, CPA, Executive Director of the Board, says, "I was hired as the Deputy Director for the Board in 2012, and Buck was one of the first staff members I interacted with to get set up with the Board. I remember him telling me that since I was a CPA, the staff had already vetted me before I walked in the door!"

Buck is retiring after 38 years with the Board. For perspective, anyone with a license number over 16189 had their license issued since Buck started with the Board. Of the 22,154 active licenses, 20,544 (92%) have been licensed during that time. So, most current CPAs in North Carolina have dealt with Buck directly (CPE audits, license issuances, questions) or indirectly (annual renewals) during his almost four decades with the Board.

On behalf of the Board and staff, thank you, Buck, for your dedicated service to the CPA profession. We will miss your vast knowledge and experience and having you around the office. It takes a village to keep us straight! Best of luck to you in all your future endeavors.

DID YOU KNOW?

A Few Facts about Buck Winslow

- He graduated with a history degree from NCSU and has never taken an accounting course.
- He learned to sail at age 12; sailing with his father is one of his favorite memories.
- Before joining the Board staff in 1986, he worked at the NCACPA for four years.
- He is passionate about antiques, and his specialty is repairing and restoring wind-up phonographs (aka Victrolas).
- He speaks French (and some Spanish) and is still friends with his high school French pen pal who lives in France.
- He loves to travel and has plans to visit Mexico and Thailand after he retires.

SEPTEMBER BOARD MEETING

The Board will hold its September 23, 2024, meeting on the Lenoir-Rhyne University campus in Hickory, NC. Additional information on the meeting will be posted on the website when it is available. All Board meetings are open to the public, and the Board encourages CPAs, Exam and license applicants to attend.

SUCCESSFUL EXAM CANDIDATES: Q2-2024

The Board is pleased to announce that the following North Carolina candidates passed the CPA Exam between April 1 and June 30, 2024:

Emelia Louise Anderson
Christopher Franklin Baker Jr.
Kevin Michael Bell
Jakob Lucas Bennett
John Samuel Blue III
Matthew Thomas Boyes
Christian Thomas Brill
Ashley Joanne Brown
William Alexander Byron
Justin Anthony Camejo
Heather Michelle Carrasco
Ellen Marie Chambers
Audrey Anna Chen
Carson Garrett Chrismon
Ellinore Stanton Coakley
Louisa Victoria Coates
William Preston Collis
Owen James Crettol
William Lawson Curry
Allyson Nicole Danaher
Madison Jade Demus
Paul Bennett Early III
Kelly Allen Eddins
Cody James Ellison
Joshua Britt Fassett
Katlyn Easley Foster
Emily Anne Franchuk
Victoria Christine Gahn
Sarah Mackenzie Green
Gregory Eric Gutch
Reese Michael Hanshaw
Christopher Allen Harborth
Taylor Elizabeth Harris
Jonathan Hartbarger
Kaitlyn Michelle Hayes
Emily Ruthanne Helms
Grant Alan Jacobson
Michael Jonathan Jara
Ethan Robert Jordan
Alexis Juarez
Annalise Marie Karle
Hannah Lee Keller
Ayden Edward Kelley
Hallie Ann Kent
Breanna Lynn Kirk
Sarah Grayson Lamm
Maia Cadence Lew
Andy Yifeng Lin
Sonia Eng Long
Anthony Paul Love
Christian Orestes Mandzy
Katherine Anne Markow
Mario Emerson Massarelli
Olivia Marie McCarthy
Walter H. Hutaff McEachern
Andre Joseph Messier
Hannah Lynn Mitchell
Brandon Eugene Morton
Connor Ryan Mulvey
Molly Kaye Norris
Daniel George O'Brien
Tysinger Vance Palmer
Logan Pavlansky
William Scott Peddycord
Lauren Katherine Perdue
William Harrison Reeves
Matthew Thomas Ridenour
Melissa Lowery Ross
Marshal Frye Roten
Rachel Grogan Rouse
Lance Norwood Rowe
Delaney Elizabeth Rust
Claire Alexandria Sawyer
David Andrew Shirley
Allison Noel Simpson
Andrew David Smith
Harry Lloyd Smith
William Thomas Speight
Evan Scott Stern
Emily Rae Sullivan
Martin Arthur Thomas III
Sara Kathleen Tinsley
Annagrace Elaine Toothman
Peyton Layne Tyler
Thomas Ryan Upson
Laura Elizabeth Vaughan
Ashley Emma Wagner
Nora Frances Walsh
Tyrese Darnell Washington
Brooks James Watson
Jack Andrew Weber
Jessica Catherine Woolfe
Alison O'Brien Worland

The above list is based on score reports the Board received and processed as of August 9, 2024. Passing scores received and processed after August 9, 2024, will be published in an upcoming issue of the Activity Review.

CPA CERTIFICATES ISSUED

The Board is pleased to announce that the following individuals were approved for NC CPA licensure on July 22, 2024:

Larry Webb Adams III
Guy Nguessan Allangba
Wenzhao Bai
Jason David Baird
Stewart Stevenson Baker
Abigail Beth Barker
Christopher W. Breemen
Casey Allen Cannoot
Keith Michael Cenekofsky
Kayleen Erin Chin
Karin Coetzee
Kevin Tyler Crooker
Corbin Patrick Divita
Julie Anne Dodson
Matthew John Edel
Madison Emma Fitzgibbon
Katlyn Easley Foster
Susan Jess Fowler
Adam Michael Fraley
Sean Brian Freed
Hagan Christian Fromme
Andrew Gannon
Shifali Goel
Sean Carl Grathwol
Dawson Baker Green
Nicholas Armen Hagopian
Anna Lattimore Harrill
Eugene Carl Harris
Trevor Lee Hartley
Camryn Maloney Hastings
Matthew Troy Hebert
Destini Ryele Hill
Katelin Rhyan Hills
Angela Marie House
Matthew Joseph Jardell
Amy Lee Jayne
Elizabeth Hudson Kane
MaKayla Kanous
Simran Sandeep Kapoor
Julie Meredith King
Steven Michael Koons
Alexis Ashley Kraft
Cai Li
Yang Liu
Yimo Ma
Peter M. Maddocks
Nathan T. Mallonee
Grace Anne McCarthy
Harrison Michael Moore
Thomas Edward Moran Jr.
Brian Joseph Mowad
Ronald Anthony Nardolillo
Maxwell Sommers Neisler
Remilekun Olubunmi Ogedengbe
Michael Joseph O'Leary
Ryan Peter O'Loughlin
Mila Osipov
Linda Sue Parker
Timothy Franklin Powers II
Alexis Paige Raphael
Sloan McKenzie Reid
Natalie Grant Royal
Jacob Kitson Rutter
Zane Edward Sabbert
Jillian Rose Satz
Mark D. Schober
Hannah Bailey Sheaffer
David Andrew Shirley
Audrey Owen Sigmon
James John Small
Teresa Delk Stewart
Hannah Marie Sullivan
Brandon Michael Toothaker
Jenna Nicole Toothaker
Macy Navarro Whitaker
Morgan Navarro Whitaker
Kevin Andrew Wiles
Lowell Asher Womack Jr.
Carol Yun
Lauren Elizabeth Zell

CPA EXAM FEES EFFECTIVE SEPTEMBER 1, 2024

Effective September 1, 2024, the Uniform CPA Exam section fees will increase. Applications postmarked before September 1, 2024, will be processed using the current fee schedule. Applications postmarked on or after September 1, 2024, will be processed using the new fee. When applying for the Exam, make sure you include the correct payment. Please send your questions about the CPA Exam to the Board's Exam Specialist, Phyllis Elliott.

	Application Post-marked before September 1, 2024	Application Post-marked on or after September 1, 2024
Administrative Fees		
Initial Exam Application	$230.00	$230.00
Re-Exam Application	$75.00	$75.00
Section Fees		
AUD	$254.80	$262.64
BAR	$254.80	$262.64
FAR	$254.80	$262.64
ISC	$254.80	$262.64
REG	$254.80	$262.64
TCP	$254.80	$262.64

2024 EXAM PASS RATES

Section	AUD	FAR	REG	BAR	ISC	TCP
Q1	44.63%	41.92%	63.42%	42.94%	50.93%	82.36%
Q2	46.58%	40.58%	63.45%	40.26%	57.93%	75.67%

Source: AICPA

ASK THE BOARD

Q. Who sets the CPA Exam fees?

A. The CPA Exam partners (NASBA, AICPA, and Prometric) determine the section fees. The fees change based on the contracts among the partners and are subject to periodic increases. Each Board of Accountancy decides its own administrative/application fee. The Board has not increased its Exam administrative fees in many years.

Q. Where does the money go?

A. In North Carolina, candidates pay the Board the administrative and section fees in a lump sum. The Board keeps the administrative fee to cover the cost of performing background checks and reviewing, approving, and processing the application.

Although the Board collects the section fees from candidates, it does not keep any of that money. For applications received on or after September 1, 2024, the Board will pay the Exam partners as follows:

- AICPA, per Section $135.00
- NASBA, per Section $30.00
- Prometric, per Section $97.64

2024 CPA EXAM TESTING AND SCORE RELEASE DATES

All dates are tentative and subject to change. For official testing & score release dates, check the AICPA website. For score release notifications, please follow @NASBA on X (Twitter).

Exam Section	Testing Dates	If the AICPA Receives Your Exam Data File By*:	Your Target Score Release Date Is:
Core Sections			
AUD, FAR, REG	07/01/2024-09/25/2024	09/25/2024	10/31/2024
	10/01/2024-12/26/2024	12/26/2024	01/29/2025
Discipline Sections			
BAR, ISC, TCP	07/01/2024-07/31/2024	07/31/2024	09/10/2024
	10/01/2024-10/31/2024	10/31/2024	12/10/2024

**Exam data files received after this date will be included in the next scheduled score release.*

CPA Certificate Reclassifications

Reinstatement

On July 22, 2024, the Board approved the following applications for certificate reinstatement:

Sandra O. Frempong, #31336	Asheville, NC
Michael Scott Inglut, #36748	Switzerland
Donna Lee LaBounty, #35836	Boynton Beach, FL
Viony Grissel Medlin, #35747	New Hill, NC
Abigail Catherine Meirink, #44208	Chicago, IL
Stephen Joseph Potter, #35052	New York, NY
Robert Sterling Pujol-Gentry, #36746	Takoma Park, MD
John Stewart Reid, #38606	Asheville, NC
Andrew Richard Ryder, #27411	Clayton, MO
William Shawn Smith, #29298	Isle of Palms, SC
Nathanael J. Tarwasokono, #32490	Winston-Salem NC

Reissuance

On July 22, 2024, the Board approved the following applications for certificate reissuance:

Nadine Lloyd Brown, #40699	Wake Forest, NC
Matthew Kelly Howard, #29323	Hendersonville, NC

CPA-retired Status

Between July 15 and July 31, 2024, the Board approved the following applications for CPA-retired status:

Randy Glenn Boyd, #14493	Gastonia, NC
Patricia Pendleton Doster, #15667	Charlotte, NC
Charles P. Dougherty Sr., #25241	Morrisville, NC
Jacey Alexandra Henderson, #38364	Oak Island, NC
Matthew James Kosmicki, #36600	Boulder, CO
Henry Glenn Lewis, #10712	Lumberton, NC
James Iain Stewart, #22780	Charlotte, NC

Inactive Status

Between July 15 and July 31, 2024, the Board approved the following applications for inactive status:

James L. Acuff, #22656	Little Rock, AR
Kathryn Godbold Allen, #37486	Cary, NC
Cheryl H. Andrews, #24586	High Point, NC
Domani Lourdes Vendargon, #40810	Cornelius, NC
Eriks Schuyler Augenbergs, #39525	Charlotte, NC
Jeffrey Lee Barnett, #23156	Greenville, SC
Martin James Bonifer Jr., #33875	Winston-Salem, NC
Justin Simon Bregman, #35480	Matthews, NC
Daniel Paul Bryant, #35227	Alameda, CA
Lisa Hall Callan, #23712	Chicago, IL
Michael Guy Callison, #11537	Winston-Salem, NC
Lauren Nowak Campbell, #37660	Philadelphia, PA
Jeffrey Alan Cunningham, #15950	Wake Forest, NC
Mark Stephen Danes, #24784	Durham, NC
Michael Andrew Deas, #41061	Charlotte, NC
Luke Allen Diles, #45448	Nashville, TN
Katherine Melissa Doyle, #45050	Golden, CO

Inactive Status (continued)

Kenneth J. Evola, #45155	Southport, NC
Elizabeth Hayden Garrett, #46115	Mt. Pleasant, SC
Jennifer Payden George, #40334	Charlotte, NC
James Edgar Halstead III, #30494	Charlotte, NC
John Thomas Hart, #38531	Hampton, VA
Douglas Max Hasler, #25866	Carmel, IN
David Keith Hatten, #39371	Oak Island, NC
William Nathan Hensley, #47176	Austin, TX
Kimberly Diane Hogan, #24698	Chapel Hill, NC
Robert Lee Hutchinson IV, #38632	Fulshear, TX
Patricia Ann Hyldburg, #36545	Durham, NC
Michael Ray Kennedy Jr., #26245	Greensboro, NC
Kieran Reif Kinnare #43444	Newport Beach, CA
Rose Eatmon Lay #23998	Nags Head, NC
Miriam Cohen Levine #36365	Hertford, NC
Karen M. Livingstone #43280	Little River, SC
Christopher Edward Lorch #40552	Raleigh, NC
Linda C. Maxwell-Fisher #31291	Lake Toxaway, NC
Teresa Karen McAllister #38743	Salisbury, NC
Riley Blake Miller #46239	Winston-Salem, NC
Brandon A. Monkus #34230	McKinney, TX
Brian Summers Moore #27293	Atlanta, GA
James Wollschlager Neal #16950	Charlotte, NC
William Davis Owensby Jr. #12643	Gastonia, NC
Randy Pace, #13450	Charlotte, NC
Katie Marie Pahl, #44408	Holly, MI
David Michael Pickett, #42330	Northport, AL
Christopher Thomas Plumitallo, #25711	Fairfield, CT
James Peter Reid, #40427	Fairfax, VA
Phillip Lawrence Robey, #19350	Greenville, SC
Richard Lamarr Rollins, #11859	Roswell, GA
Christel Lee Sarchet, #28964	Denver, CO
Carol Ann Senerchia, #18202	Hendersonville, NC
Charles Alan Shelton II, #42476	Winston Salem, NC
Rodney Eugene Smallwood, #27821	Belmont, NC
Mark Louis Snyder, #12457	Greensboro, NC
Fred Allen Steele, #43002	New Concord, OH
Selena Michelle Stewart, #45721	Lawrenceville, GA
Paul Anthony Thompson, #26782	Jacksonville, FL
Patrick A. Truesdell, #45450	San Diego, CA
Seth David Walton, #18255	Lake Forest Park, WA
Lei Wang, #44866	Chino, CA
Myra June Canaday West, #7566	Burlington, NC
Michael John Wilhelm, #17138	Cincinnati, OH
Deborah Eklund Wilkins, #10371	Hendersonville, NC
Adam Joseph Zafiroff, #35918	Mt. Pleasant, SC
Yuhui Zeng, #42164	Brookline, MA

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Noel Allen, Esq.

2024 Dates to Remember

Dates, times, and locations are subject to change.

Sept. 2	Office Closed
Sept. 23	Board Meeting, Hickory (Lenoir-Rhyne University)
Oct. 21	Board Meeting, Raleigh
Nov.11	Office Closed
Nov.18	Board Meeting, Raleigh
Nov. 28-29	Office Closed
Dec. 1	CPA Firm Renewal/Peer Review Compliance Reporting Begins
Dec. 16	Board Meeting, Raleigh
Dec. 24-26	Office Closed
Dec. 31	Deadline: CPA Firm Renewal/Peer Review Compliance Reporting
Dec. 31	Deadline: CPE Completion for 2025-2026 CPA License Renewal

CONNECT WITH US!

The North Carolina State Board of CPA Examiners can be found on popular social media networks, such as Facebook, LinkedIn, Instagram and X.

GEORGIA CPE RULE CHANGE HIGHLIGHTS

50% Minimum in Technical Field of Study

Up to **50%** in Non-Technical Field of Study

4 Credits of Ethics *including 1 credit of Georgia specific Ethics*

CPE Reciprocity

- **STILL 80 credits over 2-year period ending 12/31/2025**
- **STILL 20 credits minimum in a calendar year**
- **STILL 15 credits maximum carry over from a full reporting period to the next reporting period. Carry Over is NOT cumulative.**
- **NO MORE 16 credits of Accounting and Auditing, but you can still take them as part of your Technical Fields of study**

The following courses are approved by the Georgia State Board of Accountancy as qualifying for the Georgia Specific Ethics credit requirement:

- The Georgia Society of CPAs - Georgia on My Mind: Guide to the Rules and Regulations of the Georgia State Board of Accountancy - https://www.gscpa.org/content/ContinuingEducation/Ethics.aspx
- Professional Education Services - Ethics and Professional Conduct for Georgia CPAs - www.mypescpe.com
- Sequoia CPE - Ethics for Georgia CPAs - www.sequoiaCPE.com
- myCPE - Ethics and Professional Conduct For Georgia CPAs – www.my-cpe.com
- cpethink - Georgia: Professional Ethics for Georgia CPAs - https://www.cpethink.com/
- cpe247 - Professional Ethics for Georgia CPAs - www.cpe247.com
- CPE Depot - A CPAs Accelerated Guide: Professional Ethics for Georgia CPAs - https://www.cpedepot.com/
- Illumeo, Inc. - Professional Ethics for Georgia CPAs - https://www.illumeo.com/courses/professional-ethics-georgia-cpas
- Ultimate CPE - Professional Ethics for Georgia CPAs 2024 – www.ultimatecpe.com
- Beacon Hill Financial Educators, Inc. - Ethics for Accountants: Georgia - www.bhfe.com
- Encoursa - Professional Ethics for Georgia CPAs - https://encoursa.com/
- American CPE, Inc. - Professional Ethics for Georgia CPAs – www.americancpe.com

Check our website periodically for updates to the list.

Georgia State Board of Accountancy

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Atlanta, GA 30334

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www.gsba.georgia.gov

2024 Board Meeting Dates

September 18, 2024
November 20, 2024

"In crucial things, unity. In important things, diversity. In all things, generosity."
- George HW Bush
41st President of the United States

DON'T FORGET

Update your contact information including email, phone number and mailing address by sending an email directly to GSBA@sao.ga.gov.

LICENSE STATUS LEVELS

There are a few license status levels you may see on CPA Verify. Here are the definitions of the most popular ones:

- **Active** – the license is currently active.
- **Lapsed** – the license was not renewed and is no longer valid. It is illegal to practice public accounting use the title CPA or publicly display wall certificate.
- **Deceased**
- **Surrendered** – the licensee has surrendered their license voluntarily or through discipline.
- **Revoked** – the Board has barred the individual from holding a license via discipline.

GEORGIA FUN FACT

Amicalola Falls in Dawsonville is the tallest cascading waterfall east of the Mississippi River. (Georgia Department of Natural Resources, *gastateparts.org*)

UPDATE

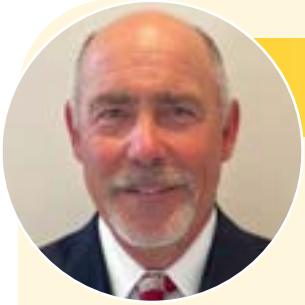
SUMMER 2024

ISSUE No. 102

CBA

CALIFORNIA BOARD OF ACCOUNTANCY

IN THIS ISSUE:



Joseph Rosenbaum, CPA
President

Message from the President

I hope you enjoyed the warm summer months under the California sunshine. As I write this message and reflect, I am so proud of the progress we've made at the California Board of Accountancy (CBA) since I became president late last year. As always, consumer protection remains our highest priority. I must say, there are so many exciting initiatives being discussed that I am eager to share with you.

In light of the recent Olympic Games in Paris, I can't help but think how the Olympic spirit and values are brought to life every day in our profession: Hard work, determination, training, and an unwavering commitment to success. The qualities found in the 10,500 athletes who competed on the world stage this summer can be found in our licensees and future CPAs.

The CBA has certainly been hard at work this summer as well. Based on direction given at the May CBA meeting, staff held a series of virtual town hall meetings and conducted an online survey to gather feedback for our SURE CPA Project, an effort to revise and streamline CPA licensure requirements in California. Nearly 8,000 stakeholders including accounting firms, other state boards of accountancy, academia, and accounting students responded to the survey or participated in town halls. The meetings were tailored to the group attending, and the participants actively engaged during each meeting, with many expressing their gratitude to us for holding the meetings and allowing them to interact in such a personal manner.

The CBA discussed feedback at its July meeting. During the meeting, the CBA directed staff to draft two legislative proposals to support the SURE CPA Project to be presented at the September CBA meeting. The first proposal enhances current automatic mobility regulations granting practice privilege rights in California to out-of-state CPAs and makes them more evergreen. The second proposal would eliminate the total 150-unit requirement for CPA licensure and allow applicants to meet educational requirements for CPA licensure by earning a bachelor's degree and gaining work experience.

In June, the CBA hosted a successful and well-attended student-focused virtual event titled "Your CPA Roadmap." I was happy to participate, alongside fellow CBA Members Kristian Latta, CPA, Theresa N. Thompson, CPA, and Enforcement Advisory Committee Member Jason Russell, CPA. These kinds of outreach events are critical to recruiting future CPAs into the practice of public accountancy. The CBA makes it a point to provide virtual outreach options in addition to our in-person events to ensure our outreach events are as accessible as possible.

Continued on Page 3

Continued from Page 2

The CBA invites you to participate in any of our meetings by attending live or viewing the meeting on the **Livestream** page of the CBA website. You may also keep up with all CBA activities by following our social media pages on **Facebook**, **X**, **LinkedIn**, and **Instagram**. Please share these links with your colleagues and professional partners.

Did you notice how the Summer Olympics featured newer events like skateboarding and surfing? Some would say that has California written all over it, and I agree! But more importantly, it shows how a tradition as storied as the Olympic Games is constantly evolving, just like a trusted CPA. The accounting profession must continue evolving to maintain its respected place in society. The future is bright because of driven folks like you who continue pushing the profession forward.

Thanks for reading, and I hope you enjoy this issue of *UPDATE*.

Joseph Rosenbaum, CPA
CBA President

Dominic Franzella
Executive Officer

Message from the Executive Officer

It certainly has been a busy summer at the CBA. Here's an update on what we have been working on:

In June, the CBA hosted a series of town hall meetings to discuss the SURE CPA Project, which aims to streamline CPA licensure requirements in California. Twenty-four jurisdictions participated as we discussed possible changes to the licensure framework and making mobility provisions evergreen. Staff gathered feedback on a proposed licensure framework, focusing on the potential impact to substantial equivalency and mobility. Attendees shared great ideas and perspectives. The overshadowing theme was ensuring consumer protection as we continue to regulate the accounting profession. Information collected from town halls and a CBA survey was shared at the CBA's July 25–26, 2024 meeting, during the discussion under the President's Report. You can watch the discussion on the CBA's **website**.

The CBA will be considering potential changes to continuing education (CE) regulations. CBA President Joseph Rosenbaum, CPA, appointed two CBA members, Doug Aguilera, CPA, and Patricia R. Batchelor, CPA, to work closely with CBA staff to propose changes to existing CE regulations. The changes will focus on the clarity of the regulations, the sufficiency of the content of the newly required Regulatory Review Course, and the CBA's ability to react in a timely manner to developments in CE platforms. The CE workgroup discussed ways in which a licensee may earn CE credits. The workgroup has also reviewed the governmental auditing, accounting and auditing, preparation engagement, fraud, and ethics CE requirements. The outcome of these discussions will be presented at the CBA's November 2024 meeting.

I'm pleased to report the CBA's Sunset Review legislation, Assembly Bill 3251, is progressing through the state legislature and was sent to Governor Newsom for his signature. The Sunset Review legislation would extend the CBA's statutory authority to January 1, 2029, and contains several statutory amendments to assist the CBA in its regulation of the accounting profession in California. These amendments are detailed in the Under the Dome report on page 10. Passage of this bill will ensure the CBA can continue its mission of protecting consumers. CBA Member Katrina L. Salazar, CPA, and I represented the CBA in front of the legislature in March where we gave an overview of the CBA, highlighted

Continued on Page 4

Continued from Page 3

accomplishments, and answered several questions asked by the legislators. The **Sunset Review Report** is available on the CBA website by clicking "CBA Reports" and then "Legislative Reports" under the Communications/Outreach tab.

Lastly, I'd like to provide an update on the CBA's efforts as part of the Department of Consumer Affairs Business Modernization initative. I'm excited to share that accounting firms may now renew their license online using the CBA Connect platform. This new feature was implemented on July 17 and is receiving positive feedback. Online accounting firm renewal is an additional step to enhance the CBA's online presence.

I hope you enjoy this edition of the CBA's *UPDATE* newsletter!

Dominic Franzella
Executive Officer

Fee Restructuring Reminder

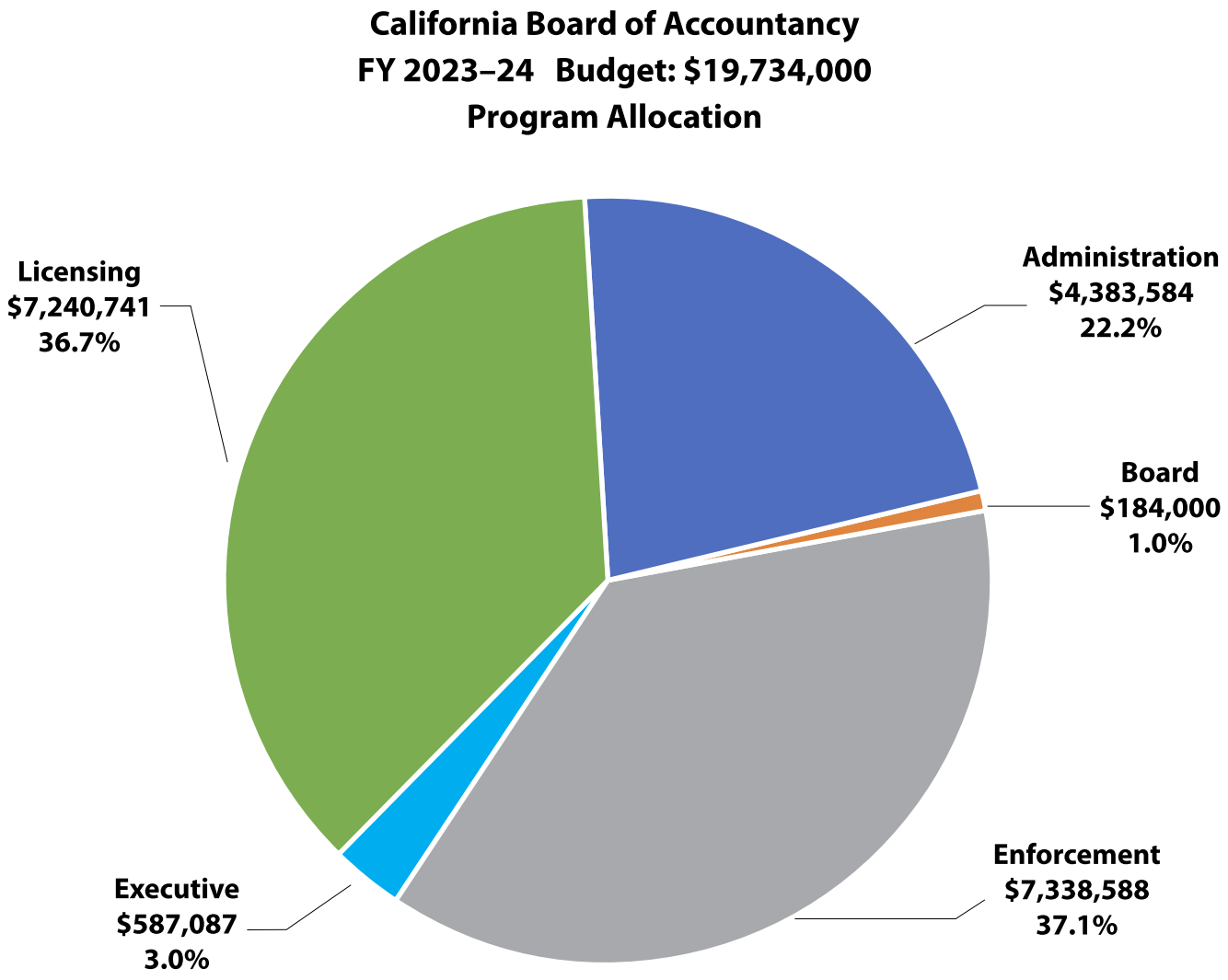
The California Board of Accountancy (CBA) recently implemented the first of a two-step fee restructuring on July 1, 2024. In the prior ***UPDATE* newsletter**, Issue No. 101, there was a comprehensive article detailing the need to increase these fees. The CBA also has a **webpage** dedicated to information about fee restructuring where you can learn more.

See the chart below for an overview of the fee levels:

CBA FEE RESTRUCTURING		
Fee Type	**Current Fee as of July 1, 2024**	**Future Fee as of July 1, 2026**
CPA Initial License Fee	$340	$400
CPA License Renewal Fee	$340	$400
Accountancy Firm Application Fee	$250	$250
Accountancy Firm Initial License Fee	$400	$520
Accountancy Firm License Renewal Fee	$400	$520

Your Fees at Work

The California Board of Accountancy (CBA) allocates its budget to various organizational units to best meet its consumer protection mission while also striving to provide the best customer service to its stakeholders. The chart below depicts all the organizational units comprising the CBA and their associated funding levels for the recently concluded fiscal year 2023–24.



Replacing the PETH Exam Requirement

On July 1, 2024, the California Board of Accountancy (CBA) implemented a rulemaking change that replaced the Professional Ethics (PETH) Exam requirement for CPA licensure. Applicants no longer need to pass the PETH Exam to get their license; instead, they will need to complete a **CBA-approved Regulatory Review Course** for their first license renewal.

What does this change mean for those who may have already passed the PETH Exam but haven't applied for licensure yet? The CBA created these visuals to help everyone navigate the change a little easier.

Passed PETH Exam

Licensed BEFORE July 1, 2024

PETH Requirement Complete. You do not need to complete a Regulatory Review Course for your first license renewal.

Licensed AFTER July 1, 2024

May use passing score to meet the Regulatory Review Course requirement for first renewal.
- OR -
May use passing score as two hours of technical CE.

NOT Passed PETH Exam

Applied BEFORE July 1, 2024

123 applications with all other requirements met were approved after the change on July 1. They must complete a Regulatory Review Course for their first license renewal.

Applied AFTER July 1, 2024

You must complete a Regulatory Review Course for your first license renewal.

To ensure any money or time spent studying was not wasted, an applicant licensed after July 1, 2024, who has passed the PETH Exam can use the passing score to fulfill the newly required Regulatory Review Course requirement or as two hours of technical continuing education at their first renewal. This option will be available for two years to cover individuals who have already passed the PETH Exam but are not yet licensed, and individuals who have purchased the PETH Exam but have not taken or passed it yet.

The CBA remains committed to protecting consumers, and this change does not reflect a relaxing or loosening of the requirements to become a CPA. The implementation of the new CPA Exam that launched earlier this year has created a duplication of content in the PETH Exam. Further, students obtain this knowledge through their college coursework.

We invite you to visit the **Understanding the PETH Exam Change page** of the CBA website to watch an informative video in English or Spanish that may help you to better understand the change, and see answers to frequently asked questions.

ACCOUNTING CAREERS– FORENSIC ACCOUNTING

with CBA Member Doug Aguilera, CPA/CFF, CFE, CGMA

Doug Aguilera, CPA/CFF, CFE, CGMA

Being a CPA can take you down many exciting paths. Beginning with this issue, *UPDATE* will feature an interview with a licensee in a different accounting field to spotlight the variety of opportunities that exist with a CPA license.

We will begin with an exciting field known as forensic accounting. If you enjoy solving puzzles, problem resolution, a diverse workload that changes with each project, and find satisfaction in helping ensure justice, forensic accounting might be the path for you.

So, what exactly is a forensic accountant? It is an accounting professional that investigates financial crimes and provides litigation support. Combining the skills of accounting, auditing, and investigating, a forensic accountant provides legal evidence of fraud, hidden assets, and financial wrongdoing. Services provided by a forensic accountant generally include the application of specialized knowledge and investigative skills possessed by CPAs to collect, analyze, and evaluate evidential matter to interpret and communicate findings in the courtroom.

Industries that use forensic accountants include banks, insurance companies, lawyers, law enforcement agencies, government, and public firms with specialized forensic accounting divisions.

Since 2008, CBA Member Doug Aguilera, CPA, has managed a sole proprietor forensic accounting practice in Palo Alto. He was gracious enough to answer some questions about his career. We hope you enjoy the interview.

***UPDATE:* Please give us a brief description of what forensic accounting is.**

CBA Member Doug Aguilera, CPA: Forensic accounting is a specialized practice area, like tax accounting or auditing. Forensic accountants use specialized skills to collect and evaluate financial information in the investigation of alleged crimes or misconduct by businesses or individuals. Financial information sources can include financial statements, tax returns, contracts, email communications, and witness interviews. Using the accumulated information and our analysis, we educate and help decision makers like attorneys, boards, and executives, and act as experts when testifying in front of judges and juries. Also, I am frequently told about the use of a forensic accountant in a divorce to evaluate income streams and assets.

***UPDATE:* Why did you choose to become a forensic accountant?**

AGUILERA: It chose me. Like many great things in my life, I fell into forensic accounting. After getting a degree in accounting from San Jose State, I started in the audit practice in the San Jose office of accounting firm Arthur Andersen. In my second year, I heard about this group doing forensic accounting and told the manager I would like to help on one of their projects if he ever needed help. A month later, he did, and a temporary assignment became a career I love.

***UPDATE:* What does a typical day at work look like for you?**

AGUILERA: My day ranges from mundane to exciting, and sometimes it can be quite nerve-racking. As a sole practitioner, after many years at large accounting firms, I find that the mundane tasks are administrative. The exciting, at least to me, includes comparing years of profit and loss statements and balance sheets, looking for anomalies, and drilling into specific accounts. For example, in one case, an account called "other maintenance expense" contained about 20% of the partnership's operating expenses and included payments to a company the managing partner controlled. I also spend a lot of time reviewing contracts and agreements that support purchases, loans, partnerships, and acquisitions.

Witness interviews are frequently the most exciting part of my day. Interviewing witnesses is a developed skill that includes respect, neutrality, real-time analysis, and real-time adjustments based on the information provided. The goal is to find as many missing puzzle pieces as possible.

The nerve-racking part is providing expert testimony in depositions and at trial. These situations have provided

Continued on Page 8

Continued from Page 7

me with some of the hardest final exams I have ever taken. Opposing counsel would like nothing better than to show even the smallest weakness in my work. However, when a judge cites your testimony as support for their ruling, it makes it all worthwhile.

I also enjoy interactions with my clients. They are typically brilliant attorneys who are highly motivated to obtain factual financial information to advise their clients about which course of action to take.

***UPDATE:* What are some of the most rewarding aspects of working as a forensic accountant?**

AGUILERA: I enjoy figuring out what happened and being able to tell the story from beginning to end. Frequently, at some point in the project, usually while in the shower or just as I'm falling asleep, I will have an a-ha moment where it all makes sense, and every piece of evidence collected to date subsequently fits my newfound understanding of the facts and circumstances. In the best-case scenario, I can now tell decision-makers what happened, why, and when, and provide a range of amounts at stake.

***UPDATE:* What do you think is the most important skill forensic accountants need to succeed?**

AGUILERA: Forensic accountants need many skills. The baseline skills include detailed knowledge of accounting systems, business transactions, general ledgers, financial statements, and electronic information sources. We need to know how information is created, stored, used, and retrieved so we can figure out where to look for the missing pieces. Sometimes, the missing pieces are with individuals, so planning and performing witness interviews is important.

Analytical skills are critical to forensic accountants. With their baseline skills, they can take all the data points collected and turn them into presentations of factual information, which is how they deliver value to their clients.

***UPDATE:* We understand client confidentiality, but could you share your experience working on an exciting or memorable case? What made the case stand out compared to other cases you have worked on?**

AGUILERA: I once boarded a cruise ship in the middle of its 14-day excursion from San Francisco to Alaska. The cruise line company's executive vice president flew in from Miami to meet me. We set up in the ship's board room, reviewed detailed records, and interviewed the staff. We quickly determined that fictitious employee payments were being collected and stolen by two staff members. The executive vice president couldn't fire the staff though, as the captain was the only one with the authority to do so. So, we went to the captain's quarters at the top of the ship, which were more like a small townhouse than quarters, and he held a hearing that resulted in the firing of the two employees. They were escorted to their rooms and watched over by security until the next port where they were asked to leave the ship. I had never been on a cruise before, and I vividly remember looking at the beautiful Alaskan countryside going by as I interviewed an employee about the money they were accused of stealing.

***UPDATE:* Why should students consider forensic accounting?**

AGUILERA: Because it is so interesting! You get to use all your accounting and business class knowledge and apply it in a wide variety of circumstances to solve complex puzzles. Most of what we do has an exciting background of facts and people.

***UPDATE:* With the ever-increasing popularity of true crime TV shows and podcasts, does forensic accounting play a role in those types of situations?**

AGUILERA: Absolutely. You are trying to figure out what happened, starting with little to no information, and some of the information might have been purposely hidden. Working with the available facts, we develop more sources of information to accumulate as many relevant facts as possible to tell a complete story from beginning to end. There is drama in what we do because the stakes can be high for a business or individual. As an aside, I liked Ben Affleck's portrayal of a CPA forensic accountant who "uncooked" the books in the movie "The Accountant."

***UPDATE:* What advice would you give those working towards starting their own forensic accounting practice?**

AGUILERA: Volunteering on committees and boards and participating in CPA professional associations has been very helpful in developing my forensic accounting practice. I find rewarding interactions and business development opportunities with California Society of CPAs (CalCPA) and the American Institute of CPAs (AICPA). CalCPA has a forensic services section with many talented and skilled forensic accounting CPAs who are more than willing to share knowledge and referrals. Local CalCPA chapters provide good opportunities to meet other CPAs and to develop cross-referral relationships. Attending a local chapter's events provides a fun networking opportunity. I have also found the AICPA's orensic and Valuation section to be a good source of like-minded CPAs. Both these organizations allow me to meet and interact with other CPAs who I like and respect.

Accountancy Firm Renewals Now in CBA Connect!

The CBA is pleased to announce that accountancy corporations and partnerships may now renew their license online with CBA Connect! To get started, please visit the CBA **website** to create your account.

As an added benefit, CBA Connect allows firms to enter shareholder and partner changes at any time on the CBA Connect dashboard. Changes reflected on the CBA Connect dashboard will automatically be included in the firm's renewal. CBA Connect also allows firms to upload the **Peer Review Reporting Form (PR-1 Form)** directly.

Please note that if the firm is not performing services that require a peer review, the firm does not need to upload the PR-1 Form in CBA Connect.

If you renew your firm through CBA Connect, you will not need to mail or email your license renewal application to the CBA.

If you have any questions regarding online firm renewals, please contact the Renewal Unit at (916) 561-1702 or at **renewalinfo@cba.ca.gov**.

Are You Seeing the Wrong Renewal Fee in CBA Connect?

Is CBA Connect asking you to pay an incorrect renewal fee of $375? You're not alone! Users who started an application in their last renewal cycle but did not submit the application will see the wrong fee amount reflected on the CBA Connect payment screen. This occurs because CBA Connect picks up where it left off and has incorrectly marked the renewal fee as delinquent. To correct the fee, users must contact the CBA at **renewalinfo@cba.ca.gov** or call 916-561-1702. The CBA will delete the old application.

Using the CBA's continuing education (CE) Excel data file template to track the completion of CE courses is highly encouraged to ensure that CE information is not lost when the old application is deleted. The template is available in CBA Connect. Log in to your CBA Connect dashboard, then click on the green "Upload CE Data File" button. On the next screen, click the green "Download Template File" button. The template will download to your computer. If the document doesn't open after downloading, please check your download folder. Refer to the **CBA website** for further instructions regarding uploading your CE information.

Upcoming Meetings

CBA and committee meetings may be viewed on the **Livestream page** of the CBA website or in person at the CBA's Sacramento office located at 2450 Venture Oaks Way, Suite 400, unless otherwise noted. If you cannot attend or view the meeting live, an archive of past meetings can be found on the **Previous Meetings** page of the CBA website. Participation from the public is encouraged at all meetings.

California Board of Accountancy
November 21–22, 2024
Liaison: Rebecca Reed
(279) 236-3071

Enforcement Advisory Committee
October 10, 2024
December 5, 2024
Liaison: Tyler Wipfli
(279) 236-3063

Qualifications Committee
October 23, 2024
Liaison: Melissa Cardenas
(279) 236-3077

Peer Review Oversight Committee
December 13, 2024
Liaison: Matthew Parsons
(279) 236-3091

Under the Dome

The Legislature returned from its summer recess on August 5, and resumed hearing bills in fiscal committees and conducting final bill hearings on the floors of the respective chambers. The Legislature concluded its business by August 31, and all bills that have passed to the Governor must be signed or vetoed by September 30, 2024.

Of particular importance to the CBA this year is its Sunset Review legislation, Assembly Bill (AB) 3251. CBA staff attended and testified at a number of hearings as the bill progressed through the legislature. AB 3251 extends the authorization for the CBA from January 1, 2025, to January 1, 2029. The bill also includes several other provisions, including:

1. Removal of references requiring physical mailings to and from the CBA.
2. Addressing the issue of accounting firms with ownership comprised solely of licensees who are not authorized to sign attest engagements.
3. Allowing licensees with a permanent practice restriction to obtain a Retired Status license.
4. Updating references for educational accreditation agencies consistent with the Code of Federal Regulations.
5. Making Peer Review information available to the CBA, by requiring that firms participate in the American Institute of Certified Public Accountants (AICPA) Facilitated State Board Access (FSBA) system.
6. Eliminating the authority for the Mobility Stakeholder Group.
7. Nonsubstantive change to remove outdated provisions.

This measure is currently on the Governor's desk awaiting his signature.

The 2024 **Sunset Review Report**, presented to the Legislature at the beginning of the year, as well as the CBA's responses to legislatively raised issues stemming from the review, are available on the CBA website by clicking "CBA Reports" and then "Legislative Reports" under the Communications/Outreach tab.

Throughout the legislative session, a complete list of all bills the CBA takes a position on (including the CBA's position letters on legislation) can be found by visiting the CBA's website under the "Quick Hits" section, clicking "Laws and Rules," and then selecting "**Pending and Prior Legislation.**"

Benefits for Military Members and Refugees

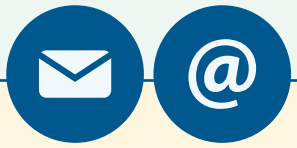
The California Board of Accountancy (CBA) is proud to extend a helping hand to California's military members and their families. The CBA offers priority review and expedited application processing for past and present military personnel and their spouses/domestic partners.

To better assist military members, the CBA has a military liaison available to answer questions or address concerns from the military community. To contact the liaison, please email **militaryinfo@cba.ca.gov** or call (833) 992-0577. For more information, we invite you to review the **information for military applicants and licensees** page on the CBA website. The CBA thanks our military members for their service!

Additionally, the CBA expedites licensing application review for refugees, asylees, and special immigrant visa holders. If you have questions or would like assistance, please email the refugee liaison at **refugeeinfo@cba.ca.gov** or call (833) 656-2318. Language assistance services are available to individuals at no cost. Learn more on the **information for refugees / asylees / special immigrant visa holders** page on the CBA website.

We Want Your Feedback

Have you interacted with the CBA lately, maybe over the phone, email, or even social media? We'd love to hear how it went. Please take a moment to fill out the CBA's **Stakeholder Feedback Survey**.



Can We Reach You?

Have you moved? Have a new email? The CBA uses many methods when contacting registrants and it is vital your correct contact information is on file to receive these notifications. Please remember that any changes to your email or mailing address must be reported to the CBA within 30 calendar days of the change. Changes to your phone number should also be reported to the CBA promptly. **These changes should now be done through your CBA Connect account.**

Don't have one yet? **Create your account** today!

Quick Links

Here are some handy links to popular destinations on the CBA website:

- **License Lookup**
- **Address or Email Change Form**
- **Release of CBA Records Form**
- **Public Enforcement Documents**
- **Prior *UPDATE* Newsletters**
- **CPA License Requirements Quick Tips**
- **CPA Exam Requirements Quick Tips**

Outreach Events

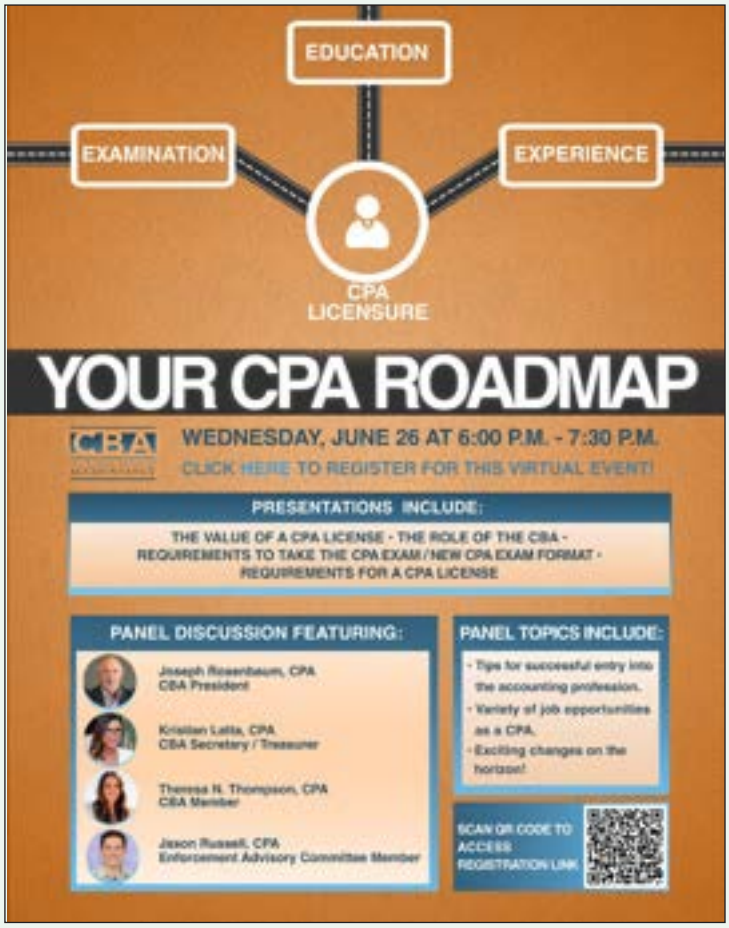
California State University, San Bernardino

The CBA continued its focus on outreach by participating in Beta Alpha Psi's annual Spring Banquet for the fourth consecutive year. CBA Member Nancy J. Corrigan, CPA, participated in the event held on the campus of California State University, San Bernardino. The outreach helped about 50 students realize the value of a CPA license, understand the role of the CBA, learn more about the new CPA Exam structure, and hear about the future of the accounting profession.

Students met with staff from the CBA's Initial Licensing Unit to take advantage of the opportunity to have their coursework reviewed. The student transcript review service is always popular at outreach events, as it provides a roadmap for success to potential candidates trying to enter the profession. Being able to speak face-to-face with students allows CBA staff to better assist and personally guide students on their path to CPA licensure.

Your CPA Roadmap

While face-to-face interactions are valuable, it's also important to take advantage of the benefits of virtual outreach to reach a larger audience. In late June, the CBA's communications and outreach team spearheaded an interactive student-focused virtual event titled "Your CPA Roadmap." The 125 attendees from California and beyond learned about the CBA, as well as the requirements to sit for the Uniform CPA Examination (CPA Exam) and for licensure. Speakers included CBA President Joseph Rosenbaum, CPA; CBA Secretary/Treasurer Kristian Latta, CPA; CBA Member Theresa N. Thompson, CPA; and Enforcement Advisory Committee Member Jason Russell, CPA.



An insightful panel discussion followed the presentations. Speakers talked about their careers in the accounting field and offered advice on obtaining a CPA license. The panel and staff answered attendee questions to conclude the evening. In case you missed the informative session, it is available to watch on the **outreach events page** of the CBA website.

Continued on Page 16

Continued from Page 12

What's Next?

The CBA has a variety of outreach planned to go along with the September CBA meeting in the San Diego area. The meeting will be held on campus at California State University, San Marcos (CSUSM), and outreach activities are planned to coincide with it.

In addition to the events at CSUSM, another outreach event is happening at the University of California, San Diego Extended Studies campus the day before the CBA meeting. The CBA is excited to return to the San Diego area and provide outreach to these esteemed educational institutions!

We invite you to stay informed about all CBA outreach events and see videos from past events by following us on social media, and visiting the **outreach events page** on the CBA website under the Communications and Outreach tab.

Videos—Lights, Camera, Accounting Action!

Our communications and outreach team broke new ground with the debut of its **first-ever animated video**! The video explains the recent change to CPA licensure requirements by replacing the pre-licensure Professional Ethics (PETH) Exam with a post-licensure Regulatory Review course. With the CBA no longer requiring applicants to complete the PETH Exam for issuance of a CPA license, the video presented two characters in different stages of the process: One had already passed the PETH Exam, and another hadn't. With the help of a savvy third character, everyone figured out how the change affected them.

The animated video was translated into Spanish to ensure an even greater audience can obtain this information.

Staff continues to produce a recap video following all CBA meetings, showcasing the conversations and progress made on initiatives during the meeting. The videos help stakeholders stay up to date with the latest CBA activities and the July meeting video has been viewed more than 15,000 times on LinkedIn alone.

The CBA launched a campaign to promote awareness of the "This is the CBA" video series. The series of five engaging videos aims to promote the CBA and its consumer protection mission, as well as the CPA profession. The videos serve to educate consumers and inspire current and aspiring CPAs by featuring the importance of diversity, lifelong learning, and the value of the CPA license. The video series is available to watch on the **"This is the CBA" page**, and is also being shared on CBA social media platforms.

Producing quality multimedia content is just another way the CBA communicates important information to its audiences! View all CBA videos on the **videos page** on the CBA website to stay updated on new developments.

Licensee Milestones

Congratulations to the following active licensees who celebrated 50 or 60 years of CPA licensure between March and June 2024.

50 YEARS

OLIVER LEE ADAMS
DAVID R AVINA
CHARLES DAVID BOERIO
JOHN WALDEN BRANCH
RODNEY CANTER
KHOM CHAISANGUANTHUM
DAVID BENNETT CHEATHAM
RAYMOND S CHEN
MICHAEL JOSEPH CLARK
DAVID EARL COLLIER
JAMES RAYMOND CONNER
LEONARD FRANCIS CREED
LEONARDO SANTOS CUNANAN
CAROL JEAN CURRY
MALCOLM J DEDEKIAN
MARK EDWARD DEILY
GEORGE GRANT DERRY
DAVID GORDON DEWITT
DENNIS DAVID DION
JEROLD LEE ELLMAN
BARRETT DALE GARCIA
DEAN LOUISE GOINGS
PETER GEORGE GORMSEN
DARYL KAY GROVES
BERNARD HENRY GUDVI
ALAN STEVEN HALFON
JAMES ARTHUR HAMILL
DALE EDWARD HANGER
ALBERT JAMES HARRISON
DAVID ARTHUR HAWKINS
PHILIP REYNOLDS HECKENDORN
LAWRENCE F HODGE
JOHN MATTHEW HORNICK
ROBERT S HUMISTON
ROSS ARTHUR JOHNSON
RONALD C JOHNSON
DAVID COLVER KENNEDY
SATOSHI K KOJIMA
MARILEE PIEROTTI LAU
DOROTHY LINDA LIPARI
MICHAEL WILLIAM MACHADO
VERNON R MC DONALD
KEVIN DOUGLAS MC KINNEY
JOHN MIHAL
MICHAEL STEPHEN MITCHELL
EARL HOUSTON MOHLER
KENNETH D NEWBY
GARY CECIL OLSEN
RICHARD ERNEST PERAZZO
DAVID ARLEN PERREN
GERALD CRAIG RAY
GLENN D ROBINSON
DENNIS F ROSE
THOMAS VICTOR SATRIANO
CARL ALBERT STEFFEN
ROGER RUDIE STEPHENS
F MICHAEL STONE
CHEK FENG TAN
LINDA LOUISE TUCKER
HOWARD PALMER WATKINS
JACK M YOUNG
JOSEPH VINCENT ZACCONE
JOHN DOUGLAS ZANTE

60 YEARS

MARVIN S ABRAMS
GERALD BROWN
ROGER B CRUSER
JAMES D FOSS
MERRILL F HIGHAM
JOHN N MCCORD
GLENN A MORRISON
JOSEPH OSTER
OWEN BERT PATOTZKA
JERRYL D SHANKLAND
LE ROY J SKAFF
WARREN V TIBBS
RONALD G VANDENBERGHE

California's Newest CPAs

The CBA is proud of our new licensees and the hard work they put in earning their CPA designation. The CBA awarded 1,223 new licenses from March to July! You can see the names of **all the newest California CPAs by month** on the CBA website.

CALIFORNIA LICENSEES	
Active CPAs/PAs	65,590
Inactive/Delinquent/Retired CPAs/PAs	41,524
Accounting Firms	6,611
Fictitious Name Permits	1,340
Total California Licensees	**115,065**

*Totals as of August 1, 2024.

Top 3 Causes for Citations, and How to Avoid Them

During the recently completed fiscal year 2023–24, the California Board of Accountancy (CBA) issued 1,072 citations for a variety of infractions. Citations involve fines and are also posted on the CBA website, meaning anyone reviewing the CBA website may see that you or your firm were cited. We don't want this to happen to you! To prevent a possible citation, here is information about the Top 3 violations and tips to help you avoid them.

1. **Failure to comply with the requirements of California Code of Regulations (CCR) section 87(a)(1):** Licensees renewing their license in an active status must complete a minimum 20 hours of continuing education (CE) in each year of their two-year license renewal period, with a minimum of 12 hours in technical subject areas, commonly referred to as the "20/12 requirement."

   Many licensees mistakenly calculate the "20/12 requirement" by calendar year, but the law requires calculation based on the two-year renewal reporting period. For example, if your license expires on January 31, 2025, you must meet the "20/12 requirement" in both the first year (February 1, 2023–January 31, 2024) and the second year (February 1, 2024–January 31, 2025). And yes, these hours count toward the total 80-hour CE requirement!

   Tips to avoid a citation: Plan ahead! Take time to schedule CE courses throughout the two-year renewal cycle. Set calendar reminders to check progress towards meeting the 20/12 requirement. Download the CBA's **CBA Connect template** for tracking CE credits and add your CE information as each course is completed. Find the template by logging in to your CBA Connect dashboard, then clicking on the green "Upload CE Data File" button. On the next screen, click the green "Download Template File" button. When it's time to renew your license, upload the completed template directly to **CBA Connect**.

2. **Failure to respond to a CBA inquiry per CCR section 52:** A licensee is required to respond to any inquiry within 30 days, and make all files, working papers, and other requested documents available to the CBA.

   Tip to avoid a citation: Make sure your contact information on file with the CBA is current to ensure you receive all CBA correspondence, and respond to CBA inquiries by the given deadline.

   Do you need to update your contact information? We are excited to announce that all licensees, including firms, can change their address, phone number, or email address through their **CBA Connect** account!

3. **Violation of Business and Professions Code section 5050 - Practice Without Valid Permit:** Licensees must hold a valid license to practice public accountancy or hold out as a CPA. Individuals with a delinquent or canceled license may not hold out as a CPA, as they do not hold a valid license. Licensees with a retired or inactive license must include clarifying terms immediately after the CPA designation.

   Tips to avoid a citation: Remember to renew your license before the expiration date to avoid going into delinquent status. Should you allow your license to go delinquent or become canceled, be sure to no longer use the CPA designation. If your license is in inactive or retired status, remember to place the matching term "inactive" or "retired" immediately after the CPA designation.

   The most effective tip the CBA can provide to licensees is to suggest you regularly review your cards, signs, printed or written materials, and email signature blocks, including any advertisements on your public websites and social media platforms, to ensure you are using the CPA designation correctly and referring to yourself using the name that is registered with the CBA.

We hope these tips will help you avoid any citations in the future. Be sure to carefully review all information provided by the CBA and visit **www.cba.ca.gov** regularly for the latest news and updates.

Enforcement Process

When the CBA receives a complaint, an investigation is conducted. Information regarding a complaint is generally gathered by enforcement staff, which could include a licensee's appearance before the CBA Enforcement Advisory Committee.

Following this investigation, a recommendation is made to either (1) close the case with no violation of the Accountancy Act or the CBA Regulations; (2) require the licensee to take prescribed continuing education; (3) issue a citation and fine; or (4) refer the case to the Attorney General's Office for review and possible preparation of an accusation against the licensee or a statement of issues relating to the applicant.

If charges are filed against a licensee, a hearing may be held before an independent administrative law judge who submits a proposed decision to be considered by the CBA, or the matter may be settled. The CBA may either accept the proposed decision or decide the matter itself. Please note that the CBA actions reported here may not be final. After the effective date of the CBA's decision, the licensee may obtain judicial review of its decision. Occasionally, a court will order a stay of the decision or return the decision to the CBA for reconsideration.

Copies of the accusations, decisions, and settlements regarding any of these disciplinary and/or enforcement actions are available on the CBA website, **www.cba.ca.gov**, or by sending a written request to:

California Board of Accountancy
Attention: Disciplinary/
Enforcement Actions
2450 Venture Oaks Way, Suite 300
Sacramento, CA 95833

Please state the licensee's name and license number and allow 10 days for each request.

Standard Terms of Probation

The CBA may revoke, suspend, or impose probation on a license for violation of applicable statutes or regulations. In addition to any case-specific terms of probation, the standard probationary terms include:

- Obey all federal, California, other state, and local laws, including those rules relating to the practice of public accountancy in California.
- Submit, within 10 days of completion of the quarter, written reports to the CBA on a form obtained from the CBA. The respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to the respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the CBA or its representatives.
- During the period of probation, appear in person at interviews or meetings as directed by the CBA or its designated representative, provided such notification is accomplished in a timely manner.
- Comply with the terms and conditions of the probation imposed by the CBA and cooperate fully with representatives of the CBA in its monitoring and investigation of the respondent's compliance with probation terms and conditions.
- Be subject to and permit a "practice investigation" of the respondent's professional practice. Such "practice investigation" shall be conducted by representatives of the CBA, provided notification of such review is accomplished in a timely manner.
- Comply with all final orders resulting from citations issued by the CBA.
- In the event respondent should leave California to reside or practice outside this state, the respondent must notify the CBA in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice, except at the written direction of the CBA.
- If respondent violates probation in any respect, the CBA, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary and/or enforcement order that was stayed. If an accusation or a petition to revoke probation is filed against the respondent during probation, the CBA shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.
- Upon successful completion of probation, the respondent's license will be fully restored.

Enforcement Definitions

Accusation
A formal document that charges violation(s) of the California Accountancy Act and/or the CBA Regulations by a licensee. The charges in the accusation are allegations. Allegations are not a final determination of wrongdoing and are subject to adjudication and final review by the CBA pursuant to the Administrative Procedure Act.

Cost Recovery
The licensee is ordered to pay the CBA certain costs of investigation and prosecution including, but not limited to, attorney's fees.

Default Decision
The licensee failed to file a Notice of Defense or has otherwise failed to request a hearing, object, or otherwise contest the accusation. The CBA takes action without a hearing based on the accusation and documentary evidence on file.

Effective Date
The date the disciplinary decision becomes operative.

Probation
The licensee may continue to engage in activities for which licensure is required, under specific terms and conditions.

Reinstatement
A revoked license that is restored, not sooner than one year from the date of revocation, to a clear or inactive status after petition to and approval by the CBA. Reinstatement may include probation and/or terms and conditions.

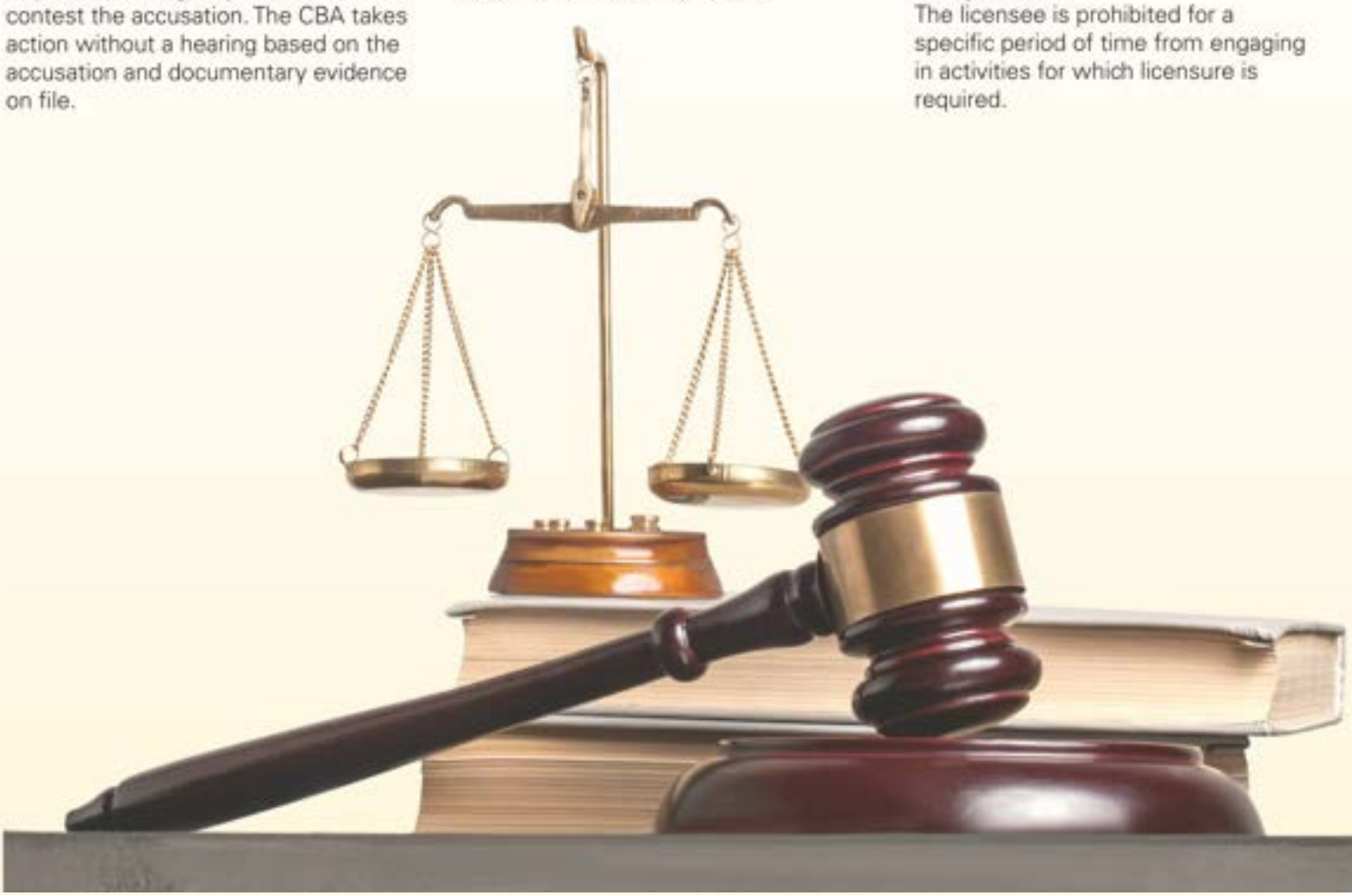
Revocation
The individual, partnership, or corporation no longer is licensed as a result of a disciplinary action.

Stayed
The action does not immediately take place and may not take place if the licensee complies with other conditions (such as a probation term).

Stipulation
The matter is negotiated and settled without going to a hearing.

Surrendered
The licensee has surrendered the license. The individual, partnership, or corporation no longer is licensed. The CBA, however, may impose discipline against a surrendered license in certain circumstances. Surrender also may require certain conditions to be met should the former licensee ever choose to reapply for licensure.

Suspension
The licensee is prohibited for a specific period of time from engaging in activities for which licensure is required.



Enforcement Actions

CPA Revocations

Howard Marc Silverstein

Newport Beach, CA
(CPA 28212)

Disciplinary Actions/License Restrictions:
Revocation of CPA license, via default decision.

Effective June 24, 2024

Causes for Discipline:
Accusation No. AC-2024-11 contains the following allegations: (1) Criminal Conviction; (2) Dishonesty, Fraud, Gross Negligence, or Repeated Negligent Acts; (3) Embezzlement, Theft, Misappropriation of Funds or Property; (4) Willful Violation; (5) Failure to Report Reportable Event to the CBA.

Howard Marc Silverstein (Silverstein) is subject to disciplinary action because Silverstein was convicted of a crime substantially related to the qualifications, functions, and duties of a Certified Public Accountant. On December 12, 2023, in a criminal proceeding titled People v. Howard Marc Silverstein, Orange County Superior Court case no. IPD 20-07036, Silverstein pled guilty and was convicted of violating California Corporations Code section 25210, subdivision (a) (broker-dealer certificate required), a felony. Silverstein was sentenced to 140 days in jail with 70 days credit for time served and 70 days credit for good time/work time, four years of formal probation with certain terms and conditions, payments of fines and fees, and payment restitution in the amount of $869,567.33.

Silverstein is subject to disciplinary action because Silverstein committed dishonesty, fraud, gross negligence, or repeated negligent acts.

Silverstein is subject to disciplinary action because Silverstein committed embezzlement, theft, and misappropriation of funds or property.

Silverstein is subject to disciplinary action because Silverstein committed willful violations of the CBA's rules and/or regulations.

Silverstein is subject to disciplinary action because Silverstein failed to report his criminal conviction to the CBA in writing within 30 days of December 12, 2023.

For Violations Of:
Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5063 and 5100(a), (c), (g), and (k).

California Code of Regulations, title 16, § 99(a).

Other Enforcement Actions

Marc M. Asheghian

Sherman Oaks
(CPA 86056)

Disciplinary Actions/License Restrictions:
Revocation stayed with three years' probation, via stipulated settlement. Marc M. Asheghian (Asheghian) shall reimburse the CBA $3,538.49 for its investigation and prosecution costs. The payments shall be made in quarterly payments (due with quarterly written reports) with the final payment due six months before probation is scheduled to terminate.

Within 180 days of the effective date of this Order, Asheghian shall complete and pass the Ethical Leadership Training Program through the National Association of State Boards of Accountancy Center for the Public Trust and shall provide the certificate(s) of completion to the CBA. This training may not be claimed for purposes of satisfying the ethics education requirement for relicensure.

Asheghian shall maintain an active license status with the CBA, including during any period of suspension. If the license is expired at the time the CBA's Order becomes effective, the license must be renewed within 30 days of the effective date of the Order.

Asheghian shall pay the CBA an administrative penalty in the amount of $2,500 for violation of Business and Professions Code section 5100, subdivision (c). The payment shall be made within 30 days of the date of the CBA's Order is final.

Other standard terms of probation.

Effective June 24, 2024

Causes for Discipline:
Accusation No. AC-2024-7 contains the following allegations: (1) Criminal Conviction; (2) Dishonesty, Fraud, Gross Negligence, or Repeated Negligent Acts; (3) Willful Violation.

Asheghian is subject to disciplinary action in that Asheghian was convicted of a crime substantially related to the

Continued on Page 19

Other Enforcement Actions Continued from Page 18

qualifications, functions, and duties of a Certified Public Accountant. On or about March 21, 2023, in a criminal proceeding titled United States of America v. Marc Asheghian, in United States District Court, Northern District of California, Case Number CR 15-00234-026 CRB, Asheghian pled guilty and was convicted of 21 U.S.C. §§ 331(t), 333(b)(1)(D), 353€(2)(A), and 18 U.S.C. § 2 (aiding and abetting the unlicensed wholesale distribution of drugs), a felony. Asheghian was sentenced to time served and ordered to pay a special assessment of $100.

Asheghian is subject to disciplinary action in that Asheghian committed dishonesty, fraud, gross negligence, or repeated negligent acts.

Asheghian is subject to disciplinary action in that Asheghian committed willful violations.

For Violations Of:

Business and Professions Code Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, § 5100(a), (c), and (g).

California Code of Regulations, title 16, § 99(a).

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BPM LLP

Walnut Creek
(PAR 7836)

Disciplinary Actions/License Restrictions:

Suspension stayed with 18 months' probation, via stipulated settlement.

BPM LLP (Partnership) shall reimburse the CBA a sum not to exceed $20,000 for the costs of its investigation and prosecution in the matter, including the costs of probation monitoring. The CBA will periodically present the Partnership with a certified statement of costs to date, including additional costs incurred during probation, and it shall pay those costs to the CBA within 30 days thereafter. If costs are billed after the completion of the probationary period, the obligation to pay the costs shall continue, but that shall not extend the probation.

The Partnership shall at all times maintain an active license status with the CBA, including during any period of suspension. If the license is expired at the time the CBA's Order becomes effective, the license must be renewed within 30 days of the effective date of the Order.

Within 15 days of the effective date of this Order, the Partnership shall disseminate this Stipulated Settlement and Disciplinary Order to all its professional personnel. Professional personnel shall include those licensed by the CBA, CPAs doing business in California, and CPAs performing services for California-headquartered entities. The Partnership shall confirm such dissemination to the CBA in writing.

The Partnership shall comply with the requirements imposed by the Public Company Accounting Oversight Board (PCAOB) in its July 28, 2023 "Order Instituting Disciplinary Proceedings, Making Findings and Imposing Sanctions" against the Partnership as a result of the Partnership's Offer of Settlement, In the Matter of BPM LLP, PCAOB Release No. 05-2023-012 and report such compliance in its quarterly reports submitted to the CBA.

The Partnership shall pay the CBA an administrative penalty in the amount of $10,000.

Payment shall be made within 60 days of the effective date of this Order.

Other standard terms of probation.

Effective June 24, 2024

Cause for Discipline:

Accusation No. AC-2024-8 contains the following allegation: Discipline by the PCAOB.

The Partnership is subject to disciplinary action in that the Partnership was disciplined, punished, and/or sanctioned by the PCAOB.

For Violations Of:

Business and Professions Code Division 3, Chapter 1, § 5100(l).

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Teresa Susan Crivello

Rancho Palos Verdes
(CPA 71270)

Disciplinary Actions/License Restrictions:

Revocation stayed with three years' probation, via stipulated settlement. Teresa Susan Crivello (Crivello) shall reimburse the CBA $3,672.09 for its investigation and prosecution costs. The payments shall be made in quarterly payments (due with quarterly written reports) with the final payment due six months before probation is scheduled to terminate.

During the period of probation, Crivello shall be prohibited from engaging in and performing audits, reviews, compilations, or other attest services.

Continued on Page 20

Other Enforcement Actions Continued from Page 19

Within 180 days of the effective date of this Order, Crivello shall complete and pass the Ethical Leadership Training Program through the National Association of State Boards of Accountancy Center for the Public Trust and shall provide the certificate(s) of completion to the CBA. This training may not be claimed for purposes of satisfying the ethics education requirement for relicensure.

Within 180 days of the effective date of this Order, Crivello shall complete a CBA-approved course on the provisions of the California Accountancy Act and the CBA Regulations specific to the practice of public accountancy in California emphasizing the provisions applicable to current practice. The course also will include an overview of historic and recent disciplinary actions taken by the CBA, highlighting the misconduct that led to licensees being disciplined. This shall be in addition to continuing education requirements for relicensure.

Crivello shall maintain an active license status with the CBA, including during any period of suspension. If the license is expired at the time the CBA's Order becomes effective, the license must be renewed within 30 days of the effective date of the Order.

Crivello shall pay the CBA an administrative penalty in the amount of $1,500 for violation of Business and Professions Code section 5100, subdivision (c). The payment shall be made within 30 days of the date the CBA's Order is final.

After the completion of probation, Crivello shall be permanently prohibited from engaging in and performing any audits, reviews, compilations, or other attest services. This condition shall continue until such time, if ever, Crivello successfully petitions the CBA for the reinstatement of the ability to perform audits, reviews, compilations, or other attest services.

Other standard terms of probation.

Effective June 24, 2024

Causes for Discipline:

Accusation No. AC-2024-5 contains the following allegations: (1) Gross Negligence and/or Repeated Acts of Negligence; (2) Unprofessional Conduct; (3) False Statements in Application; (4) Dishonesty; (5) Violation of Peer Review Requirements; (6) Failure to Comply with Professional Standards; (7) False Statements in Peer Review Reporting Forms; (8) Failure to Complete Continuing Education Requirements; (9) False Statements in Response to CBA Inquiry.

Crivello is subject to disciplinary action in that she engaged in acts of gross negligence and/or repeated acts of negligence by providing audit services and signing attest reports while not eligible to do so because of her failure to comply with the CBA's peer review program requirements.

Crivello is subject to disciplinary action in that she engaged in unprofessional conduct by providing audit services without being eligible to do so because of her failure to participate in a mandatory peer review program; providing false information in license renewal applications and peer review reporting forms; providing false information in response to CBA inquiries; and by violating applicable professional standards.

Crivello is subject to disciplinary action in that she made false statements on her license renewal applications that she signed under penalty of perjury.

Crivello is subject to disciplinary action in that she engaged in dishonesty with respect to her performance of audit services.

Crivello is subject to disciplinary action in that she failed to comply with mandatory peer review requirements.

Crivello is subject to disciplinary action in that she failed to comply with professional standards.

Crivello is subject to disciplinary action in that she made false statements on peer review reporting forms that she signed under penalty of perjury.

Crivello is subject to disciplinary action in that she provided audit services without completing the CBA's mandatory Accounting and Auditing continuing education requirement.

Crivello is subject to disciplinary action in that she made false statements in response to inquiries from the CBA regarding her performance of audit services.

For Violations Of:

Business and Professions Code Division 3, Chapter 1, §§ 5076, 5100, and 5100(b), (c), and (g).

California Code of Regulations, title 16, §§ 40, 45, 52, 58, and 87(d).

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Mark Edward Dauberman

Sun City, AZ
(CPA 16750)

Disciplinary Actions/License Restrictions:

Revocation stayed with three years' probation, via stipulated settlement.

Mark Edward Dauberman (Dauberman) shall reimburse the CBA $9,306.01 for its investigation and prosecution costs. The payments shall be made in quarterly payments (due with quarterly written reports) with the final payment due six months before probation is scheduled to terminate.

Continued on Page 21

Other Enforcement Actions Continued from Page 20.

During the period of probation, Dauberman shall be prohibited from signing off on Certificate of General Experience Forms and Certificate of Attest Experience Forms or providing the supervision for such a certification.

Within 180 days of the effective date of this Order, Dauberman shall complete and pass the Ethical Leadership Training Program offered through the National Association of State Boards of Accountancy Center for the Public Trust and shall provide the certificate(s) of completion to the CBA. This training may not be claimed for purposes of satisfying the ethics education requirement for relicensure.

Within 180 days of the effective date of this Order, Dauberman shall complete a CBA-approved course on the provisions of the California Accountancy Act and the CBA Regulations specific to the practice of public accountancy in California emphasizing the provisions applicable to current practice. The course also will include an overview of historic and recent disciplinary actions taken by the CBA, highlighting the misconduct that led to licensees being disciplined. This shall be in addition to continuing education requirements for relicensure.

Dauberman shall maintain an active license status with the CBA, including during any period of suspension. If the license is expired at the time the CBA's Order becomes effective, the license must be renewed within 30 days of the effective date of the Order.

Dauberman shall pay to the CBA an administrative penalty in the amount of $2,500 for violation of Business and Professions Code section 5100, subdivision (b) of the California Accountancy Act. The payment shall be made within 30 days of the date the CBA's Order is final.

After the completion of probation, Dauberman shall be permanently prohibited from signing off on Certificate of General Experience Forms and Certificate of Attest Experience Forms or providing the supervision for such a certification. This condition shall continue until such time, if ever, Dauberman successfully petitions the CBA for the reinstatement of the ability to sign off on Certificate of General Experience Forms or Certificate of Attest Experience Forms. Dauberman understands and agrees that the CBA is under no obligation to reinstate Dauberman's ability to sign off on Certificate of General Experience Forms or Certificate of Attest Experience Forms, that the CBA has made no representation concerning whether any such reinstatement might occur, and that the decision to reinstate is within the sole discretion of the CBA.

Other standard terms of probation.

Effective June 24, 2024

Causes for Discipline:

Accusation No. AC-2024-17 contains the following allegations: (1) False Statement of Material Fact or Omission to State a Material Fact to the CBA in Support of Another Person's Application for a License; (2) Knowing Preparation, Publication, or Dissemination of False, Fraudulent, or Materially Misleading Financial Statements, Reports, or Information.

Dauberman is subject to disciplinary action in that in support of another person's application for licensure, Dauberman knowingly made a false statement of a material fact or knowingly omitted to state a material fact to the CBA regarding the application.

Dauberman is subject to disciplinary action in that Dauberman knowingly prepared, published, or disseminated false, fraudulent, or materially misleading financial statements, reports, or information.

For Violations Of:

Business and Professions Code Division 1.5, Chapter 3, §§ 478, 499; and Division 3, Chapter 1, § 5100(b), and (j).

California Code of Regulations, title 16, § 99(a).

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Kevin Roy Harris

Los Angeles, CA/Studio City
(CPA 72778)

Disciplinary Actions/License Restrictions:

Surrender of CPA license, via stipulated surrender.

Effective April 29, 2024

Causes for Discipline:

Accusation No. AC-2024-4 contains the following allegations: (1) Suspension or Revocation of the Right to Practice Before Governmental Body or Agency; (2) Discipline by the United States (U.S.) Securities and Exchange Commission (SEC); (3) Failure to Report Reportable Event to CBA; (4) Failure to Respond to the CBA Inquiry.

Kevin Roy Harris (Harris) is subject to disciplinary action in that on or about July 18, 2023, Harris's right/privilege to practice as an accountant before the U.S. SEC, a governmental body or agency, was suspended or revoked.

Harris is subject to disciplinary action in that on or about July 18, 2023, Harris was imposed discipline, penalty, or sanctions by the SEC.

Continued on Page 22

Other Enforcement Actions Continued from Page 21.

Harris is subject to disciplinary action in that Harris failed to report the suspension of the right to practice before the SEC to the CBA in writing within 30 days, of July 18, 2023.

Harris is subject to disciplinary action in that Harris failed to respond to the CBA's inquiry dated July 11, 2023, requesting a written explanation of the facts of the SEC complaint filed against Harris.

For Violations Of:

Business and Professions Code, Division 1, Chapter 1, § 141; Division 3, Chapter 1, §§ 5063, and 5100(g), (h), and (l)

California Code of Regulations, title 16, § 52(a).

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Nancy Lee Hasbach

San Dimas
(CPA 23638)

Disciplinary Actions/License Restrictions:

Surrender of CPA license, via stipulated surrender.

Effective June 24, 2024

Causes for Discipline:

First Amended Accusation No. AC-2023-38 contains the following allegations: (1) False or Omitted Statements in Application; (2) Repeated Acts of Negligence; (3) Failure to Comply with Audit Documentation Requirements; (4) Report Failing to Conform to Professional Standards; (5) Failure to Comply with Professional Standards; (6) Identification of Audit Documentation; (7) Failure to Comply with Peer Review Requirements; (8) False Response to Board Inquiry; (9) Failure to Complete Required Continuing Education.

Nancy Lee Hasbach (Hasbach) is subject to disciplinary action for making false statements on her CPA license renewal application.

Hasbach is subject to disciplinary action for committing repeated acts of negligence in the performance of audits for T. S. C. as of June 30, 2021, 2020, and 2019, and the years then ended.

Hasbach is subject to disciplinary action for insufficient audit documentation. Hasbach failed to obtain sufficient appropriate audit documentation to support either the financial statements issued or the opinion rendered thereon.

Hasbach is subject to disciplinary action in that Hasbach's audit documentation did not provide a basis for the reports she issued for T. S. C. Therefore, the reports issued did not conform to professional standards.

Hasbach is subject to disciplinary action in that Hasbach's audit engagement did not comply with the professional standards of Generally Accepted Auditing Standards.

Hasbach is subject to disciplinary action in that Hasbach's work papers failed to include an index or guide, or to identify the preparer(s) and reviewer(s), or the date they were prepared and reviewed.

Hasbach is subject to disciplinary action in that Hasbach failed to enroll and participate in a CBA-recognized peer review program. Hasbach completed financial statements and issued audit reports for T. S. C. in 2018, 2019, and 2021, but only completed peer review for the period from January 1, 2016, to December 31, 2016.

Hasbach is subject to disciplinary action in that on or about November 17, 2021, Hasbach reported that she had not performed accountancy services that would require a peer review since 2016. Hasbach did not provide true and accurate information to the CBA regarding the public accounting services she provided.

Hasbach is subject to disciplinary action in that Hasbach was subject to completion of 24 hours of continuing education (CE) in Accounting & Auditing (A&A), but Hasbach reported only 9 hours of qualifying A&A CE.

For Violations Of:

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076, 5097, and 5100(b), (c), (e), and (g).

California Code of Regulations, title 16, §§ 40, 41, 52, 58, 68.2, and 87(d).

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Philip Jesus Herrera

Claremont
(CPA 44121)

Disciplinary Actions/License Restrictions:

Citation issued to Philip Jesus Herrera (Herrera) is affirmed, via proposed decision.

Effective April 29, 2024

Continued on Page 23

Other Enforcement Actions Continued from Page 22.

Citation for Violation of Regulations:
Following a proposed decision, the Administrative Law Judge upheld Citation Order No. CT-2023-203 stating that Herrera violated regulations by failing to complete a minimum of 20 hours of continuing education in the first year of his two-year license renewal period ending December 31, 2022.

For Violation Of:
California Code of Regulations, title 16, § 87(a)(1).

Tim Garret Kizirian

Chico
(CPA 74096)

Disciplinary Actions/License Restrictions:
Surrender of CPA license, via stipulated surrender.

Effective June 24, 2024

Causes for Discipline:
Accusation No. AC-2024-3 contains the following allegations: (1) Criminal Conviction; (2) Fiscal Dishonesty or Breach of Fiduciary Duty; (3) Embezzlement, Theft, Misappropriation of Funds or Property, or Obtaining Money, Property, or Other Valuable Consideration by Fraudulent Means or False Pretenses; (4) Willful Violation.

Tim Garret Kizirian (Kizirian) is subject to disciplinary action in that Kizirian has been convicted of a crime that is substantially related to his qualifications, functions, and duties as a certified public accountant. On or about May 11, 2023, in People v. Timothy Kizirian, et al., Superior Court of California, County of Butte, case no. 21CF06389, Kizirian pled no contest to a felony charge of violating Penal Code section 487(a) (grand theft of personal/real property over $950). Kizirian was sentenced to 90 days in jail, placed on two years' probation, ordered to enroll in a theft awareness program, ordered to pay fines and fees, and ordered to pay $26,627.01 in restitution. On or between April 5, 2017, and September 30, 2019, Kizirian knowingly and designedly, by false and fraudulent representation and pretense, obtained money, labor, and real and personal property from California State University, Chico, specifically, pay for unreported absences, which had a value exceeding $950.

Kizirian is subject to disciplinary action in that Kizirian committed fiscal dishonesty or breach of fiduciary duty.

Kizirian is subject to disciplinary action in that Kizirian committed embezzlement, theft, misappropriation of funds or property, or obtained money, property, or other valuable consideration by fraudulent means or false pretenses.

Kizirian is subject to disciplinary action in that Kizirian willfully failed to comply with the Accountancy Act and CBA regulations.

For Violations Of:
Business and Professions Code, Division 1.5, Chapter 3, § 490; Division 3, Chapter 1, §§ 5100(a), (g), (i), and (k).

California Code of Regulations, title 16, § 99.

Laurie H. Sidney

Beverly Hills
(CPA 103744)

Disciplinary Actions/License Restrictions:
Citation issued to Laurie H. Sidney (Sidney) is affirmed, via proposed decision. Sidney is ordered to pay the administrative fine of $150 to the CBA within 30 days of the effective date of the Order.

Effective June 24, 2024

Citation for Violation of Regulations:
Following a proposed decision, the Administrative Law Judge upheld Citation Order No. CT-2023-133 stating that Sidney violated regulations by failing to complete a minimum of 20 hours of continuing education (CE), with a minimum of 12 hours of CE in technical subject areas, in the first year of her two-year license renewal period ending November 30, 2022.

For Violation Of:
California Code of Regulations, title 16, § 87(a)(1).

Skowron & Bunning, LLP/Joseph M. Skowron.

Citrus Heights/Granite Bay
(PAR 8074/CPA 54590)

Disciplinary Actions/License Restrictions:
Revocations stayed with three years' probation, via stipulated settlement.

Continued on Page 24

Other Enforcement Actions Continued from Page 23

Skowron & Bunning, LLP (Partnership) and Joseph M. Skowron (Skowron) shall be jointly and severally obligated to reimburse the CBA $10,000 for its investigation and prosecution costs. The payments shall be made in quarterly payments (due with quarterly written reports) with the final payment due six months before probation is scheduled to terminate.

Within 30 days of the effective date of the Order, the Partnership and Skowron shall submit to the CBA or its designee for its prior approval a plan of practice that shall be monitored by another CPA who provides periodic reports to the CBA or its designee. The Partnership and Skowron shall pay all costs for such monitoring. The independent CPA shall, prior to issuance, review any audits, reviews, compilations, and other attestation engagements performed during the period of probation.

During the period of probation, the Partnership and Skowron shall be prohibited from engaging in and performing audits, reviews, compilations, or attestation engagements. The Partnership shall be prohibited from engaging in and performing audits, reviews, compilations, and other attestation services until such time that all of the following conditions are met:

a. Completion of Peer Review.

b. A supervised plan of practice has been submitted and approved by the CBA.

c. The Partnership has hired a CPA holding a valid license to practice public accounting and is authorized to sign reports on attest engagements.

d. All the Partnership personnel who are responsible for performing and engaging in attest engagements have completed 24 hours in the subject matter of audits and eight hours in Statements on Standards for Accounting and Review (SSARS) subject matter.

Within 180 days of the effective date of this Order, Skowron shall complete and pass the Ethical Leadership Training Program through the National Association of State Boards of Accountancy Center for the Public Trust and shall provide the certificate(s) of completion to the CBA. This training may not be claimed for purposes of satisfying the ethics education requirement for relicensure.

Within 180 days of the effective date of this Order, Skowron shall complete a CBA-approved course on the provisions of the California Accountancy Act and the CBA Regulations specific to the practice of public accountancy in California emphasizing the provisions applicable to current practice. The course also will include an overview of historic and recent disciplinary actions taken by the CBA, highlighting the misconduct that led to licensees being disciplined. This shall be in addition to continuing education requirements for relicensure.

The Partnership and Skowron shall maintain an active license status, including during any period of suspension. If the license is expired at the time the CBA's Order becomes effective, the license must be renewed within 30 days of the effective date of the Order.

The Partnership and Skowron shall pay to the CBA an administrative penalty in the amount of $2,500 for violation of sections 5076 and 5100, subdivision (g) of the California Accountancy Act, in conjunction with title 16 of the California Code of Regulations, sections 40 and 41. The payment shall be made within 30 days of the date of the CBA's Order is final.

During the period of probation, all of the Partnership's audit, review, and compilation reports and work papers shall be subject to peer review by a CBA-recognized peer review program provider at the Partnership's expense. The specific engagements to be reviewed shall be at the discretion of the peer reviewer. The Partnership must provide proof of enrollment in peer review within 30 days from the effective date of the Order and have the peer review completed within six months of the effective date of the Order.

Within 180 days of the effective date of the Order, the Partnership's personnel who are responsible for performing and engaging in attest engagements have completed 24 hours in the subject matter of audits and eight hours in SSARS subject matter. This shall be in addition to continuing education requirements for relicensure.

During the period of probation, if the Partnership undertakes an audit, review, or compilation engagement, the Partnership shall submit to the CBA as an attachment to the required quarterly report a listing of the same. The CBA or its designee may select one or more from each category and the resulting report and financial statement and all related working papers must be submitted to the CBA or its designee upon request.

After the completion of probation, Skowron shall be permanently prohibited from engaging in and performing any audits, reviews, compilations, and other attestation services. This condition shall continue until such time, if ever, Skowron successfully petitions the CBA for the reinstatement of the ability to perform audits, reviews, compilations, and other attestation services.

Other standard terms of probation.

Effective June 24, 2024

Continued on Page 25

Other Enforcement Actions Continued from Page 24

Causes for Discipline:

Accusation No. AC-2023-18 contains the following allegations: (1) Repeated Acts of Negligence: CH Audit Engagement; (2) Repeated Acts of Negligence: EY Review Engagement; (3) Audit Documentation Requirements; (4) Report Conforming to Professional Standards; (5) Compliance With Standards; (6) Willful Violation; (7) Peer Review Participation and Responsibilities.

The Partnership and Skowron are subject to disciplinary action in that the Partnership and Skowron committed repeated negligent acts in the performance of the CH Audit Engagement.

The Partnership and Skowron are subject to disciplinary action in that the Partnership and Skowron committed repeated negligent acts in the performance of the EY Review Engagement.

The Partnership and Skowron are subject to disciplinary action in that the audit documentation for the CH Audit Engagement did not include all of the information required.

The Partnership and Skowron are subject to disciplinary action in that for the CH Audit and EY Review Engagement, the Partnership and Skowron failed to perform either the audit or the review engagements to support the opinions and/or limited assurance rendered thereon.

The Partnership and Skowron are subject to disciplinary action in that the Partnership and Skowron failed to comply with professional standards in the performance of the CH Audit and EY Engagement.

Skowron is subject to disciplinary action in that Skowron's peer reviews resulted in two consecutive fails with repeated findings, reflecting that Skowron willfully failed to comply with professional standards after agreeing to take corrective action as a result of his last peer review, and instead, Skowron willfully ignored the findings and performed attest engagements with the same departures from standards.

The Partnership and Skowron are subject to disciplinary action in that the Partnership and Skowron failed to comply with peer review program regulations.

For Violations Of:

Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5076, 5097, and 5100(c), (e), and (g).

California Code of Regulations, title 16, §§ 40, 41, and 58.

California Board of Accountancy Directory

The CBA is committed to providing the highest level of customer service and staff are here to help answer questions you may have regarding our programs. We are encouraging communication by email at this time, which is the best way to receive the timeliest response. We strive to respond to email messages within three to five business days. For your convenience, we have provided contact information below for the different organizational units and functions at the CBA.

CBA UNIT	AREAS OF EXPERTISE	CONTACT INFORMATION
Administration	= License status check = General questions	(916) 263-3680 **https://www.dca.ca.gov/cba/consumers/license-lookup.shtml**
Enforcement	= Filing a complaint = Reporting unlicensed activity = Disciplinary actions = Ethical questions regarding CPA practice	(916) 561-1705 (916) 263-3673 Fax **enforcementinfo@cba.ca.gov** To access a complaint form, go to **https://connect.dca.ca.gov/cba/#/submitComplaint**
Examination	= Examination applications = Educational requirements = Exam scores = Name changes (exam candidates) = Transcripts	(916) 561-1703 (916) 263-3677 Fax **examinfo@cba.ca.gov**
Initial Licensing *(Accountancy Firms, Fictitious Names)*	= Licensing application for partnerships, corporations, and fictitious name registrations	(916) 561-4301 (916) 263-3676 Fax **firminfo@cba.ca.gov**
Initial Licensing *(Individuals)*	= Licensing application process for individual licenses = Name changes (CPAs and licensing applicants) = Wall/pocket certificate replacement = Certification of records	(916) 561-1701 (916) 263-3676 Fax **licensinginfo@cba.ca.gov**
License Renewal	= License renewal, continuing education requirements = Changing license status = Fees due	(916) 561-1702 (916) 263-3672 Fax **renewalinfo@cba.ca.gov**
Outreach/Public Information	= Events	**outreach@cba.ca.gov**
Practice Privilege	= Out-of-state licensees wishing to practice in California = Out-of-state firm registration	(916) 561-4301 (916) 263-3675 Fax **pracprivinfo@cba.ca.gov**

We are always looking for ways to improve customer service practices. Please let us know how we served you by taking our Stakeholder Feedback **Survey**.

If you are unsure where to direct your questions, please call our main phone number at **(916) 263-3680**.

CALIFORNIA BOARD OF ACCOUNTANCY

CHANGE OF ADDRESS FORM

Email to: adminunit@cba.ca.gov **Fax to:** (916) 263-3678
Mail to: 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833 **Contact CBA:** (916) 263-3680

Address change for
- ☐ **CPA/PA**
- ☐ **Firm** (corporation, partnership)
- ☐ **Applicant**

Additional Requests:
- ☐ **Send duplicate renewal application**
- ☐ **Send updated pocket ID**

NAME OF CPA/PA OR APPLICANT FOR LICENSURE

License No.

Last

First **Middle**

FIRM

Type ☐ **Corporation** ☐ **Partnership** ☐ **Fictitious name** **License No.**

Firm name **Your title**

Must be an owner/principal to complete firm address change.

NEW ADDRESS OF RECORD (required)

☐ **Home** ☐ **Business**

Business name (If applicable)

Street **Unit/apt. #**

City **State** **ZIP**

If you are a licensed CPA/PA or firm, your address of record is public information, and all CBA correspondence will be sent to this address.

FORMER ADDRESS OF RECORD

Street **Unit/apt. #**

City **State** **ZIP**

ALTERNATE ADDRESS* FOR MAIL DROPS AND P.O. BOXES

Street **Unit/apt. #**

City **State** **ZIP**

*If your address of record is a P.O. box or mail drop, you are required to provide a street address. This alternate address will **not** be posted on CBA's online License Lookup.

CONTACT INFORMATION

Email address

Phone number

Print your name **Date**

Signature (form must be signed)

_____ **I certify the truth and accuracy of all these statements and representations.**

The CBA maintains a list of all licensees. This list is sold to requestors for mailing list purposes. **Check here** ☐ if you do not want your name included on this list. Please note: Your name and address of record is public information and can be accessed through our website at **www.cba.ca.gov**.

This form is being provided for your convenience. Other forms of written and signed notice may be accepted by the CBA. Please allow five to seven business days for address changes to be reflected in License Lookup.

A licensee who fails to notify the California Board of Accountancy within 30 days of a change of address of record may be subject to citation and fine (fines ranging from $100–$1,000) under the California Code of Regulations, title 16, division 1, sections 3, 95 and 95.2.

CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS

Revised: 3/23
PDE_23-107

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CBA CALIFORNIA BOARD OF ACCOUNTANCY

UPDATE

Summer 2024
Issue No. 102

The CBA's newsletter, *UPDATE*, is digital. Licensees will be emailed when a new issue of *UPDATE* is published to the CBA website. Members of the public who wish to be notified about a new issue should sign up for the "*UPDATE* Publication" **E-News email list** on the CBA website.

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CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS

PDE_24-078

Alabama State Board of Public Accountancy

NEWSLETTER

Contents

Alabama State Board of Public Accountancy

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ARE YOU READY TO REGISTER?

Reminders and Important Information

As many of you are working on completing your annual CPE requirements, we want to provide a few important reminders. On the following page, read about the CPE requirements.

ARE YOU READY TO REGISTER?

Registration Forms
The 2024-2025 paper Registration forms and online links will be available on the Registration page of the Board's website on October 1. All CPAs, PAs, NLOs and Firms must submit a 2024-2025 Registration Form no later than December 31, 2024. Forms submitted after December 31, 2024 are subject to a late renewal penalty of $100. Forms submitted after February 28, 2025 are subject to a late renewal penalty of $500. Disciplinary action will be taken for anyone who has not registered after March 31, 2025.

CPE Reporting
CPE reporting is completed on your annual registration form each year. Please make sure to have your CPE certificates of completion in hand when you complete the CPE reporting portion of your registration. Make sure that you have independently verifiable evidence of completion for 40 hours of CPE, including 8 hours of accounting and auditing CPE and 2 hours of ethics CPE. There is no longer a cap on self-study CPE, so you may complete all your hours through this delivery method, if you so choose.

Instructional Video
A helpful video will be available on our website to assist with any questions you may have with creating an account and/ or uploading your CPE for the online registrations. The link to this video will be found on the Registration page of the Board's website on October 1.

CPE Extensions
CPE must be completed by September 30, 2024. If you find that you have not met the required hours, please email Ashley Sides to request a CPE extension. In your email, please include your name, certificate number, the date by which you plan to have your CPE completed, and the reason you need the extension.

False Attestations
The Board strongly advises licensees who have not completed their required CPE to reach out to the Board office. Do not falsely attest completion of CPE courses in order to renew your license as active. Licensees who falsely attest to completion of CPE could face disciplinary action that may include possible censure or revocation, making up the deficient CPE hours, completion of an additional ethics course and substantial fines. The Board encourages licensees to change their status and renew as inactive status rather than falsely attest CPE completion. (Please refer to Board Rules pertaining to Inactive status.) If you have any questions regarding registration, please contact the Board office.

BOARD MEMBER SPOTLIGHT

Steve N. Smith

Steven N. Smith is nearing the completion of his second year as a Board member, having been appointed by Governor Kay Ivey to the Alabama State Board of Public Accountancy for a four-year term effective October 1, 2022.

Steve was born and raised in Montgomery, graduating from Sidney Lanier High School. Steve is a graduate of the University of Alabama, earning a B. S. Degree in Accounting (1978) and a Juris Doctor (1981) from the University of Alabama School of Law. After graduation from law school, Steve began his career in public accounting in the tax department of Coopers & Lybrand in Birmingham. He passed the bar exam in the summer of 1981, and became a member of the Alabama State Bar in September, 1981. He became a Certified Public Accountant in June, 1983, after passing the CPA exam and satisfying the then-existing requirement of two years of employment in a public accountancy firm. After being with Coopers and Lybrand for over eight years, Steve spent the rest of his professional career with local public accounting firms, including 28 years with BMSS, LLC. He retired from BMSS on December 31, 2022. Retirement has allowed Steve to have a greater focus on his interest in fly fishing (warm- and cold-water varieties) and rekindle his efforts in fly tying.

Steve's background with public accounting firms (small and large, local and national) gives him a diverse perspective of the accounting profession and a wide range of experiences to draw on in carrying out the duties and responsibilities of a Board member. Holding professional licenses as both a CPA and an attorney, he has perspectives and experiences that assist him in his role on the Board. Steve's retirement has provided him with greater flexibility to apply these perspectives and experiences to a broader, increasing range of projects as a Board member. He is also currently serving as a member of the Ethics Committee for NASBA, the National Association of State Boards of Public Accountancy. Steve values his Board and NASBA service as an opportunity "to pay it forward' from a professional standpoint. The future health of the accounting profession is very important to Steve from a more personal standpoint, given the career paths of two of his children.

Steve and his wife, Robin, have been married for 44 years. Robin, a graduate of the University of Alabama College of Education, recently retired after a multifaceted career that included being a public school special education teacher, the Director of the Early Childhood Learning Center at Levite Jewish Community Center and later the marketing director for the LJCC. Steve and Robin have three children. Their daughter, Jessica Rhodes, is a CPA in the Birmingham office of Deloitte Tax, LLP, where she has been employed since earning bachelor and master degrees in accounting at the University of Georgia. Their daughter, Lauren Smith, has a bachelor of fine arts degree from the University of Georgia and is a line producer with Crazy Legs Productions in Atlanta. Their daughter, Molly Osborn, is a CPA and holds a bachelor of accountancy degree from the University of Georgia and a master of accountancy degree from the University of Alabama; she is employed by Harbert Management Corporation in Birmingham. Steve and Robin also have two granddaughters, Elanna and Ainsley, one grandson, Quincy, and three grand-dogs. Family gatherings at the lake and annual family vacations are favorite ways to spend time together, away from the bustling, day-to-day routines.

NEW CPAs

Rachel Erin Curry
Lekisha Moore Doyle
John Donald Freeman Jr
Cameron Jordan Jackson
Kaitlin Rose Jones
Jeewon Kim
Rachel Victoria Rysedorph
Julie Suzanne Smith
Charles David Tatum
Brody Alexander White
Adelyne Adams Mitchell
Susan Marie Colditz
Kimberly Ukenholz Tiller
Douglas Clayton Wright
Joel Charles Bostrom
Zachary Neil Jordan
Brandon Michael Martin
Lindsey Michelle Masterson
Miles Louis McLindon
Lillian Stewart Myers
Christopher Andrew Pitts
Sydney Hamilton Sledge
AnnaMaria Leona Feist
Jay Henry Jarrett II
Erin Meador Johnson
Carson Matthew Presley
Kelley Crews Yenias
Eleanor Waite Bond
Sarah-Briley Rose Cross
Kellsey Leigh Daggett
Macy Delano Gooch
Brandon Alexander Haley
Justin Van Headley
Douglas Elliott Hurt III
Natalie Erin Luther
Tracy Elizabeth Martin
Jacob Bryant Paul
Molly Parker Stone
Ryan Durham Dowdy
Avery Taylor Beasley
Chelsea Elizabeth Carroll
Murphy Joseph Durrett
Garrett Thomas Fain
Justin Robert Funk
Tavares Santez Grays
Emma Pierce Lucas
Viet-Phuong Tran Nguyen
Mary Katherine Patton
Brittany Nicole Pell
Natalie Knox Shannon

Cory Alan Stanaland
Savannah Elizabeth Stephens
Robert Dowie Umbach
Lillian Nolani Webb
Steven Graham Whitaker
Zijuan Chen
Christian Alan Millns
Rachael Brooke Bowley
Susan Pettigrew Capps
Taylor Nicole Hamlin
Jacqueline Lacey Lewis
India Amelia Marriott
John Douglas Phillips Jr
Rachel Jo Pierce
Kara Trae Plash
Katherine Anne Votaw
Andrew Stephen Whitfield
Jackson Daniel Willyerd
Mary Casteel Hallisey
John Anthony Cento
Cameron Joseph Graham
Danielle Ashton Haskin
Alicia Duncan Still
Emily Tyler Daffron
David Thomas Hyde
Sarah Margaret Jordan
Felicia Staub Langston
Abigail Borland Snyder
David Malcolm Sower
Kishankumar Sureschchand Patel
James Michael Aiken
Andrew Timothy Broderick
Joshua Michael Chaffin
Olivia Mary Dunn
Leah Elizabeth Mumpower
Christopher Gerard Odom
Landon Dial Crowder
Richard Tyler Mckeown
Virginia Kathryn Sudduth
Wendy Marie Amos
Kathryn Lawrence Baker
Kasie Mullis Hicks
Anna Elizabeth Hutto Luneau
Ryan Davis McCarty
James Nathan Nix III
Heather Jeanne Stewart
Alana Kirsten Vick
Zachary Quentin Borne
Allison Ann Evans
Nicole Marie Falls

Jesse Michael Rasaka
Angela Da Paula Russo
Trenace Reynolds Smith
Klancy Kay Brewer
Jack Douglas Ingram
Shin Kwon Kim
Stella Kiss
Emily Butler Stender
Summer Lee Tidwell
Christina Diane Cullers
Trisha Lea Guenther
Nathan Trevor Williamson
Courtney Pearlene King
Christopher Brian Looney
Caroline Williams Blaylock
Morgan Leanna Cannon
Jackson Luke Fendley
Natalie Brister Russell
Kaleigh Anne Kwasigroh
Mbi Tarh Agbortarh
Gabriella Paul Aboujaoude
Amara Shay Baltimore
Jessica Baca Parker
Beatrice Bear Tisher
Eleanor Ann Vogle
Lance Keith Carpenter
Richard Powell Crane
Stewart Stevenson Baker
Katherine Harriett Green
Elizabeth Giacalone Radke
Traci Lynn Rowland Shepps
Joseph Wilson Benton
Emily Wilson Blackwell
Robert Dylan Kemper
Nicholas Thomas Michel
Nicholas Stephen Piros
Zachary Harrison Ward
Ashley Nicole Dothard
Hayden Thomas Ford IV
Jonathan Paul Gareri
Mia Jo Lyons
Christine Ann Forsythe
Owen Elizabeth Hicks Hooper
Shanna Miller
Eric Michael Negangard
Scott Jacob Oliver
Manuel Bolivar Cedeno
Casey Douglas Corbett
Jackson Reed Mitchell
Grace Garner Wright

Alabama State Board of Public Accountancy
Alabama State Board of Public Accountancy | 770 Washington Ave, Ste 226 | Montgomery, AL 36104-3807
Tel: 334-242-5700 | Fax: 334-242-2711 | www.asbpa.alabama.gov

DISCIPLINARY ACTIONS

For a complete listing of disciplinary actions from 2002 to the present, please visit the Board's website.

The facts of each case vary greatly and the Board's ruling is based on the merit of each case.

Janaury 23, 2024

NAMED CPA BYRD, ROBERT PATRICK
CERT NO. 9579
CASE # 23-14
ACTION CENSURED
FINE $3,000
DESCRIPTION Accepted Consent - Undertook to prepare three compilation reports for clients for submission to the AL Licensing Board for General Contractors; not enrolled in the peer review program; not registered as a firm / Pay $3,000 fine; complete CPT course within 30 days of approval by Board.

NAMED CPA DICKERSON, JACQUELINE CRUTCHFIELD
CERT NO. 7534
CASE # 24PR-2
ACTION REVOKED
FINE $4,000
DESCRIPTION Failing to complete peer review / Fined $2,000/count for a total of $4,000; Return certificate & pay fine w/in 30 days; Also must complete NASBA CPT Ethics course.

NAMED CPA HAYDEN, RICHARD ELLIS
CERT NO. 8458-R
CASE # 23-19
ACTION REVOKED
FINE $2,000
DESCRIPTION Violation of Rules of Professional Conduct for termination of AICPA membership due to failing to cooperate with ethics charging authority in its investigation of professional conduct by not responding to interrogatories and request for documents; Failed to responded to Board inquiries. / Ordered to pay $2,000 fine and return CPA certificate.

NAMED CPA JONES, MARGARET DIANNE
CERT NO. 13892-R
CASE # 23CPE-15
ACTION N/A
FINE $1,250
DESCRIPTION Failed CPE audit / Pay $1,250 fine, resolve CPE for FYE 9/30/22, & complete CPT course w/in 30 days of Board approval.

NAMED CPA MCCRORY, DAVIS V
CERT NO. 3924
CASE # 23CPE-40
ACTION N/A
FINE $4,500
DESCRIPTION Failed to Respond to CPE audit / Pay $4,500 fine, resolve CPE for FYE 9/30/22, & complete CPT course w/in 30 days of Board approval.

NAMED CPA MCGRIFF, BILL W
CERT NO. 854
CASE # 24PR-1
ACTION REVOKED
FINE $4,000
DESCRIPTION Failing to enter into the peer review program / Fined $2,000/count for a total of $4,000; Return certificate & pay fine w/in 30 days; Also must complete NASBA CPT Ethics course.

NAMED CPA RUSSELL, LOUIS G III
CERT NO. 1003
CASE # 23CPE-41
ACTION N/A
FINE $700
DESCRIPTION Failed CPE audit / Pay $700 fine, resolve CPE for FYE 9/30/22, & complete CPT course w/in 30 days of Board approval.

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DISCIPLINARY ACTIONS

Janaury 23, 2024 (continued)

NAMED CPA	SEGARS, MICHAEL KIRK
CERT NO.	6252
CASE #	23-20
ACTION	CENSURED
FINE	$7,000
DESCRIPTION	Accepted Consent - Undertook to prepare an audit report on the financial statements for an employee benefit plan for submission to the US Dept of Labor. The report were inadequate in that they departed from GAAP; failed to prepare audit documentation to support the work performed for subsequent events; failed to report that the firm completed an EBP audit to their peer review captain as required by peer review standards. / Ordered to pay $7,000 fine, complete CPT course w/ in 30 days of Board approval.

NAMED CPA	WORRELL, MICHAEL B
CERT NO.	1610
CASE #	23-13
ACTION	SUSPENDED
FINE	$5,000
DESCRIPTION	Suspended for 1 year / Entering into a Settlement Agreement with the Professional Ethics Executive Committee of the American Institute of CPAs and the Alabama Society of CPAs Professional Ethics Committee (Ethics Charging Authority); Failed to complete an audit engagement that he could not reasonably expect to complete with professional competence; the audit in question reflected a lack of due professional care and lacks sufficient relevant data; violated rule of professional conduct and conduct in general. / Pay $5,000 fine; complete CPT course; and return CPA certificate within 30 days.

May 3, 2024

NAMED CPA	LUND, STEVEN ALAN
CERT NO.	11596
CASE #	24-3
ACTION	CENSURED
FINE	$7,000
DESCRIPTION	Accepted Consent - Undertook an audit report on financial statements of an employee benefit plan for submission to the US Department of Labor. The audit reports, financial statements and work papers reflected a lack of due professional care; they do not support that you complied with generally accepted auditing standards or principals. / Must complete the following within 30 days of the Board approval: 1) Pay $7,000 fine; 2) complete CPT course; 3) complete AICPA CPE course “Compilation and Preparations Series;” engage a pre-issuance reviewer, chosen by you and pre-approved by the Board, to perform a pre-issuance review before any Compilation is issued; 4) must supply the client’s name and client year end of the next Compilation expected to be completed with an issuing report date in the twelve months following the Board’s acceptance of this agreement this order. The pre-issuance reviewer will be required to report all findings and recommendations, in detail, directly to the Board. The Board may extend the period of time and number of engagements subject to pre-issuance review based on the results of these reports; and 5) an agreement that the highest level of engagement that may be completed by the Respondent will be a Compilation, unless approved by the Board.

DISCIPLINARY ACTIONS

May 3, 2024 (continued)

NAMED CPA	SEGARS, GEREMY GRANT
CERT NO.	9231
CASE #	23-8
ACTION	CENSURED
FINE	$5,500
DESCRIPTION	Accepted Consent - Undertook an audit report of an employee benefit plan for submission to the US Department of Labor (DOL). The audit reports, financial statements, and work papers submitted to the DOL were inadequate in that they reflected departures from generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants and departures from generally accepted accounting principles promulgated by a body designated by Council of the American Institute of Certified Public Accountants to establish such principles. / Pay $5,500 fine; and complete CPT course.

NAMED CPA	STEWART, OTIS JR
CERT NO.	8935
CASE #	24-5
ACTION	CENSURED
FINE	$4,000
DESCRIPTION	Accepted Consent - Practice rights suspended before the Internal Revenue Service (IRS) and for failing to notify the Board within 30 days of his suspension / Pay $4,000 fine; complete CPT course; and during the five-year term of the IRS suspension, beginning on April 20, 2023, that Respondent will not be allowed to perform attest engagements as defined by Ala. Code (1975) §§ 34-1-2 (2), compilations as defined by Ala. Code (1975) §§ 34-1-2(4), nor preparation of financial statements as defined by Ala. Code (1975) §§ 34-1-2(10). Nothing in the Order, or the conduct giving rise to it, shall be construed to limit Respondent's right to identify himself as a Certified Public Accountant, or perform services permitted by licensure as such, except as set forth specifically in the Order.

July 12, 2024

NAMED CPA	BASS, KIMBERLY DIANNE
CERT NO.	14703-R
CASE #	24D-7
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	BRASHIER, KIMBERLY LOUISE
CERT NO.	9906
CASE #	24D-49
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	BERDANIER, ROBERT DAWSON
CERT NO.	8439-R
CASE #	24D-48
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	BRAXTON, HANNAH GRIFFITH
CERT NO.	13629-R
CASE #	24D-10
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

DISCIPLINARY ACTIONS

July 12, 2024 (continued)

NAMED CPA	BRETZ, ALICE WRAPE
CERT NO.	6051
CASE #	24D-50
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	BRIGHAM, LOTT HERRICK
CERT NO.	12077
CASE #	24D-51
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	BURKS, JANEE WILSON
CERT NO.	13324
CASE #	24CPE-2
ACTION	N/A
FINE	$600
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $600, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	DAVIS, JOEL B
CERT NO.	10811
CASE #	24CPE-4
ACTION	N/A
FINE	$650
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $650, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	DOYLE, MARTHA BLACK
CERT NO.	7535
CASE #	24D-55
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	EMILI, RYAN STEFANO
CERT NO.	14321
CASE #	24D-18
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	HAMILTON, MARK CLAYTON
CERT NO.	9461
CASE #	24CPE-5
ACTION	N/A
FINE	$1,400
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $1,400, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	HAMILTON, MICHAEL LEON JR
CERT NO.	11569
CASE #	24D-22
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	HARRIS, ROBERT HUNTER
CERT NO.	12315
CASE #	24D-59
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

DISCIPLINARY ACTIONS

July 12, 2024 (continued)

NAMED CPA	HIGGINS, MARION E JR
CERT NO.	2399
CASE #	24-7
ACTION	CENSURED
FINE	$7,000
DESCRIPTION	Accepted Consent - Undertook an audit report on financial statements of an employee benefit plan for submission to the US Department of Labor. The audit reports, financial statements and work papers reflected a lack of due professional care; they do not support that you complied with generally accepted auditing standards or principals. / Must complete the following within 30 days of the Board approval: 1) Pay $7,000 fine; 2) complete CPT course; 3) Agreed to not engage in any financial statement reporting to include attest engagements, compilation engagements, or preparation of financial statement engagements, unless approved by the Board.

NAMED CPA	HOPPER, WILLIAM ANDREW
CERT NO.	12254
CASE #	24D-23
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	HUA, TRUC
CERT NO.	14313
CASE #	24D-24
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	HUDSON, AMI ALLEN / AMI ALLEN HUDSON CPA
CERT NO.	7004 / F2185
CASE #	24DF-1
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failure to apply for an annual firm permit

NAMED CPA	HUDSON, WENDY HARRIS / WENDY HUDSON CPA LLC
CERT NO.	14203 / F2722
CASE #	24DF-14
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failure to apply for an annual firm permit

NAMED CPA	JARRETT, KIRK J
CERT NO.	9262-R
CASE #	24D-25
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	KENT, THOMAS PATRICK III
CERT NO.	10569
CASE #	24D-30
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	KURN, NANCY MARTHA
CERT NO.	7326
CASE #	24D-65
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

DISCIPLINARY ACTIONS

July 12, 2024 (continued)

NAMED CPA	LEATHERWOOD, DAN R
CERT NO.	8376
CASE #	24D-31
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	LICHTENSTEIN, KATEY ALEXIS
CERT NO.	14751
CASE #	24D-32
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	MINER, JAKE ALLEN
CERT NO.	13945
CASE #	24CPE-7
ACTION	N/A
FINE	$900
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $900, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	MOORE, ANNIE MURPHREE
CERT NO.	11367
CASE #	24D-68
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	MOORE, WILLIAM BRIAN / W BRIAN MOORE CPA LLC
CERT NO.	11326 / F2698
CASE #	24DF-13
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failure to apply for an annual firm permit

NAMED CPA	PERRY, POLLY WHITAKER
CERT NO.	11372
CASE #	24CPE-8
ACTION	N/A
FINE	$750
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $750, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	PLUNKETT, CASSIE MARIE
CERT NO.	11288
CASE #	24CPE-1
ACTION	CENSURED
FINE	$1,300
DESCRIPTION	FOLLOW-UP AUDIT / Accepted Consent - Failed CPE audit / fined $1,300, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	RALEY, ADRIAN THOMAS
CERT NO.	8256
CASE #	24D-73
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	SHARP, FREDERICK DEVON
CERT NO.	7258
CASE #	24D-78
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	SMITH, CHERIE BARDWELL / LANDMARK PLC CPAS
CERT NO.	14268-R / F2759
CASE #	24DF-5
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failure to apply for an annual firm permit

DISCIPLINARY ACTIONS

July 12, 2024 (continued)

NAMED CPA	SMITH, CLINTON TERRY
CERT NO.	8094
CASE #	24D-79
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	SMITH, MITCHELL JAMES / MITCHELL J SMITH CPA CFE
CERT NO.	6485 / F1989
CASE #	24D-37 / 24DF-6
ACTION	REVOKED
FINE	$1,000
DESCRIPTION	Failure to apply for an annual permit to practice for individual and firm

NAMED CPA	STALLWORTH, MICHAEL ERWIN
CERT NO.	12267
CASE #	24D-39
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	VAUGHN, ASHLEY BRIDGES
CERT NO.	13986
CASE #	24D-40
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	WALDRON, ERIN MOSLEY
CERT NO.	10961
CASE #	24D-82
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	WATFORD, DEANNA L
CERT NO.	8755
CASE #	24D-42
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	WELEJSKI, PATRICIA CELESTE
CERT NO.	6755
CASE #	24D-84
ACTION	REVOKED
FINE	$500
DESCRIPTION	Failed to register and/or apply for an annual permit to practice

NAMED CPA	WILLIAMS, RICHARD B / RICHARD B WILLIAMS CPA PC
CERT NO.	1671 / F238
CASE #	24D-43 / 24DF-8
ACTION	REVOKED
FINE	$1,000
DESCRIPTION	Failure to apply for an annual permit to practice for individual and firm

NAMED CPA	WOODWARD, JARED THOMAS
CERT NO.	10845
CASE #	24CPE-10
ACTION	N/A
FINE	$740
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $740, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

DISCIPLINARY ACTIONS

September 17, 2024

NAMED CPA	ABBOTT, JOE BOONE JR
CERT NO.	3644
CASE #	24-2
ACTION	CENSURED
FINE	$5,000
DESCRIPTION	Accepted Consent - Undertook an audit report on financial statements of an Employee Benefit Plan (EBP) for submission to the US Department of Labor. The audit reports, financial statements and work papers reflected a lack of due professional care; they do not support that respondent complied with generally accepted auditing standards or principals. / Must complete the following within 30 days of the Board approval: 1) Pay $5,000 fine; 2) Agreed if the Respondent plans to re-issue an EBP report with client year end before 12/31/22, that he will engage an exteneral CPA with expertise in this area to review the audit report and workpapers. Also, the Respondent will amend the audit report and workpapers as noted by the external CPA. 3) Agreed if in the future the Repondent plans to issue an EBP audit report, he shall engage a pre-issuance reviewer, chosen by the Respondent and approved by the Board, to perform a pre-issuance review of the first EBP audit report issued. The pre-issuance reviewer will be required to report all findings and recommendations, in detail, directly to the Board. The Board may extend the period of time, number, and type of engagements subject to pre-issuance review based on the results of these reports. 4) Agreed if in the future he plans to issue an EBP audit report, the Firm will become a member of the AICPA Employee Benefit Plan Audit Quaility Center. 5) Complete NASBA CPT Ethics course.

NAMED CPA	BENNETT, WILLIAM STIGLER
CERT NO.	13686
CASE #	24CPE-11
ACTION	N/A
FINE	$600
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $600, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	CARMACK, BRADFORD LARRY
CERT NO.	12096
CASE #	24CPE-12
ACTION	N/A
FINE	$1,250
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $1,250, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	CAMERON, CHELSEA ANN
CERT NO.	13951-R
CASE #	24CPE-13
ACTION	N/A
FINE	$580
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $580, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	DENNIS, CASEY THRASHER
CERT NO.	13106
CASE #	24CPE-14
ACTION	N/A
FINE	$800
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $800, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

DISCIPLINARY ACTIONS

September 17, 2024 (continued)

NAMED CPA	LACERENZA, CHRISTOPHER M
CERT NO.	14196-R
CASE #	24CPE-15
ACTION	N/A
FINE	$1,300
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $1,300, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	MCMURRAY, PAUL AUGUSTUS
CERT NO.	9636
CASE #	24PR-5
ACTION	REVOKED
FINE	$2,000
DESCRIPTION	Failure to complete the requirements of the peer review program

NAMED CPA	MILLER, DARWYN MAYTON
CERT NO.	7235
CASE #	24CPE-16
ACTION	N/A
FINE	$950
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $950, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	MITCHELL, JOSEPH P
CERT NO.	7239
CASE #	24CPE-25
ACTION	N/A
FINE	$2,800
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $2,800, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	MULLICAN, JOHN THOMAS III
CERT NO.	11554
CASE #	24CPE-17
ACTION	N/A
FINE	$600
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $600, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	NICHOLSON, JASON WILLIAM
CERT NO.	14027
CASE #	24CPE-18
ACTION	N/A
FINE	$3,100
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $3,100, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	ROBERTS, LEIGH ANN BECK
CERT NO.	6154
CASE #	24-11
ACTION	CENSURED
FINE	$1,750
DESCRIPTION	Accepted Consent - Undertook to prepare seven review reports from, 2018 to 2023, for submission to the AL Licensing Board of General Contractors (ALBGC) in compliance with the ALBGC reporting requirements. Failed to enroll into the peer review program. Failed to notify the Board that the firm issued reivew reports from 2018 to 2023. On the annual firm registrations for each of these years, "no reports issued" was marked. / Must complete the following within 30 days of the Board approval: 1) pay $1,750 fine; and 2) complete NASBA CPT Ethics course.

DISCIPLINARY ACTIONS

September 17, 2024 (continued)

NAMED CPA	SANFORD, ROBERT ROY
CERT NO.	13190
CASE #	24CPE-19
ACTION	N/A
FINE	$700
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $700, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	SCHNEIDER, MARK D
CERT NO.	14771-R
CASE #	24CPE-9
ACTION	N/A
FINE	$700
DESCRIPTION	Failed CPE audit / fined $700, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	SMITH, JULIA WITTICHEN
CERT NO.	14438
CASE #	24CPE-21
ACTION	N/A
FINE	$600
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $600, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	TAUNTON, JOHNNY ALAN
CERT NO.	1513-R
CASE #	24CPE-22
ACTION	N/A
FINE	$900
DESCRIPTION	Accepted Consent - Failed CPE audit / fined $900, resolve CPE for FYE 9/30/23, & complete CPT course all due w/in 30 days of Board approval

NAMED CPA	WILLIAMS, JEFFREY B
CERT NO.	4071
CASE #	24-9
ACTION	CENSURED
FINE	$2,500
DESCRIPTION	Accepted Consent - Failed to return client QuickBook Online files. Eventually full access was returned to client. / Must complete the following within 30 days of the Board approval: 1) pay $2,500 fine; and 2) complete NASBA CPT Ethics course.

HELPFUL LINKS

Exam Application

Registration

Administrative Fine Payment

Alabama State Board of Public Accountancy
Alabama State Board of Public Accountancy | 770 Washington Ave, Ste 226 | Montgomery, AL 36104-3807
Tel: 334-242-5700 | Fax: 334-242-2711 | www.asbpa.alabama.gov

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INVESTIGATIONS

THE STATE of ALASKA

Department of Commerce, Community, and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

550 West Seventh Avenue, Suite 1500
Anchorage, AK 99501-3567
Main: 907.269.8160
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MEMORANDUM

DATE: October 24, 2024

TO: Board of Public Accountancy

THRU: Erika Prieksat, Chief Investigator

FROM: Roger Rouse, Investigator RR

RE: Investigative Report for the November 07, 2024 Meeting

The following information was compiled as an investigative report to the Board for the period of August 03, 2024 thru October 24, 2024; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegals in Anchorage and Juneau, regarding continuing education audits and license action resulting from those matters are covered in this report.

OPEN - 55

Case Number	Violation Type	Case Status	Status Date
CERTIFIED PUBLIC ACCOUNTANT			
2024-000070	License Application Review/Referral	Intake	01/17/2024
2024-000091	License Application Review/Referral	Intake	01/23/2024
2024-000911	Incompetence	Intake	09/27/2024
2021-000237	Unlicensed practice or activity	Complaint	03/31/2021
2022-000869	Incompetence	Complaint	09/14/2022
2022-000927	Violating professional ethics	Complaint	10/11/2022
2022-000932	Violating professional ethics	Complaint	10/11/2022
2022-000933	Violating professional ethics	Complaint	10/11/2022
2024-000030	License Application Problem	Complaint	02/27/2024
2024-000033	License Application Review/Referral	Complaint	06/20/2024

2024-000074	Unlicensed practice or activity	Complaint	03/11/2024
2024-000076	License Application Review/Referral	Complaint	03/19/2024
2024-000080	Unlicensed practice or activity	Complaint	05/15/2024
2024-000119	License Application Review/Referral	Complaint	06/17/2024
2024-000451	Unlicensed practice or activity	Complaint	06/28/2024
2024-000500	Continuing education	Complaint	06/06/2024
2024-000503	Continuing education	Complaint	06/06/2024
2024-000549	Continuing education	Complaint	06/22/2024
2024-000675	Continuing education	Complaint	07/31/2024
2024-000729	Continuing education	Complaint	08/19/2024
2024-000750	Unlicensed practice or activity	Complaint	08/27/2024
2024-000764	Continuing education	Complaint	08/28/2024
2023-000514	Contested license denial	Monitor	
2021-000081	Violation of licensing regulation	Investigation	01/13/2022
2022-000046	License Application Problem	Investigation	07/03/2024
2022-000068	Negligence	Investigation	02/22/2024
2024-000083	Unlicensed practice or activity	Investigation	07/24/2024
2024-000163	Unlicensed practice or activity	Investigation	10/04/2024
2024-000256	Continuing education	Investigation	04/04/2024
2024-000257	Continuing education	Investigation	04/04/2024
2024-000330	Unlicensed practice or activity	Investigation	07/24/2024
2024-000489	Continuing education	Investigation	07/29/2024
2024-000497	Continuing education	Investigation	08/08/2024
2024-000501	Continuing education	Investigation	08/20/2024
2024-000506	Continuing education	Investigation	08/23/2024
2024-000551	Continuing education	Investigation	08/20/2024
2024-000575	Continuing education	Investigation	09/05/2024
2024-000639	Continuing education	Investigation	08/12/2024
2024-000641	Continuing education	Investigation	08/12/2024
2024-000673	Continuing education	Investigation	09/09/2024
2023-001203	Criminal action - conviction	Litigation Initiated	

CERTIFIED PUBLIC ACCOUNTANT REGISTRATION

2024-000069	License Application Review/Referral	Intake	01/17/2024
2024-000079	License Application Review/Referral	Intake	01/18/2024
2024-000277	License Application Review/Referral	Intake	03/22/2024
2023-000232	Violation of licensing regulation	Complaint	03/16/2023
2024-000071	License Application Problem	Complaint	05/02/2024
2024-000073	Unlicensed practice or activity	Complaint	03/11/2024
2024-000241	Unlicensed practice or activity	Complaint	05/01/2024
2024-000355	Violation of licensing regulation	Complaint	06/13/2024
2024-000437	Violation of Profession Statute or Regulation	Complaint	06/14/2024
2024-000576	Violation of licensing regulation	Complaint	07/22/2024
2022-000131	Incompetence	Investigation	09/01/2023
2024-000165	Unlicensed practice or activity	Investigation	07/22/2024
2024-000243	Unlicensed practice or activity	Investigation	08/05/2024

CORPORATE AUTHORIZATION

2022-000870	Incompetence	Complaint	09/14/2022

Closed - 27

Case #	Violation Type	Case Status	Closed	Closure
CERTIFIED PUBLIC ACCOUNTANT				
2024-000539	Continuing education	Closed-Intake	08/22/2024	No Action - No Violation
2024-000415	Continuing education	Closed-Complaint	08/20/2024	No Action - No Violation
2024-000745	Violation of Profession Statute or Regulation	Closed-Complaint	09/11/2024	Referred to Other Agency
2022-000589	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000078	License Application Review/Referral	Closed-Investigation	09/30/2024	Advisement Letter
2024-000169	Unlicensed practice or activity	Closed-Investigation	09/10/2024	License Action
2024-000176	Unlicensed practice or activity	Closed-Investigation	09/10/2024	License Action

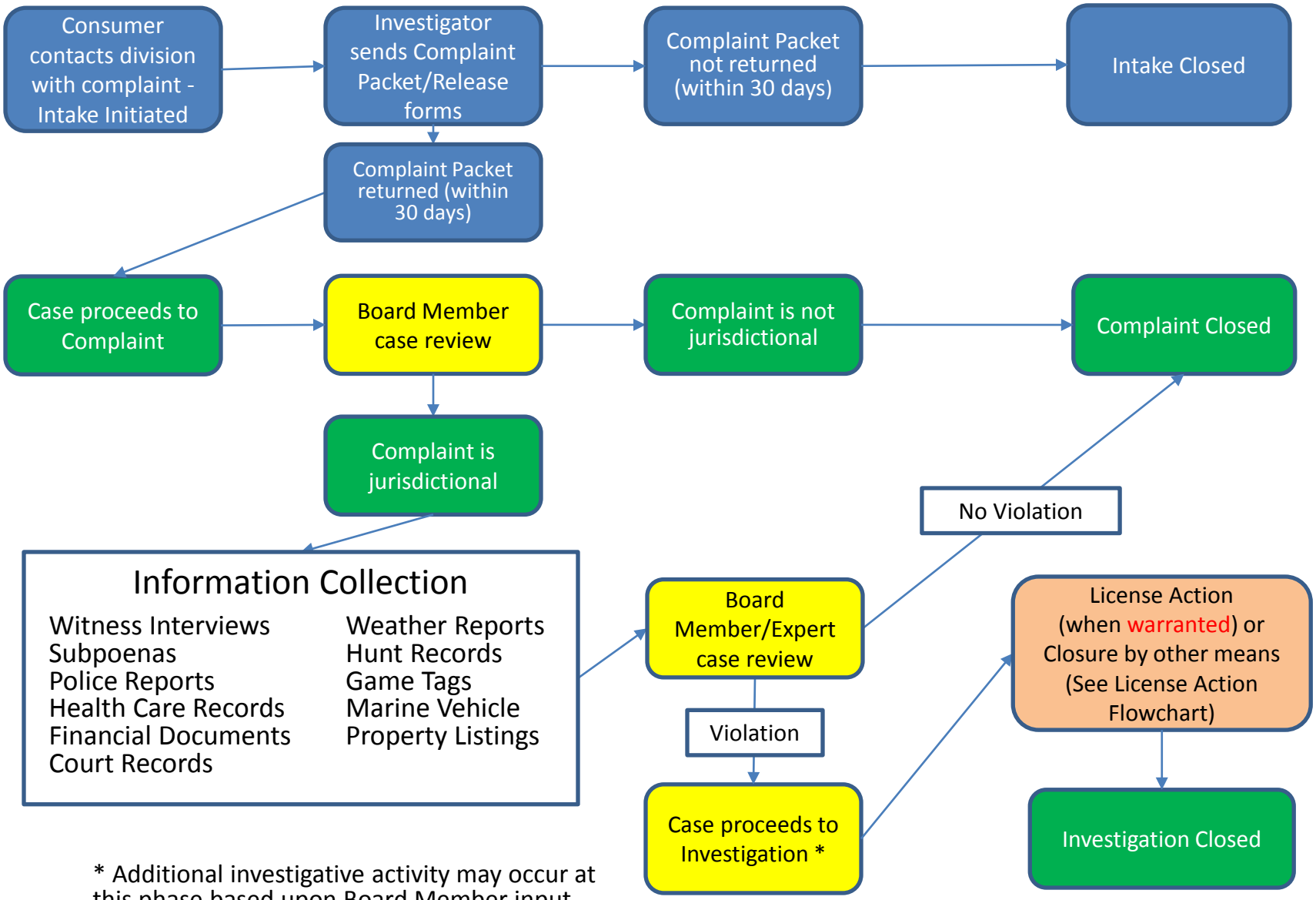
2024-000370	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000377	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000381	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000382	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000383	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000385	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000386	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000392	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000411	Continuing education	Closed-Investigation	10/03/2024	License Action
2024-000413	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000493	Continuing education	Closed-Investigation	10/03/2024	License Action
2024-000494	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000496	Continuing education	Closed-Investigation	10/03/2024	License Action
2024-000498	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000502	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000504	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000514	Continuing education	Closed-Investigation	08/20/2024	License Action
2024-000515	Continuing education	Closed-Investigation	08/20/2024	License Action

CERTIFIED PUBLIC ACCOUNTANT REGISTRATION

2024-000077	License Application Review/Referral	Closed-Intake	08/12/2024	Review Complete
2024-000264	License Application Review/Referral	Closed-Intake	08/12/2024	Review Complete

END OF REPORT

Investigative Process



* Additional investigative activity may occur at this phase based upon Board Member input.

Overview of the Board and Division (Investigation Unit) functions:

The Board or Commission's primary function is that of a regulatory body that makes licensure decisions and monitors compliance with the statute and regulations governing the profession. The professional statutes and regulations are found in centralized statutes of Title 8, and also in the statutes and regulations specific to each board, commission, or occupational area.

Complaints:

All written complaints, or reports, alleging a violation of statute or regulations should provide a specific and detailed summary of the complaint; the complainant must include any documentation or witnesses they feel supports the allegation of wrongdoing and, in healthcare complaints, a release for patient records.

Upon receipt, the complaint and evidence are reviewed by investigators to ensure jurisdiction over the person named in the complaint and the alleged violation by that person. This review takes into account, informal guidelines established by the Board or Commission, and the statutes and regulations of that specific practice area. If the complaint does not appear to allege a violation that is within the Board's jurisdiction, the Division may close the complaint. If the complaint does center on a violation that is within the Board's jurisdiction, an initial letter may be sent to the licensee against whom the complaint is filed. This letter provides notice of the complaint and allegations and may request records, an interview, or other response by the licensee.

Complaints that present an immediate threat to public safety are given priority; however, all complaints are investigated as quickly as possible. The steps taken in the investigation are determined on a case by case basis by the specifics of the allegations. This portion of the investigative process may be quite lengthy and may require additional information or evidence from the complainant, licensee, businesses, other governmental agencies or state boards, witnesses, or related parties.

Inquiry and Investigation:

The Investigators conduct an inquiry into the complaint; generally, the steps for an inquiry include the following:

- obtaining records, documentation and evidence related to the complaint;
- locating and interviewing the complainant, the client, the subject and any witnesses;
- drafting and serving subpoenas for necessary information.

After investigators have gathered pertinent information or evidence to prove or disprove an alleged violation, the matter is reviewed with the Chief Investigator and, when appropriate, the Board or Commission's liaison, a panel of two Board Members, or an expert in the field. This review may result in a recommendation that more information be obtained, the case be closed, or that the case continue forward. The Board's liaison or review panel does not determine guilt or innocence; it simply reviews the complaint to determine whether the allegations, supported by un-contested or sufficient evidence, would warrant proceeding with disciplinary action even if contested by the licensee.

If the complaint is supported by evidence, it proceeds to a case, or investigation. Once an investigation is opened, the licensee is notified they are under official investigation by the Division on behalf of the Board or Commission. This distinguishes between allegations brought against a licensee and a matter where allegations were brought and it was determined the licensee committed a violation of statutes or regulations governing their license. This is an important step because complaints can be unfounded or determined to be unsupported by evidence, and they are closed before becoming an official investigation, protecting the subject of the complaint from unwarranted repercussions in the community or area of practice. If a violation is supported by evidence and the matter proceeds to an investigation, the next step is determining an appropriate result.

Disposition of Cases:

The majority of cases are resolved through a Consent Agreement, an amicable settlement of a case short of a public hearing; this Agreement spells out agreed upon disciplinary action between the Board and the licensee and allows more options in achieving a balanced resolution for both parties.

The Consent Agreement is written by the Division, in consultation with a Reviewing Board or Commission Member; they consider the nature of the violation, the standard in effect at the time it was violated, the effect of the violation on the public and the profession, whether the respondent was knowing and willful, previous violations, whether the licensee was cooperative and took responsibility for the violation, any mitigating circumstances, the disciplinary action's effect on improving the licensee's practices, precedents set by other cases for consistency from case to case, and if appropriate, a necessary deterrent for other practitioners to avoid a similar violation.

Consent Agreements may involve any of the following:

- reprimand
- revocation
- assessment of a civil penalty (fine)
- suspension (for a specific period of time)
- probation
- condition to take additional Continuing Education over and above the annual requirement
- restrictions on practice (some Boards)

If an Agreement with the licensee is unsuccessful, the case is referred to the investigators' counsel, an Assistant Attorney General (AAG), for review and possible litigation, filing an Accusation charging the violations. If an Accusation is filed, the licensee is entitled to a hearing on the charges against them. After guidance from the Board or Commission and the Division, the AAG may approach the licensee to negotiate a settlement prior to a hearing. If a settlement cannot be reached, an administrative hearing will be held. All involved parties may be requested to appear and testify at the hearing, conducted by the Office of Administrative Hearings (OAH). After the hearing, OAH provides the Board or Commission with a proposed decision and order; the Board or Commission may adopt, amend, or reject the proposed decision and issue their own Decision and Order. Any Decision and Order adopted by the Board or Commission may be appealed to the Superior Court by the licensee.

The Division does not intervene in a dispute regarding the fees charged by a licensee. Disciplinary action is considered carefully on a case-by-case basis since the action may adversely affect the licensee reputation and ability to make a living. Therefore, it takes more than a claim of wrongdoing to file a complaint with the Board; the allegation must be substantiated and must be jurisdictional to the statutes and regulations of that Board or practice area.

<u>Confidentiality</u>:

Investigations are required by statute to be kept confidential. This often prevents the complainant, licensee, and the Board from obtaining progress reports or information that may disclose the current status of an open investigation. This also protects the reputation of licensees who may be accused of wrongdoing but the allegations against them are unproven. Cases often involve other agencies, businesses, and practices; disclosing information during an on-going case can compromise the investigation, create conflicts for reviewing Board members, or result in unnecessary hardship to the licensee.

Board/Commission License Action Options

Circumstance	Response/Options
Cease and Desist Order On notice of possible violation, the Commissioner may, if in public's interest, issue Cease and Desist Order. AS 08.01.087(b). The board is polled for objection.	**Board can object.** Must be majority, within 10 days.
Summary Suspension Investigation shows "clear and immediate threat to public health and safety", Division presents petition for summary suspension.	**Board issues summary suspension; hearing to follow within 7 days.** AS 08.01.075(c) Post-hearing there is a proposed decision (from a judge), requires adoption by board.
License Denial	**Board issues or denies license based on Alaska statutes specific to the profession.** Possible hearing if license is denied, proposed decision, and final adoption by board.
Consent Agreement Investigation Unit presents a Consent Agreement, either before or after an Accusation is filed.	**Board may approve or reject.** If board rejects Consent Agreement, further negotiations may follow or a hearing may be held.
Accusation Investigation informed by the professional opinion of a Reviewing Board Member leads to filing an Accusation; if requested, hearing follows, decision goes to board with proposals for action from both parties, if any.	**Board determines whether to accept, reject, or modify proposed decision and determine which sanctions to impose.** AS 08.01.075
Violation of Consent Agreement: Automatic Suspension Board is informed of violation warranting immediate suspension under terms of Consent Agreement.	Division initiates suspension (per delegated authority) within Consent Agreement. Hearing possible, after which the board considers proposed ALJ decision, and adopts, rejects or amends.

BOARD BUSINESS

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Summary of All Professional Licensing
Schedule of Revenues and Expenditures

Board of Public Accountancy	FY 18	FY 19	Biennium	FY 20	FY 21	Biennium	FY 22	FY 23	Biennium	FY 24
Revenue										
Revenue from License Fees	$ 730,935	$ 155,871	$ 886,806	$ 763,235	$ 164,635	$ 927,870	$ 646,145	$ 136,860	$ 783,005	$ 600,898
General Fund Received					$ -	-	$ 17,196	$ 3,621	20,817	$ 1,154
Allowable Third Party Reimbursements	6,580	2,241	8,821	$ 1,465	$ -	1,465	$ 720	$ 6,304	7,024	$ 8,980
TOTAL REVENUE	$ 737,515	$ 158,112	$ 895,627	$ 764,700	$ 164,635	$ 929,335	$ 664,061	$ 146,785	$ 810,846	$ 611,032
Expenditures										
Non Investigation Expenditures										
1000 - Personal Services	148,255	150,914	299,169	124,487	134,983	259,470	158,954	129,224	288,178	177,675
2000 - Travel	24,125	12,902	37,027	6,800	278	7,078	2,175	11,617	13,792	10,567
3000 - Services	15,356	8,138	23,494	8,448	4,960	13,408	8,473	8,049	16,522	21,454
4000 - Commodities	313	285	598	-	-	-	-	-	-	-
5000 - Capital Outlay	-		-	-	-	-	-	-	-	-
Total Non-Investigation Expenditures	188,049	172,239	360,288	139,735	140,221	279,956	169,602	148,890	318,492	209,696
Investigation Expenditures										
1000-Personal Services	52,645	75,518	128,163	55,363	59,205	114,568	61,298	89,609	150,907	95,173
2000 - Travel		-	-	-	-	-	-	-	-	-
3023 - Expert Witness	-	-	-	-	-	-	-	-	-	2,700
3088 - Inter-Agency Legal	16,670	33	16,703	-	5,034	5,034	17	-	17	4,851
3094 - Inter-Agency Hearing/Mediation	8,260	-	8,260	-	7,725	7,725	-	-	-	4,641
3000 - Services other		501	501	273	60	333	51	70	121	1,346
4000 - Commodities		-	-	-	-	-	-	-	-	-
Total Investigation Expenditures	77,575	76,052	153,627	55,636	72,024	127,660	61,366	89,679	151,045	108,711
Total Direct Expenditures	265,624	248,291	513,915	195,371	212,245	407,616	230,968	238,569	469,537	318,407
Indirect Expenditures										
Internal Administrative Costs	60,154	58,864	119,018	58,556	48,282	106,838	60,652	60,404	121,056	62,853
Departmental Costs	43,238	46,280	89,518	29,179	27,972	57,151	33,998	29,377	63,375	41,330
Statewide Costs	22,452	22,975	45,427	23,694	26,652	50,346	27,683	23,797	51,480	26,407
Total Indirect Expenditures	125,844	128,119	253,963	111,429	102,906	214,335	122,333	113,578	235,911	130,590
TOTAL EXPENDITURES	**$ 391,468**	**$ 376,410**	**$ 767,878**	**$ 306,800**	**$ 315,151**	**$ 621,951**	**$ 353,301**	**$ 352,147**	**$ 705,448**	**$ 448,997**
Cumulative Surplus (Deficit)										
Beginning Cumulative Surplus (Deficit)	$ (43,528)	$ 302,519		$ 84,221	$ 542,121		$ 391,605	$ 702,365		$ 497,003
Annual Increase/(Decrease)	346,047	(218,298)		457,900	(150,516)		310,760	(205,362)		162,035
Ending Cumulative Surplus (Deficit)	$ 302,519	84,221		$ 542,121	$ 391,605		$ 702,365	$ 497,003		$ 659,038
Statistical Information										
Number of Licenses for Indirect calculation	1,816	1,709		1,793	1,719		1,859	1,680		1,764

Additional information:

- *General fund dollars were received in FY21-FY23 to offset increases in personal services and help prevent programs from going into deficit or increase fees.*
- *Most recent fee change: Fee reduction FY24*
- *Annual license fee analysis will include consideration of other factors such as board and licensee input, potential investigation load, court cases, multiple license and fee types under one program, and program changes per AS 08.01.065.*

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Summary of All Professional Licensing
Schedule of Revenues and Expenditures

Appropriation Name (Ex)	(All)
Sub Unit	(All)
PL Task Code	CPA1

Sum of Budgetary Expenditures	Object Type Name (Ex)			
Object Name (Ex)	**1000 - Personal Services**	**2000 - Travel**	**3000 - Services**	**Grand Total**
1011 - Regular Compensation	147,593.29			147,593.29
1014 - Overtime	13.09			13.09
1016 - Other Premium Pay	81.75			81.75
1021 - Allowances to Employees	396.07			396.07
1023 - Leave Taken	25,011.82			25,011.82
1028 - Alaska Supplemental Benefit	10,596.64			10,596.64
1029 - Public Employee's Retirement System Defined Benefits	37,718.31			37,718.31
1030 - Public Employee's Retirement System Defined Contribution	1,201.57			1,201.57
1034 - Public Employee's Retirement System Defined Cont Health Reim	690.57			690.57
1035 - Public Employee's Retiremnt Sys Defined Cont Retiree Medical	227.99			227.99
1037 - Public Employee's Retiremnt Sys Defined Benefit Unfnd Liab	3,565.16			3,565.16
1040 - Group Health Insurance	35,989.53			35,989.53
1041 - Basic Life and Travel	11.18			11.18
1042 - Worker's Compensation Insurance	934.52			934.52
1047 - Leave Cash In Employer Charge	3,987.09			3,987.09
1048 - Terminal Leave Employer Charge	2,761.23			2,761.23
1053 - Medicare Tax	1,969.34			1,969.34
1063 - GGU Business Leave Bank Usage	-			-
1077 - ASEA Legal Trust	52.65			52.65
1079 - ASEA Injury Leave Usage	3.62			3.62
1080 - SU Legal Trst	42.52			42.52
1970 - Personal Services Transfer	-			-
2007 - In-State Non-Employee Lodging		229.00		229.00
2008 - In-State Non-Employee Meals and Incidentals		240.00		240.00
2009 - In-State Non-Employee Taxable Per Diem		192.00		192.00
2010 - In-State Non-Employee Non-Taxable Reimbursement		834.55		834.55
2012 - Out-State Employee Airfare		1,855.06		1,855.06
2013 - Out-State Employee Surface Transportation		429.56		429.56
2014 - Out-State Employee Lodging		4,019.83		4,019.83
2015 - Out-State Employee Meals and Incidentals		735.00		735.00
2016 - Out-State Employee Reimbursable Travel Costs		600.52		600.52
2017 - Out-State Non-Employee Airfare		246.36		246.36
2018 - Out-State Non-Employee Surface Transportation		-		-
2019 - Out-State Non-Employee Lodging		582.13		582.13
2020 - Out-State Non-Employee Meals and Incidentals		134.11		134.11
2022 - Out-State Non-Employee Non-Taxable Reimbursement		469.33		469.33
2970 - Travel Cost Transfer		-		-
3000 - Training/Conferences			3,230.00	3,230.00
3002 - Memberships			3,200.00	3,200.00
3023 - Expert Witness			2,700.00	2,700.00
3026 - Transcription/Record			1,278.00	1,278.00
3035 - Long Distance			1.11	1.11
3044 - Courier			23.29	23.29
3045 - Postage			401.54	401.54
3046 - Advertising			1,305.75	1,305.75
3057 - Structure, Infrastructure and Land - Rentals/Leases			179.52	179.52
3085 - Inter-Agency Mail			835.16	835.16
3088 - Inter-Agency Legal			15,722.40	15,722.40
3094 - Inter-Agency Hearing/Mediation			6,115.20	6,115.20
3970 - Contractual Transfer			-	-
Grand Total	**272,847.94**	**10,567.45**	**34,991.97**	**318,407.36**

FY 2024 CBPL COST ALLOCATIONS

Name	Task Code	Direct Revenues	General Fund Received	3rd Party Reimbursement	Total Revenues	Direct Expense	Percentage of board licenses/total licensees:	Department certified transactions % by Fiscal Revenue $	Indirect Expense (Total Non-PCN Allocated)	Percentage of program direct Personal Services:	Total Indirect Expenses	Total Expenses	2024 Annual Surplus (Deficit)
Acupuncture	ACU1	$ 5,359		$ -	$ 5,359	$ 6,651	$ 2,954	$ 416	$ 3,370	1,864	$ 5,234	$ 11,885	$ (6,526)
Architects, Engineer	AEL1	$ 971,065	$ 466	$ 4,427	$ 975,958	$ 337,247	202,200	$ 3,681	205,881	84,564	290,445	627,692	348,266
Athletic Trainers	ATH1	$ 5,900		$ -	$ 5,900	$ 1,642	1,840	$ 261	2,101	437	2,538	4,180	1,720
Audiology and Speech Pathologists	AUD1	$ 55,607		$ -	$ 55,607	$ 41,069	26,976	$ 1,880	28,856	12,458	41,314	82,383	(26,776)
Barbers & Hairdressers	BAH1	$ 1,146,245	$ 958	$ -	$ 1,147,203	$ 364,706	195,618	$ 4,252	199,870	99,546	299,416	664,122	483,081
Behavior Analysts	BEV1	$ 4,892		$ -	$ 4,892	$ 8,861	3,161	$ 799	3,960	2,422	6,382	15,243	(10,351)
Chiropractors	CHI1	$ 22,988	$ 4,957	$ -	$ 27,945	$ 194,286	8,500	$ 970	9,470	37,466	46,936	241,222	(213,277)
Collection Agencies	COA1	$ 48,065		$ -	$ 48,065	$ 11,743	18,476	$ 1,072	19,548	3,347	22,895	34,638	13,427
Concert Promoters	CPR1	$ 2,513		$ -	$ 2,513	$ 44	622	$ 139	761	13	774	818	1,695
Construction Contractors	CON1	$ 413,740	$ 255	$ -	$ 413,995	$ 607,170	228,891	$ 4,012	232,903	101,040	333,943	941,113	(527,118)
Home Inspectors	HIN1	$ 20,180		$ -	$ 20,180	$ 19,253	3,006	$ 840	3,846	5,846	9,692	28,945	(8,765)
Dental	DEN1	$ 206,952	$ 2,075	$ -	$ 209,027	$ 350,066	60,378	$ 3,946	64,324	92,699	157,023	507,089	(298,062)
Dietitians/Nutritionists	DTN1	$ 28,075		$ -	$ 28,075	$ 24,885	12,283	$ 1,301	13,584	7,561	21,145	46,030	(17,955)
Direct Entry Midwife	MID1	$ 12,949	$ 914	$ -	$ 13,863	$ 24,961	1,140	$ 546	1,686	1,582	3,268	28,229	(14,366)
Dispensing Opticians	DOP1	$ 9,500		$ -	$ 9,500	$ 24,239	4,353	$ 958	5,311	7,361	12,672	36,911	(27,411)
Electrical Administrator	EAD1	$ 164,215		$ -	$ 164,215	$ 96,254	25,058	$ 2,202	27,260	18,821	46,081	142,335	21,880
Euthanasia Services	EUT1	$ 300		$ -	$ 300	$ 488	363	$ 37	400	148	548	1,036	(736)
Geologists	GEO1	$ 350		$ -	$ 350	$ 991	285	$ 342	627	298	925	1,916	(1,566)
Guardians/Conservators	GCO1	$ 4,977		$ -	$ 4,977	$ 6,758	622	$ 326	948	1,933	2,881	9,639	(4,662)
Guide-Outfitters	GUI1	$ 1,097,850	$ 800	$ -	$ 1,098,650	$ 434,101	45,244	$ 3,449	48,693	117,814	166,507	600,608	498,042
Marine Pilots	MAR1	$ 30,150	$ 742	$ -	$ 30,892	$ 85,392	3,498	$ 1,500	4,998	15,288	20,286	105,678	(74,786)
Foreign Pleasure Craft	FPC1	$ 23,440		$ -	$ 23,440		-	$ 334	334		334	334	23,106
Marital & Family Therapy	MFT1	$ 33,128		$ -	$ 33,128	$ 29,916	4,250	$ 758	5,008	8,621	13,629	43,545	(10,417)
Massage Therapists	MAS1	$ 353,315	$ 1,021	$ 178	$ 354,514	$ 225,078	35,967	$ 2,503	38,470	57,185	95,655	320,733	33,781
Mechanical Administrator	MEC1	$ 109,585		$ -	$ 109,585	$ 95,639	15,729	$ 1,362	17,091	15,341	32,432	128,071	(18,486)
Medical	MED1	$ 852,030	$ 40,368	$ 1,071	$ 893,469	$ 1,707,753	198,909	$ 4,436	203,345	279,194	482,539	2,190,292	(1,296,823)
Mortuary Science	MOR1	$ 2,905		$ -	$ 2,905	$ 8,230	3,680	$ 424	4,104	2,420	6,524	14,754	(11,849)
Naturopaths	NAT1	$ 66,660		$ -	$ 66,660	$ 4,147	1,322	$ 228	1,550	1,194	2,744	6,891	59,769
Nurse Aides	NUA1	$ 359,415	$ 421	$ 205	$ 360,041	$ 101,931	87,975	$ 2,842	90,817	19,838	110,655	212,586	147,455
Nursing	NUR1	$ 1,810,803	$ 9,233	$ 4,083	$ 1,824,119	$ 1,843,890	696,235	$ 4,599	700,834	444,309	1,145,143	2,989,033	(1,164,914)
Nursing Home Administrators	NHA1	$ 3,145		$ -	$ 3,145	$ 2,044	1,399	$ 163	1,562	13	1,575	3,619	(474)
Optometry	OPT1	$ 26,892	$ 15	$ 1,500	$ 28,407	$ 41,753	6,452	$ 1,272	7,724	11,689	19,413	61,166	(32,759)
Pawnbrokers	PAW1	$ 3,350		$ -	$ 3,350	$ 4,222	544	$ 208	752	1,283	2,035	6,257	(2,907)
Pharmacy	PHA1	$ 1,256,105	$ 120,240	$ 1,588	$ 1,377,933	$ 658,578	177,660	$ 4,664	182,324	182,464	364,788	1,023,366	354,567
Physical/Occupational Therapy	PHY1	$ 487,089	$ 71	$ 264	$ 487,424	$ 185,128	69,007	$ 3,054	72,061	52,302	124,363	309,491	177,933
Prescription Drug Monitoring Program	PDMP	$ 20		$ 2,976	$ 2,996	$ 1,721	-	$ -	-	-	-	1,721	1,275
Professional Counselors	PCO1	$ 294,869	$ 326	$ -	$ 295,195	$ 204,504	31,536	$ 2,988	34,524	57,157	91,681	296,185	(990)
Psychology	PSY1	$ 33,220	$ 553	$ -	$ 33,773	$ 173,098	9,381	$ 1,614	10,995	48,200	59,195	232,293	(198,520)
Public Accountancy	CPA1	$ 600,898	$ 1,154	$ 8,980	$ 611,032	$ 318,407	45,711	$ 1,953	47,664	82,926	130,590	448,997	162,035
Real Estate	REC1	$ 639,645	$ 4,859	$ -	$ 644,504	$ 391,392	107,928	$ 1,985	109,913	81,767	191,680	583,072	61,432
Real Estate Appraisers	APR1	$ 75,640	$ 111	$ -	$ 75,751	$ 104,135	10,598	$ 1,171	11,769	27,534	39,303	143,438	(67,687)
Social Workers	CSW1	$ 428,284	$ 413	$ 568	$ 429,265	$ 197,753	37,030	$ 3,184	40,214	57,580	97,794	295,547	133,718
Storage Tank Workers	UST1	$ 7,730		$ -	$ 7,730	$ 11,150	1,788	$ 514	2,302	3,389	5,691	16,841	(9,111)
Veterinary	VET1	$ 56,611	$ 157	$ 1,037	$ 57,805	$ 147,383	22,467	$ 1,712	24,179	42,878	67,057	214,440	(156,635)
No longer existent board/commission (ie Athletic)			$ -									-	-
Totals All Boards		**$ 11,776,651**	**$ 190,109**	**$ 26,877**	**$ 11,993,637**	**$ 9,098,659**	**$ 2,411,036**	**$ 74,897**	**$ 2,485,933**	**$ 2,089,792**	**$ 4,575,725**	**$ 13,674,384**	**$ (1,680,747)**
							-	-		-	-		
ABL & Corporations	DA0801005	$ 4,372,277		$ -	$ 4,372,277	$ 405,904	$ 1,249,390	$ 10,213	$ 1,259,603	$ 238,098	$ 1,497,701	$ 1,903,605	

Last Update 10/17/2024

DIVISION INDIRECT EXPENSES	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:			
Business Supplies	25,873	25,788	85
Office Equipment	57,608	55,009	2,599
State Vehicles	5,220	4,594	626
Storage and Archives	16,130	13,559	2,571
Legal Support	49,391	49,391	-
Central Mail Services Postage	48,961	23,719	25,242
Software Licensing and Maintenance	117,711	117,711	-
Division Administrative Expenses - all other	311,628	307,788	3,840
Division allocated by percentage of direct personal services:	632,522	597,559	34,963
Percentage of board licenses/total licensees:			
Investigations indirect Personal Services	437,677	409,626	28,051
Division Administration Personal Services	2,828,868	1,654,796	1,174,073
Division allocated by percentage of board licenses/total licensees:	3,266,545	2,064,422	1,202,124
Total Division Indirect Expenses	3,899,067	2,661,981	1,237,087

DEPARTMENT INDIRECT EXPENSES	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:			
Commissioner's Office	289,356	254,633	34,723
Administrative Services - Director's Office	73,527	64,704	8,823
Administrative Services - Human Resources	71,235	62,687	8,548
Administrative Services - Fiscal	102,783	90,449	12,334
Administrative Services - Budget	66,633	58,637	7,996
Administrative Services - Information Technology	322,717	283,991	38,726
Administrative Services - Information Technology - Network & Database	-	-	-
Administrative Services - Mail	13,230	11,642	1,588
Administrative Services - Facilities - Maintenance	-	-	-
Department allocated by percentage of direct personal services:	939,481	826,743	112,738
Percentage of board licenses/total licensees:			
Department administrative services support: Fiscal, IT, Procurement	393,880	346,614	47,266
Receipting transaction % by Personal Services:			
Department certified transactions % by Fiscal Revenue $	85,110	74,897	10,213
Total DEPARTMENT INDIRECT EXPENSES	**1,418,471**	**1,248,254**	**170,217**

STATEWIDE INDIRECT EXPENSES	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:			
Accounting and Payroll Systems	81,101	71,369	9,732
State Owned Building Rental (Building Leases)	258,230	227,242	30,988
State OIT Server Hosting & Storage	7,792	6,857	935
State OIT SQL	6,958	6,432	526
State Software Licensing	-	-	-
Human Resources	69,278	60,965	8,313
IT Non-Telecommunications (Core Cost)	297,578	261,869	35,709
IT Telecommunications	32,270	28,398	3,872
Risk Management	2,680	2,358	322
Statewide allocated by percentage of direct personal services:	**755,887**	**665,490**	**90,397**

FY24 TOTALS BY METHODOLOGY	Total	Prof Lic	Corp & Bus Lic
Percentage of program direct Personal Services:	2,327,890	2,089,792	238,098
Percentage of board licenses/total licensees:	3,660,426	2,411,036	1,249,390
Receipting transaction % by Personal Services:	85,110	74,897	10,213
Grand Total	**6,073,426**	**4,575,725**	**1,497,701**

ED Report

Boards & Commissions Update
TWO seats currently vacant (2 public members)
Please spread the word and invite people to apply!
Anyone interested should apply with Boards & Commissions:
https://gov.alaska.gov/services/boards-and-commissions/apply-for-a-board-appointment/

General FYI – Misc Division position shortages
We are down to one paralegal as of Sept. 1st. This position assists with CPE issues and negotiating consent agreements, so there may be some delays moving forward.

Investigator – CPA program – **NEW** investigator assigned – Roger Rouse

Division Staffing Shortages
Due to staffing shortages, I may be assisting with other programs as needed. Time spent on another program is directly charged to that program.

MISC – follow up from past Board meeting
The Board asked about how exam candidate jurisdiction jumping is handled by NASBA/CPAES.

The Gateway/National Candidate Database is used to stop candidates from testing in multiple jurisdictions. If a candidate has been approved to sit in Texas and then applies to Alaska, the Gateway/NCD matching program would send it to an error queue and not process it automatically. If they signed up for the same section – it would send it to an error queue and we would notify the boards and advise the candidate they cannot have multiple NTSs for the same sections in multiple jurisdictions. Candidates can request score transfers and it's up to each state if they will accept them. Once someone transfers into your state, you would be able to see their entire testing history – but the scores do not automatically transfer. I encourage candidates to finish in the state they started whenever possible – it's less confusing and saves them money.

The Board asked about the cost of NASBA CPE audit services.

There is a charge of $68 per individual. The cost includes NASBA notifying licensees of audit and reviewing the CPE documentation. They can work with the licensee to resolve deficiencies/discrepancies. They notify licensees of audit results and can provide reports to the Board.

The Board asked what happens when a jurisdiction changes licensure requirements that impact existing licensees (such as implementation of a SSN requirement).

Some jurisdictions grandfather existing licensees in. Other jurisdictions make an effort to notify licensees in advance they will not qualify in the future and those licensees apply for reciprocal licenses in other jurisdictions.

Many jurisdictions require SSN, but some will accept passport number, driver's license number, tax id number or an exemption request.

Only a few jurisdictions require residency (satisfied only by physical residency).

STATUTE & REGULATION PROJECTS

Statutes and Regulations
Public Accountancy

April 2024

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT

DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

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Rev. 4/12/2024

TABLE OF CONTENTS

Page

Section

CHAPTER 04.
ACCOUNTANTS

Article

ARTICLE 1.
BOARD OF PUBLIC ACCOUNTANCY

Section

Sec. 08.04.005. Purpose. It is the policy of the state and the purpose of this chapter to promote the reliability of information that is used for guidance in financial transactions or assessing the financial status or performance of commercial, noncommercial, and governmental enterprises. The public interest requires that

(1) persons professing special competence in accountancy or who offer assurance as to the reliability or fairness of presentation of financial information should demonstrate their qualifications to do so, and that persons who have not demonstrated and maintained adequate qualifications should not be permitted to hold themselves out as having special competence or to offer assurance about their actions;

(2) the professional conduct of persons licensed as having special competence in accountancy should be regulated in all aspects of the practice of public accounting;

(3) a public authority competent to prescribe and assess the qualifications and to regulate the professional conduct of practitioners of public accounting should be established; and

(4) the use of titles relating to the practice of public accounting that are likely to mislead the public as to the status or competence of the persons using these titles should be prohibited.

Sec. 08.04.010. Creation of board. There is created the Board of Public Accountancy.

Sec. 08.04.020. Appointment and qualifications of board. (a) The board consists of seven members appointed by the governor. Each member shall be a resident of this state for at least one year. Five members shall be certified public accountants or public accountants and two members shall be public members

(b) Except for public members, an individual may not be appointed unless the individual holds a current license. Public members may not be employed by a person holding a license, permit, or practice privilege under this chapter. Notwithstanding AS 08.01.025, an accountant who does not hold a license under this chapter, is not engaged in the practice of public accounting in violation of this chapter, and does not have a direct financial interest in public accounting is eligible for appointment as a public member under this section.

Sec. 08.04.025. Meetings of board. The board shall hold a minimum of four meetings a year.

Sec. 08.04.030. Removal of members. The governor shall remove any member of the board whose license has been revoked or suspended. The governor may, after hearing, remove any member for neglect of duty or other just cause.

Sec. 08.04.040. Vacancy on board. A vacancy shall be filled by appointment for the unexpired term, except as provided in AS 39.05.080(4), and all vacancies shall be filled within 60 days. Except as provided in AS 39.05.080(4), after the expiration of a member's term of office a member continues to serve until a successor is appointed and qualifies, formally advises the board of acceptance of the appointment, and appears at the next meeting of the board.

Sec. 08.04.050. Quorum. A majority of the board constitutes a quorum for the transaction of business.

Sec. 08.04.055. Executive secretary of board. (a) The department, in consultation with the board, shall employ a certified public accountant or person who has other accounting experience satisfactory to the board and who is not a member of the board to serve as executive secretary of the board.

(b) The executive secretary shall perform duties as prescribed by the board.

(c) The executive secretary of the board is in the partially exempt service and entitled to receive a monthly salary equal to a step in Range 23 on the salary schedule set out in AS 39.27.011(a).

Sec. 08.04.070. Functions of board. (a) The board shall elect annually from its members a presiding officer, secretary, and treasurer. One person may hold the offices of secretary and treasurer.

(b) The board may adopt and amend regulations for the orderly conduct of its affairs and for the administration of this chapter.

(c) The board shall adopt a seal.

(d) *[Repealed, Sec. 53 ch 16 SLA 2006.]*

(e) *[Repealed, Sec. 53 ch 16 SLA 2006.]*

(f) The board shall adopt a formal statement of goals, objectives, and policies to be reviewed and updated annually.

(g) *[Repealed, Sec. 6 ch 19 SLA 1998.]*

(h) The board shall define by regulation the qualifications and duties of the executive secretary and delegate authority to the executive secretary as necessary to conduct board business.

Sec. 08.04.075. Substantial equivalency. The board shall determine whether the education, examination, and experience qualifications of another state or an individual are substantially equivalent to the national standard or to another standard established by the board to protect the public interest. The board may adopt by regulation the qualifications established by a nationally recognized professional organization for accountants as the national standard or for another standard established by the board to protect the public interest. The board may accept the determination of a nationally recognized professional organization for accountants or adopt another standard as to whether the qualifications of the other state or an individual are substantially equivalent to the national standard. When ascertaining substantial equivalency under this chapter, the order in which education, examination, or experience requirements were attained shall be disregarded.

Sec. 08.04.080. Adoption of rules. The board may adopt rules of professional conduct to establish and maintain a high standard of integrity and dignity in the profession of public accounting. At least 30 days before the adoption of any rule or amendment, the board shall send a notice of the proposed rule or amendment to each holder of a license or permit issued under this chapter to the address of the license or permit holder last known to the board.

Sec. 08.40.085. Regulations regarding attest functions. *[Repealed, Sec. 42 ch 67 SLA 2010.]*

Sec. 08.40.090. Applicability of Administrative Procedure Act. *[Repealed, Sec. 15 ch 82 SLA 1980.]*

ARTICLE 2.
CERTIFIED PUBLIC ACCOUNTANTS AND PRACTICE OF PUBLIC ACCOUNTING

Section

Sec. 08.04.100. Certificate granted. The certificate of "Certified Public Accountant" shall be granted by the board to any person who meets the requirements of AS 08.04.110 - 08.04.130. The holder of a certificate issued under this section is not authorized to engage in the practice of public accounting in the state unless the holder also has a current license or permit.

Sec. 08.04.105. License for individual to practice as a public accountant. (a) The board shall issue a license to engage in the practice of public accounting to an individual who meets the requirements of AS 08.04.110 - 08.04.130. The license is valid for the remainder of the biennial licensing period during which the initial license was granted.

(b) The board may renew a license granted under this section if the licensee

(1) maintains all of the licensee's offices as required by AS 08.04.360 and 08.04.370;

(2) complies with the continuing education requirements of AS 08.04.425 and the peer review requirements of AS 08.04.426; and

(3) complies with the requirements of this chapter.

Sec. 08.04.110. Personal requirements. An applicant for a certified public accountant license shall be of good moral character.

Sec. 08.04.120. Educational and experience requirements. (a) The education and experience requirements for an applicant are a baccalaureate degree or its equivalent conferred by a college or university acceptable to the board ~~and additional semester hours or post-baccalaureate study so that the total educational program includes at least 150 hours~~, with an accounting concentration or equivalent as determined by the board by regulation to be appropriate, and two years of accounting experience satisfactory to the board.

(b) *[Repealed, Sec. 9 ch 74 SLA 2018.]*

Sec. 08.04.130. Examination. An applicant shall pass an examination in accounting and reporting, in auditing, and in other related subjects that the board determines appropriate. The examination shall be designated in advance by the board as the examination for the license of certified public accountant. The board shall use the Uniform Certified Public Accountant Examination of the American Institute of Certified Public Accountants and the institute's advisory grading service, if available. The board shall, by regulation, establish what constitutes a passing grade on the examination for purposes of licensure under AS 08.04.105 - 08.04.240.

Sec. 08.04.140. Frequency of examination. *[Repealed, Sec. 3 ch 139, SLA 2003.]*

Sec. 08.04.150. Qualifications to take examination. A person is qualified to take the examination for certified public accountants if the person either

(1) has a baccalaureate degree or its equivalent conferred by a college or university acceptable to the board with

(A) an accounting concentration or the equivalent, as defined in regulations of the board;

(B) a minimum of 15 semester credit hours or 22 quarter credit hours of accounting subjects; or

(C) one year of public accounting experience under the direct supervision of a certified public accountant; or

(2) has met or is within 18 semester credit hours or 27 quarter credit hours of meeting the undergraduate educational requirements of AS 08.04.120 and has completed at least 15 semester hours or 22 quarter hours of accounting subjects.

Sec. 08.04.160. Re-examination. *[Repealed, Sec. 3 ch 139 SLA 2003.]*

Sec. 08.04.170. Examination standards. *[Repealed, Sec. 3 ch 139 SLA 2003.]*

Sec. 08.04.180. Prior applicants. *[Repealed, Sec. 9 ch 74 SLA 2018.]*

Sec. 08.04.190. Examination fee. An applicant shall pay the appropriate fee at the time of application for examination or reexamination.

Sec. 08.04.195. Reciprocity with other states. (a) Notwithstanding AS 08.04.110 - 08.04.190, the board may issue a license to engage in the practice of public accounting to an applicant who holds a license, or its equivalent, issued by another state if the applicant

(1) passed the Uniform Certified Public Accountant Examination of the American Institute of Certified Public Accountants in order to receive the applicant's initial license from the other state;

(2) meets the accounting experience requirements established by the board by regulation;

(3) is not the subject of review procedures, disciplinary proceedings, or unresolved complaints related to the applicant’s license from another state; and

(4) is of good moral character.

(b) An applicant for the initial issuance of a license under this section shall list in the application all states where the applicant has applied for or holds a license, or its equivalent, and shall notify the board in writing within 30 days after a denial, revocation, or suspension of a license, or the equivalent, by another state.

(c) The board may by regulation establish the education and continuing education requirements for the issuance of a license under this section.

(d) The board may renew a license issued under this section if the licensee

(1) maintains all of the licensee's offices as required by AS 08.04.360 and 08.04.370;
(2) complies with the continuing education requirements established under (c) of this section; and
(3) complies with the requirements of this chapter.

Sec. 08.04.200. Use of title "certified public accountant" by individual. An individual who has a license from the board as a certified public accountant or holds a practice privilege shall be known as a certified public accountant and may use the abbreviation "CPA."

Sec. 08.04.210. Effect on certificates existing on April 26, 1960. A person who, on April 26, 1960, held a certificate as a certified public accountant issued under the laws of the Territory or State of Alaska is not required to obtain a license under this chapter but is otherwise subject to this chapter. Certificates issued before April 26, 1960, shall be considered licenses issued under this chapter.

Sec. 08.04.220. Certification of foreign accountants. *[Repealed, Sec 15 ch 82 SLA 1980.]*

Sec. 08.04.230. Registration of foreign accountants. *[Repealed, Sec 2 ch 147 SLA 1976.]*

Sec. 08.04.240. Application of partnerships, limited liability companies, corporations, and other legal entities for permits. (a) The board shall grant a permit to engage in the practice of public accounting to a firm with an office in the state that applies to the board as a firm of certified public accountants if the firm meets the following requirements:

(1) more than one-half of the ownership of the firm belongs to certified public accountants of this or another state in good standing;

(2) an individual who is a certified public accountant or has a practice privilege, who is responsible for supervising attest functions or compilation services in the firm, and who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the firm meets the competency requirements established by the board under AS 08.04.423;

(3) an individual who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the firm meets the competency requirements established by the board under AS 08.04.423; and

(4) each owner who is personally engaged in this state in the practice of public accounting as a member of the firm and whose principal place of business is in this state is a certified public accountant of this state in good standing.

(b) *[Repealed, Sec. 44 ch 5 SLA 2022.]*
(c) *[Repealed, Sec. 44 ch 5 SLA 2022.]*
(d) *[Repealed, Sec. 44 ch 5 SLA 2022.]*
(e) *[Repealed, Sec. 44 ch 5 SLA 2022.]*

(f) An initial permit issued under (a) ~~or (k)~~ of this section lasts for the remainder of the biennial licensing period during which the initial permit was granted.

(g) The board shall renew a permit granted under (a) ~~or (k)~~ of this section or a renewal issued under this subsection if

(1) the permittee maintains all of the licensee's offices that are located in this state as required by AS 08.04.360 and 08.04.370;

(2) each individual who is required by (a) ~~or (k)~~ of this section to be a certified public accountant of this state complies with the continuing education requirements of AS 08.04.425 and the peer review requirements of AS 08.04.426; and

(3) the permittee complies with the requirements of this chapter.

(h) A partnership holding a permit issued under former AS 08.04.330 - 08.04.340 on June 29, 1980, qualifies for a permit under this section as long as each partner personally engaged in the practice of public accounting in this state holds a license or permit under AS 08.04.661.

(i) For the purposes of issuing a permit under this section, a firm may include owners who are not certified public accountants if

(1) the firm designates a certified public accountant or an individual with practice privileges to be responsible for the proper registration of the entity and identifies the certified public accountant or individual to the board;

(2) all of the owners of the firm who are not certified public accountants are active individual participants in the firm or in an entity affiliated with the firm; and

(3) the firm complies with the other requirements that the board may adopt by regulation to protect the public interest as described under AS 08.04.005.

(j) If the ownership of a firm, after the firm has received or renewed a permit, does not comply with (i) of this section, the firm shall take corrective action to comply with (i) of this section within a reasonable time after the noncompliance begins. The board shall establish by regulation the criteria to determine what is a reasonable time and may base the regulation on national standards.

(k) ~~The board shall grant a permit to engage in the practice of public accounting to a~~ firm that does not have an office in the state but provides, or offers to provide, attest functions in the state, if the firm meets the following requirements:

(1) the firm meets the requirements of (a)(1) of this section;

(2) the firm complies with the requirements in AS 08.04.426;

(3) the attest functions performed by the firm in the state are performed by an individual who is a certified public accountant of this state in good standing or who has a practice privilege; and

(4) the firm holds a permit to engage in the practice of public accounting in good standing in the jurisdiction in which the principal office of the firm is maintained.

Sec. 08.04.250. Requirements for registration. *[Repealed, Sec. 4 ch 147 SLA 1976.]*

Sec. 08.04.260. Temporary certificate as certified public accountant. *[Repealed, Sec. 7 ch 66 SLA 1997.]*

Sec. 08.04.270 – 08.04.340. Public accountants. *[Repealed, Sec. 15 ch 82 SLA 1980.]*

ARTICLE 3.
REGULATION OF ACCOUNTANTS

Section

Sec. 08.04.350. Registration of offices. *[Repealed, Sec. 12 ch 62 SLA 1988.]*

Sec. 08.04.360. Supervision required. Each office established or maintained in this state for the practice of public accounting shall be under the direct supervision of an individual who holds a license issued under this chapter. The supervisor may be a sole proprietor, partner, principal, member, or staff employee. A supervisor may serve in this capacity for each office in the state that is maintained by a firm.

Sec. 08.04.370. Use of title "certified public accountant" by office of firm. The title "certified public accountant" or the abbreviation "CPA" may not be used in connection with an office of a firm holding a permit unless the supervision requirement of AS 08.04.360 is satisfied.

Sec. 08.04.380. Waiver of requirements. *[Repealed, Sec. 44 ch 5 SLA 2022.]*

Sec. 08.04.390. Permit for individual practice as a public accountant. *[Repealed, Sec. 53 ch 16 SLA 2006.]*

Sec. 08.04.400. Permit for partnership, limited liability company, or corporate practice as a public accountant. *[Repealed, Sec. 53 ch 16 SLA 2006.]*

Sec. 08.04.410. Inactive license for person not engaged in practice. Notwithstanding AS 08.04.105 or 08.04.195, an individual holding a license who is not engaged in the practice of public accounting may maintain the license in good standing by notifying the board that the individual is inactive and paying the required fee.

~~**Sec. 08.04.420. Practice privileges.** (a) An individual who does not have a license in this state, but who is licensed to practice public accounting in another state and whose principal place of business for the practice of public accounting is in the other state may engage in the practice of public accounting in this state under a practice privilege if the state in which the individual is licensed to practice public accounting~~

~~(1) requires as a condition of licensure that an individual~~

~~(A) have at least 150 semester hours of college education, including a baccalaureate or higher degree conferred by a college or university;~~

~~(B) achieve a passing grade on the Uniform Certified Public Accountant Examination; and~~

~~(C) possess at least one year of experience, which includes providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills; the~~

~~experience may be obtained through practice with the government, industry, colleges, universities, or the public; or~~

~~(2) does not require as a condition of licensure that an individual satisfy the requirements of (1) of this subsection, but the individual's qualifications are substantially equivalent to the requirements of (1) of this subsection; however, for the purposes of this paragraph, the education of an individual who holds a valid license to practice public accounting that is issued by another state before January 1, 2013, and who passes the Uniform Certified Public Accountant Examination before January 1, 2013, is exempt from the education requirement identified in (1)(A) of this subsection.~~

~~(b) *[Repealed, Sec. 44 ch 5 SLA 2022.]*~~

~~(c) An individual who may engage in the practice of public accounting in this state under (a) of this section is not required to provide a notice to the board, to pay a fee to the board, or to submit documentation to the board in order to engage in the practice of public accounting in this state. The person may engage in the practice of public accounting by mail, by telephone, by electronic means, or in person.~~

Sec. 08.04.421. Out-of-state permits and exemptions. *[Repealed, Sec. 44 ch 5 SLA 2022.]*

Sec. 08.04.422. Conditions of practice privileges. ~~An individual with a practice privilege who engages in the practice of public accounting in the state under the practice privilege, a firm with a permit that engages in the practice of public accounting in this state, and a firm that hires an individual with a practice privilege shall~~

~~(1) consent to the personal and subject matter jurisdiction and disciplinary authority of the board;~~

~~(2) agree to comply with this chapter, including the regulations adopted by the board;~~

~~(3) agree that the individual or firm will stop offering to engage or engaging in the practice of public accounting, whether individually or on behalf of a firm, if the license from the state of the individual's or firm's principal place of business becomes invalid; and~~

~~(4) consent to the appointment of the state board that issued the individual's license as the individual's or firm's agent for service of process in a court action or in another proceeding against the individual or firm that arises out of a transaction or an operation connected with or incidental to the individual's or firm's engagement in the practice of public accounting.~~

Sec. 08.04.423. Competency requirement after licensing. If, at any time after receiving a license, a licensee decides to perform attest functions, the licensee shall meet the competency requirements established by the board by regulation.

Sec. 08.04.425. Continuing education. (a) The board shall by regulation prescribe requirements for continuing education for individuals with licenses under this chapter. In adopting these regulations, the board may

(1) use and rely upon guidelines and pronouncements with respect to continuing education issued by recognized educational and professional associations in the field; and

(2) prescribe content, duration, and organization of courses or programs that will satisfy the continuing education requirements.

(b) Each application for renewal of a license to practice as a certified public accountant by an individual who has held a license as a certified public accountant for two years or more shall be accompanied or supported by documents or other evidence indicating satisfaction of the continuing education requirements prescribed by the board during the two years immediately preceding the application.

(c) Failure by an applicant for renewal of a license to furnish the evidence required under (b) of this section constitutes grounds for revocation, suspension, or refusal to renew the license under AS 08.04.450 unless the board determines that failure to have been due to reasonable cause or excusable neglect. However, the board may renew a license despite failure to furnish evidence of satisfaction of the continuing education requirements established under (a) of this section if the applicant agrees to follow a particular program or schedule of continuing education prescribed by the board.

(d) In adopting regulations under (a) of this section, or in issuing individual orders under (c) of this section, the board

(1) shall consider

(A) the accessibility of applicants to the continuing education courses or programs that it may require; and

(B) any impediments to interstate practice of public accounting that may result from differences in continuing education requirements prescribed by other states; and

(2) may relax or suspend the continuing education requirements

(A) for applicants who certify that they do not intend to engage in the practice of public accounting; or

(B) in instances of individual hardship.

Sec. 08.04.426. ~~Quality~~ review. (a) The board may require as a condition for renewal of a license or a permit that the applicant for the renewal provide evidence of enrollment in a peer review program approved by the board by regulation.

(b) *[Repealed, Sec. 44 ch 5 SLA 2022.]*

(c) The board shall adopt the regulations under (a) and (f) of this section in a reasonable time before the regulations are scheduled to become effective.

(d) The regulations adopted under (a) or (f) of this section may require that

(1) an applicant demonstrate that the applicant has undergone a peer review that is a satisfactory equivalent to the peer review under (a) of this section;

(2) the administration of a peer review be subject to oversight by an oversight body established or approved by the board;

(3) a peer review be performed and the documents be maintained in a manner that is designed to preserve confidentiality; and

(4) organizations administering peer review programs provide information requested by the board.

(e) *[Repealed, Sec. 44 ch 5 SLA 2022.]*

(f) The board shall, not more frequently than once every three years, require as a condition for renewal of a permit of a firm that the applicant firm undergo a peer review conducted as required by the board by regulation. The peer review must include verification that an individual who practices at the firm, including an individual who is responsible for supervising attest function services in the firm, and who signs or authorizes another person to sign the accountant's report on a financial statement on behalf of the firm, meets competency requirements established by the board. The regulations must

(1) include reasonable provision for compliance by a firm showing that it has, within the preceding three years, undergone a peer review acceptable to the board that is substantially equivalent to the peer review required in (d) of this section;

(2) require, for an organization administering peer review programs under (1) of this subsection, to be subject to periodic evaluation by the board to assess the effectiveness of the peer review program;

(3) require, for peer reviews under (1) of this subsection, timely submittal of peer review documents on board request; and

(4) maintain documents collected by the board under this subsection in a manner that is designed to preserve confidentiality.

Sec. 08.04.430. Expiration and renewal. *[Repealed, Sec. 49 ch 94 SLA 1987.]*

Sec. 08.04.440. Effect of failure to obtain license or permit. Failure of an individual or a firm to apply for a required license or permit or to pay a required fee within (1) three years from the expiration date of the license or permit last obtained or renewed, or (2) three years from the date the person was granted a license or permit as a public accountant valid under AS 08.04.661 deprives the individual or firm of the right to a license or permit or renewal of a license or permit unless the board determines that the failure is excusable. In case of excusable failure, the department shall determine the fee for a license or permit or renewal of a license or permit under this section.

Sec. 08.04.450. Revocation or suspension of license, practice privilege, permit, or out-of-state exemption. (a) In addition to its powers under AS 08.01.075, the board may revoke, suspend, or refuse to renew a license, practice privilege, or permit, may censure a holder of a license, practice privilege, or permit, or may require a holder of a license, practice privilege, or permit to undergo a peer review under terms required by the board or satisfactorily complete continuing education, if the board finds

(1) fraud or deceit in obtaining a license or permit required by this chapter;

(2) dishonesty or gross negligence in the practice of public accounting, or other acts discreditable to the accounting profession;

(3) violation of a provision of AS 08.04.500 - 08.04.610 or failure to take corrective action to comply with AS 08.04.240(i) within the time allowed under AS 08.04.240(j);

(4) violation of a rule of professional conduct or other regulation adopted by the board;

(5) conviction of a felony under the laws of any state or of the United States;

(6) conviction of any crime, an essential element of which is dishonesty or fraud, under the laws of any state or of the United States;

(7) cancellation, revocation, suspension, or refusal to renew authority to practice as a certified public accountant or public accountant in any other state for any cause other than failure to pay a required fee;

(8) suspension or revocation of the right to practice before any state or federal agency;

(9) failure to satisfy the continuing education requirements prescribed by the board under AS 08.04.425, except as conditioned, relaxed, or suspended by the board under AS 08.04.425(c) and (d);

(10) failure to comply with the peer review requirement under AS 08.04.426;

(11) commission of an act in another state for which the holder of the license, practice privilege, or permit would be subject to discipline in this or the other state;

(12) dishonesty, fraud, deceit, or gross negligence by the holder of a license, practice privilege, or permit in the filing or failure to file the income tax returns of the holder of the license, practice privilege, or permit;

(13) violation of professional standards;

(14) performance of any fraudulent act while holding a license, practice privilege, or permit under this chapter; or

(15) a false or misleading statement or verification provided in support of the application of another person for a license or permit under this chapter.

(b) The board shall investigate a complaint made by the board of accountancy, or other regulatory body for the

practice of accounting, of another state.

(c) The board may require the holder of a license, practice privilege, or permit who is disciplined under (a) of this section to bear the costs of the disciplinary proceedings.

Sec. 08.04.460. Suspension or revocation of license revokes permit. *[Repealed, Sec. 53 ch 16 SLA 2006.]*

Sec. 08.04.470. Revocation of a firm permit. The board shall revoke the permit of a firm if at any time the firm does not meet the qualifications prescribed by the sections of this chapter under which the firm qualified for the permit.

Sec. 08.04.480. Grounds for censure of, or the revocation, suspension, or refusal to renew a permit for, a firm. The board may revoke or suspend the permit of a firm, may revoke, suspend, or refuse to renew its permit, or may censure the firm for any of the causes enumerated in AS 08.04.450 or for any of the following additional causes:

(1) the revocation, suspension, or refusal to renew the license or practice privilege of an owner of a firm in this state or in another state;

(2) the cancellation, revocation, suspension, or refusal to renew the permit or authority of the firm to practice public accounting in another state for any cause other than failure to pay a required fee in that state.

Sec. 08.04.490. Reinstatement. Upon application in writing and after a hearing, the board may issue a new license or allow a practice privilege to an individual whose license or practice privilege has been revoked, or may issue a new permit to a person whose permit has been revoked, or may modify the suspension of or may reissue any license, practice privilege, or permit to practice public accounting that has been revoked or suspended.

Sec. 08.04.495. Fees. The department shall set fees under AS 08.01.065 for examinations, reexaminations, permits, licenses, and practice privileges.

ARTICLE 4.
UNLAWFUL ACTS AND PENALTIES

Section

Sec. 08.04.500. Individual posing as a certified public accountant. (a) An individual may not assume or use the title or designation "certified public accountant" or the abbreviation "CPA" or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant, unless the individual has received a license and all of the individual's offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 and 08.04.370.

(b) This section does not prohibit an individual in good standing in any state, including an individual acting as a sole practitioner in the individual's home state, holding a practice privilege under AS 08.04.420 from using the title "certified public accountant" or another title allowed under (a) of this section.

Sec. 08.04.505. Issuance of reports. Only a person who holds a valid license, practice privilege, or permit may issue a report on behalf of another person or governmental unit. This restriction does not apply to

(1) an officer, partner, member, or employee of a firm affixing that person's signature to a statement or report in reference to the financial affairs of the firm with wording designating the position, title, or office that the person holds in the firm;

(2) an act of a public official or employee in the performance of official duties;

(3) the performance by persons of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the

issuance of reports on them.

Sec. 08.04.510. Partnership, limited liability company, corporation, or other legal entity posing as a certified public accountant. (a) A firm may not assume or use the title or designation "certified public accountant" or the abbreviation "CPA" or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that it is composed of certified public accountants, unless the firm holds a permit and is engaging in the practice of public accounting under the name on its permit.

(b) *[Repealed, Sec. 44 ch 5 SLA 2022.]*

Sec. 08.04.520. Individual posing as public accountant. An individual may not assume or use the title or designation "public accountant" or the abbreviation "PA" or other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the individual is a public accountant, unless the individual holds a current license or practice privilege and the individual's offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 and 08.04.370.

Sec. 08.04.530. Firm posing as public accountant. A firm may not assume or use the designation "public accountant" or the abbreviation "PA" or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the firm is composed of public accountants, unless the firm holds a current permit is practicing under the name on its permit, and its office in this state for the practice of public accounting is maintained as required by AS 08.04.360 and 08.04.370.

Sec. 08.04.540. Use of deceptive title or abbreviation. An individual or firm may not assume or use the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," or any other title or designation likely to be confused with "certified public accountant" or "public accountant," or any of the abbreviations "C," "EA," "LA," "RA," or similar abbreviations likely to be confused with "CPA" or "PA" except that "EA" may be used to the extent that it relates to the term "enrolled agent" as defined by the federal Internal Revenue Service. However, an individual or firm holding a current license, permit, or practice privilege and whose offices in this state for the practice of public accounting, if any, are maintained as required by AS 08.04.360 and 08.04.370 may hold out to the public as an accountant or auditor.

Sec. 08.04.550. Corporation may not assume title. *[Repealed, Sec. 21 ch 147 SLA 1976.]*

Sec. 08.04.560. Individual may not assume title. An individual may not sign or affix any name or any trade or assumed name used by that individual to any accounting or financial statement or opinion or report with any wording indicating that the person is a certified public accountant or public accountant or with any wording indicating that the person has expert knowledge in accounting or auditing, unless the individual holds a current license or practice privilege.

Sec. 08.04.565. Prohibited acts. An individual licensed under AS 08.04.105 may not perform attest functions through a firm unless the firm holds a valid permit issued under AS 08.04.240.

Sec. 08.04.570. Acts not prohibited. AS 08.04.560 does not prohibit

(1) an officer, employee, partner, member, or principal of any organization from affixing that person's signature to any statement or report in reference to the financial affairs of the organization together with any wording designating the position, title, or office which that person holds;

(2) an act of a public official or public employee in the performance of that person's duties;

(3) a person maintaining a bookkeeping or tax service from affixing that person's signature to any record, statement, or report maintained or prepared by the person.

Sec. 08.04.580. Partnership posing as accountants or auditors. *[Repealed, Sec. 9 ch 74 SLA 2018.]*

Sec. 08.04.590. Use of title with corporate name. *[Repealed, Sec. 9 ch 74 SLA 2018.]*

Sec. 08.04.595. Use of title with limited liability company name. *[Repealed, Sec. 9 ch 74 SLA 2018.]*

Sec. 08.04.598. Use of title with name of other legal entity. *[Repealed, Sec. 9 ch 74 SLA 2018.]*

Sec. 08.04.600. Disclosure of lack of license or permit. An individual or firm that does not hold a current license, a current practice privilege, or a current permit may not hold out to the public as a certified public accountant or public accountant by use of those words or abbreviations on any sign, card, letterhead, or in any advertisement or directory, without indicating that the individual or firm does not hold a current license, a current practice privilege, or a current permit. This section does not prohibit

(1) an officer, employee, partner, member, or principal of an organization from self-description through the position, title, or office that the person holds in the organization;

(2) an act of a public official or public employee in the performance of that individual's duties; or
(3) a person from maintaining a bookkeeping or tax service.

Sec. 08.04.610. Deceptive use of title or designation by firm. A person may not assume or use the title or designation "certified public accountant" or "public accountant" or an abbreviation of them in conjunction with a name indicating or implying that there is a firm, or in conjunction with the designation "and Company," "and Co.," "L.L.C.," "LLC," "Ltd.," or any similar designation, unless there is a bona fide firm holding a permit issued under that name. However, a sole proprietor or partnership lawfully using the title or designation "certified public accountant" or "public accountant" or an abbreviation of them in conjunction with those names or designation on April 26, 1960, may continue to do so if the person or partnership otherwise complies with this chapter.

Sec. 08.04.620. Exceptions. This chapter does not prohibit
(1) an individual who does not hold a current license or practice privilege from serving as an employee of or as an assistant to an individual or firm holding a current license, a current practice privilege, or a current permit if the employee or assistant does not use the employee's or assistant's name in connection with an accounting or financial statement;
(2) an individual who holds a valid license or equivalent authorization in another state from indicating that the individual is entitled to use the title "certified public accountant," but the individual may not indicate that services are available to the public unless the individual holds a current license or practice privilege issued under this chapter;
(3) a holder of a certificate, license, or degree from a foreign country that entitles the holder to practice public accounting or the equivalent in the foreign country from providing professional services to the government of the country issuing the license, a business whose principal office is located in the foreign country, or a person who is a resident of the foreign country, if the holder of the certificate, license, or degree issued by the foreign country does not perform attest functions, or issue a report regarding an individual, firm, or government of the state, and uses only the title or designation permitted under the certificate, license, or degree issued by the foreign country followed by an English translation.

Sec. 08.04.630. Injunction against unlawful act. Whenever, in the judgment of the board, a person has engaged in an act that constitutes a violation of AS 08.04.500 - 08.04.610, the board may apply to the appropriate court for an order enjoining the act. Upon a showing by the board that a person has engaged in the act, the court shall grant an injunction or any other appropriate order without bond.

Sec. 08.04.640. Penalty. A person who violates a provision of AS 08.04.500 - 08.04.610 is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500, or by imprisonment for not more than one year, or by both.

Sec. 08.04.650. Single act evidence of practice. The display or uttering by a person of a card, sign, advertisement or other printed, engraved, or written instrument or device, bearing a person's name in conjunction with the words "certified public accountant", or any abbreviation of that phrase, or with the words "public accountant", or any abbreviation of that phrase, or any words or abbreviations likely to be confused with any of them is prima facie evidence in any action brought under AS 08.04.630 or 08.04.640 that the person whose name is displayed caused the display or uttering of the card, sign, advertisement or written instrument or device, and that the person is holding out to be a certified public accountant or public accountant. In any action, evidence of the commission of a single act prohibited by this chapter is sufficient to justify an injunction or a conviction without evidence of a general course of conduct.

ARTICLE 5.
MISCELLANEOUS PROVISIONS

Section.

Sec. 08.04.660. Ownership of accountant's working papers. Statements, records, schedules, working papers, and memoranda made by a certified public accountant or a public accountant incident to or in the course of professional service to a client, except reports submitted to a client, are the property of the accountant, in the absence of an express agreement between the accountant and the client to the contrary. A statement, record, schedule, working paper, or memorandum may not be sold, transferred, or bequeathed to a person other than a partner of the accountant without the consent of the client or the client's personal representative or assignee.

Sec. 08.04.661. Previous licensure. A person holding a valid license as a public accountant under former AS

08.04.270 or a person holding a valid permit under former AS 08.04.390 on June 29, 1980, may continue to practice under the conditions imposed by statute and regulation on that date but that person is otherwise subject to this chapter. A license or permit effective under this section may be renewed under conditions imposed by statute and regulation that were in effect on June 29, 1980, except that any renewal fee required under this chapter applies.

Sec. 08.04.662. Confidential communications. (a) A license holder, a permit holder, or a practice privilege holder or a partner, an officer, a shareholder, a member, or an employee of a license holder, a permit holder, or a practice privilege holder may not reveal information communicated to the license holder, permit holder or practice privilege holder by a client about a matter concerning which the client has employed the license holder, permit holder, or practice privilege holder in a professional capacity. This section does not apply to

(1) information required to be disclosed by the standards of the public accounting profession in reporting on the examination of financial statements;

(2) the release of information the client has authorized the license holder, permit holder, or practice privilege holder to reveal;

(3) information revealed as part of the discovery of evidence related to a court or administrative proceeding or introduced in evidence in a court or administrative proceeding;

(4) information revealed in ethical investigations conducted by private professional organizations;

(5) information revealed in the course of a peer review under AS 08.04.426; or

(6) information disclosed

(A) under applicable state or federal laws or regulations; or

(B) as required by the Public Company Accounting Oversight Board.

(b) Client information obtained by the board under (a)(3) - (6) of this section is confidential and is not a public record for purposes of AS 40.25.110 - 40.25.140.

Sec. 08.04.670. Construction. If any provision of this chapter or the application of any provision to any person or to any circumstances is invalid, the remainder is not affected.

ARTICLE 6.
GENERAL PROVISIONS

Section.

Sec. 08.04.680. Definitions. In this chapter, unless the context indicates otherwise,

(1) "attest function" means

(A) an audit or other engagement, if the performance of the audit or other engagement is established by the Statements on Auditing Standards;

(B) a review of a financial statement, if the performance of the review is established by the Statements on Standards for Accounting and Review Services;

(C) an examination of prospective financial information, if the performance of the examination is established by the Statements on Standards for Attestation Engagements;

(D) an engagement, if the performance of the engagement is established by the Auditing Standards of the Public Company Accounting Oversight Board; or

(E) any examination, other than an examination described in (C) of this paragraph, review, or agreed upon procedure performed in accordance with the standards on attestation engagements as

(i) developed by national accountancy organizations, including the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board; and

(ii) adopted by the board in regulation;

(2) "board" means the Board of Public Accountancy;

(3) "certificate" means a certificate granted under AS 08.04.100;

(4) "compilation service" means a service of any compilation engagement performed in accordance with the Statements on Standards for Accounting and Review Services;

(5) "department" means the Department of Commerce, Community, and Economic Development;

(6) "firm" means a sole proprietorship, partnership, limited liability company, corporation, or other legal entity;

(7) "legal entity" means an organization that can organize as a legal person under the laws of this state;

(8) "license" means a license issued under AS 08.04.105 or 08.04.195;

(9) "limited liability company" means an organization organized under AS 10.50 or a foreign limited liability company; in this paragraph, "foreign limited liability company" has the meaning given in AS 10.50.990;

(10) "member" means a person who has been admitted to membership in a limited liability company;

(11) "partnership" means a general partnership, a limited partnership, a limited liability partnership, or another form of partnership;

(12) "peer review" means a study, appraisal, or review of one or more aspects of the professional work of a

person in the practice of public accounting who issues attests conducted as prescribed under AS 08.04.426 by a person who holds a certificate and who is not affiliated with the person being reviewed;

(13) "permit" means a permit issued under AS 08.04.240;

(14) "practice of public accounting" means the offering to perform or the performance as a person holding a license, practice privilege, or permit under this chapter of a service involving the use of accounting or auditing skills; in this paragraph, "accounting or auditing skills" includes preparing financial statements, issuing reports, furnishing management services, furnishing financial advisory services, providing consulting services, preparing tax returns, advising on tax matters, or consulting on tax matters;

(15) "practice privilege" means a practice privilege authorized under AS 08.04.420;

(16) "preparation of financial statements" means providing a service of any preparation of financial statements engagement to be performed in accordance with the Statements on Standards for Accounting and Review Services;

(17) "principal place of business" means the office location designated by an individual for the purposes of substantial equivalency and reciprocity;

(18) "report," when used with reference to an attest function or compilation service,

(A) means

(i) an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also contains or is accompanied by a statement or implication that the person issuing it has special knowledge or competency in accounting or auditing, which may arise from use by the issuer of the report of names or titles indicating that the issuer is a certified public accountant or auditor, or from the language of the report itself;

(ii) any form of language that disclaims an opinion when the form of the language is conventionally understood to imply a positive assurance as to the reliability of the attested information or compiled financial statements referred to or special competence on the part of the person issuing the language;

(iii) any other form of language that is conventionally understood to imply that assurance or special knowledge or competence;

(B) does not include

(i) a compilation of financial statement language that does not express or imply assurance or special knowledge or competence; or

(ii) the following disclaimer language when used by a person without a license or practice privilege in connection with financial statements:

"I (we) have prepared the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing, in the form of financial statements, information that is the representation of management (owners)."; or

"I (we) have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.";

(19) "state" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the United States Virgin Islands, and American Samoa.

Sec. 08.04.690. Short title. This chapter may be cited as the Accountancy Act.

CHAPTER 04.
BOARD OF PUBLIC ACCOUNTANCY.

Article

ARTICLE 1.
RULES OF PROFESSIONAL CONDUCT.

Section

12 AAC 04.004. CODE OF PROFESSIONAL CONDUCT. An accountant shall adhere to the Code of Professional Conduct of the American Institute of Certified Public Accountants, *AICPA Professional Standards,* ET Section, revised as of June 15, 2022, adopted by reference.

Authority: AS 08.04.070 AS 08.04.080

Editor's note: A copy of the *AICPA Professional Standards,* adopted by reference in 12 AAC 04.004, may be obtained from the American Institute of Certified Public Accountants at AICPA, 220 Leigh Farm Road, Durham, North Carolina 27707-8110 or at AICPA's website at http://www.aicpa.org.

12 AAC 04.005. INTEGRITY AND OBJECTIVITY. Repealed 1/1/2008.

12 AAC 04.010. INDEPENDENCE, INTEGRITY, AND OBJECTIVITY. Repealed 1/4/2017.

12 AAC 04.015. COMPETENCE. Repealed 1/4/2017.

12 AAC 04.020. CONFIDENTIAL RELATIONSHIP. Repealed 1/4/2017.

12 AAC 04.030. CONTINGENT FEES. Repealed 1/4/2017.

12 AAC 04.033. ACCOUNTING PRINCIPLES. Repealed 12/29/2013.

12 AAC 04.036. AUDITING STANDARDS. Repealed 12/29/2013.

12 AAC 04.038. ATTEST FUNCTIONS. (a) To perform an attest function means to provide any of the following services:

(1) an audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS) of the American Institute of Certified Public Accountants, *AICPA Professional Standards,* as revised as of June 15, 2022, adopted by reference;

(2) a review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS) of the American Institute of Certified Public Accountants, *AICPA Professional Standards,* as revised as of June 15, 2022, adopted by reference;

(3) an examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE) of the American Institute of Certified Public Accountants, *AICPA Professional Standards,* as revised as of June 15, 2022, adopted by reference;

(4) an engagement to be performed in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB) established under 15 U.S.C. 7211(a); and

(5) an examination, review, or agreed upon procedures engagement performed in accordance with the SSAE, other than an examination under (3) of this subsection.

(b) An individual licensee who is responsible for supervising attest engagements, or who signs or authorizes another to sign the accountant's report on the financial statements on behalf of the firm, shall meet the competency requirements set out in the professional standards for the attest engagements. The supervising licensee shall obtain and maintain the competencies necessary in the specific circumstances.

(c) A licensee performing an attest engagement shall maintain a quality control system that complies with the Quality Control Standards (QCS) of the American Institute of Certified Public Accountants, *AICPA Professional Standards,* as revised as of June 15, 2022, adopted by reference.

Authority: AS 08.04.070 AS 08.04.423

Editor's note: A copy of the *AICPA Professional Standards* may be obtained from the American Institute of Certified Public Accountants at AICPA, 220 Leigh Farm Road, Durham, North Carolina 27707-8110 or at AICPA's website at http://www.aicpa.org.

12 AAC 04.040. USE OF WORK OF OTHERS. Repealed 1/4/2017.

12 AAC 04.050. RESPONSIBILITY AND DISCLOSURE. Repealed 1/4/2017.

12 AAC 04.060. FORM OF OPINIONS AND REPORTS. Repealed 1/4/2017.

12 AAC 04.070. FORECASTS. Repealed 1/4/2017.

12 AAC 04.080. ADVERTISING. Repealed 1/4/2017.

12 AAC 04.100. COMMISSIONS. Repealed 1/4/2017.

12 AAC 04.110. SERVICES PERFORMED BY EMPLOYEES. Repealed 1/4/2017.

12 AAC 04.120. REFERRALS. Repealed 1/27/81.

ARTICLE 2.
THE BOARD.

Section

12 AAC 04.130. MEETINGS. The board will hold at least four meetings each year at times and places designated by the board.

Authority: AS 08.04.070

12 AAC 04.140. SPECIAL MEETING. The president or a majority of the members of the board may determine the need for a special meeting. The president or the board majority may designate the time and place for a special meeting under this section.

Authority: AS 08.04.070

12 AAC 04.145. EXECUTIVE SECRETARY. (a) The executive secretary shall carry out the administrative

functions of the board necessary to complete the duties and responsibilities described in (c) of this section. The executive secretary may use the working title "executive administrator."

(b) The qualifications of the executive secretary include

(1) a baccalaureate or higher degree in accounting, business, or other appropriate field;

(2) experience and background in accounting or auditing, or experience in the management or administration of a state accountancy board or related national accountancy organization; and

(3) management experience in an accounting, governmental, or other appropriate environment.

(c) The duties and responsibilities of the executive secretary include

(1) managing the operations of the board and the efficient function of the board office;

(2) referring potential violations, including any questionable license application or any complaint regarding a certified public accountant practicing in the state, to the division's investigation staff;

(3) reviewing the qualifications of any specialist utilized by the division's investigative staff;

(4) assisting the division's investigative staff by providing relevant accounting expertise;

(5) monitoring investigative complaints and cases through the final disposition and ensure that any board action is posted appropriately on the board's website;

(6) providing assistance, consistent with due process, to the board on investigative adjudications;

(7) providing input to the division on the development of the board's annual budget in consultation with the board, monitor expenditures, and report to the board on budget status;

(8) drafting regulations and policy proposals at the board's request;

(9) monitoring and participating in the activities of local and national accounting professional and regulatory organizations as directed by the board;

(10) monitoring legislative proposals relevant to the accounting profession in the legislature, and testify before the legislature on behalf of the board; and

(11) preparing agendas and support information for, recording of, testifying at, and implementing decisions made by the board at the board's quarterly meetings.

(d) In this section, "division" means the division assigned occupational licensing functions in the Department of Commerce, Community, and Economic Development.

Authority: AS 08.04.055 AS 08.04.070

ARTICLE 3.
LICENSE AND LICENSE RENEWAL REQUIREMENTS.

Section

12 AAC 04.150. CITIZENSHIP. Repealed 2/10/78.

12 AAC 04.151. QUALIFICATIONS FOR LICENSURE. (a) An individual may not practice, attempt to practice, or offer to practice public accountancy in the state without a current license as a certified public accountant (CPA). The board may issue a license to an applicant who has a principal place of business or residence in the state as follows:

(1) by examination under 12 AAC 04.175 if it is the applicant's first application for CPA licensure in the state, any other state or territory of the United States, or country or foreign jurisdiction outside of the United States;

(2) by reciprocity under 12 AAC 04.165 if the applicant holds a current CPA license in another state or territory of the United States;

(3) by temporary military courtesy license under 12 AAC 04.184 if the applicant is an active duty military member or spouse of an active duty military member of the armed forces of the United States, meets the requirements of 12 AAC 04.184, and has submitted an application for a license by reciprocity;

(4) by a temporary license granted to an applicant applying for licensure by reciprocity under 12 AAC 04.165(e) pending issuance of a full license.

(b) For eligibility to apply for a license in the state, a foreign-educated applicant who received an education outside of the United States must submit verification satisfactory to the board that the applicant

(1) graduated with a qualifying degree from a school outside of the United States with an educational program that meets the requirements of 12 AAC 04.185(e)(2);

(2) meets all requirements for licensure under AS 08.04 and 12 AAC 04.165; and

(3) if the state is

(A) not the first jurisdiction for licensure, verification of a current CPA license in good standing from a jurisdiction with licensing requirements equivalent to the requirements of AS 08.04 and this chapter; or

(B) the first jurisdiction for licensure, verification that all requirements of 12 AAC 04.175 have been met; the applicant's school transcripts shall be sent to the board directly from the school; if the applicant's transcripts are not written in the English language, transcripts must be translated into English.

Authority: AS 08.04.070 AS 08.04.450

12 AAC 04.155. DENIAL OF LICENSE. The board may refuse to grant a license to an applicant for the same reasons that the board may impose disciplinary sanctions under 12 AAC 04.520 upon the holder of a license.

Authority: AS 08.04.070 AS 08.04.450

12 AAC 04.160. REFERENCES. (a) An applicant shall submit names of at least three individuals who can vouch for the applicant's good moral character. The board will, in its discretion, make other inquiries it considers appropriate to satisfy itself that the applicant is of good moral character.

(b) Repealed 1/1/2008.

Authority: AS 08.04.070 AS 08.04.110

12 AAC 04.161. BACKGROUND CHECK. (a) An applicant for licensure under this chapter shall submit to the board

(1) a report of the applicant's criminal history obtained by request to the Department of Public Safety for a report of state criminal justice information under AS 12.62.005 - 12.62.200; and

(2) an equivalent report issued by the applicant's primary state of residence, if it is a state other than this state.

(b) An applicant for licensure under this chapter is responsible for payment of any fee associated with requesting the criminal history background check from the Department of Public Safety.

Authority: AS 08.04.070 AS 08.04.423

12 AAC 04.165. APPLICATION FOR LICENSURE BY RECIPROCITY. (a) An applicant who holds a license in good standing to practice public accounting issued by another state may apply for a license to engage in the practice of public accounting in the state. The applicant

(1) must comply with the standards of practice set out under AS 08.04 and this chapter;

(2) must meet the requirements of AS 08.04.105 and 08.04.195;

(3) may not be convicted of a crime that affects the applicant's ability to practice public accountancy competently and safely, as determined by the board; and

(4) may not have had a license to practice public accountancy revoked, suspended, or voluntarily surrendered in relation to a licensing or compliance issue in the state or another state within the meaning given in AS 08.04.680, or in a country or foreign jurisdiction outside of the United States.

(b) An applicant for a license under this section must submit

(1) verification that the applicant holds a current CPA license in good standing issued by another state within the meaning given in AS 08.04.680; the verification must include the applicant's current license status and information regarding any disciplinary action or investigation taken or pending relating to the applicant;

(2) a complete notarized application on a form provided by the department that includes a summary of the applicant's professional work experience;

(3) the applicable fees specified in 12 AAC 02.340;

(4) the names of three individuals who are each able to provide a reference for the applicant as verification that the applicant meets the good moral character requirements of 12 AAC 04.160 and AS 08.04.195(a)(4);

(5) verification showing that the applicant has passed the applicable examinations required under 12 AAC 04.200(a) and (b);

(6) verification that the qualifications required by the other state are substantially equivalent to the national standard under 12 AAC 04.285; and

(7) criminal history information report as set out under 12 AAC 04.161.

(c) An applicant must comply with the applicable experience requirements under 12 AAC 04.180.

(d) An applicant for licensure by reciprocity under this section is entitled to submit a request for a temporary

license to practice public accountancy. A temporary license under this section is valid for a than a period no longer than 180 days pending issuance of a license. An individual may not receive more than one temporary license. The temporary license expires once the board issues a full license.

Authority: AS 08.04.070 AS 08.04.195

12 AAC 04.170. RESIDENT DEFINED. Repealed 2/23/95.

12 AAC 04.175. APPLICATION FOR LICENSURE BY EXAMINATION. An applicant for licensure by examination to practice public accounting must

(1) meet the requirements of AS 08.04 and this section;
(2) have a current or intended principal place of business in the state;
(3) submit to the department
(A) a complete notarized application on a form provided by the department;
(B) the applicable fees specified in 12 AAC 02.340;
(C) a criminal history information report as set out under 12 AAC 04.161;
(D) verification showing that the applicant
(i) meets the education requirements under AS 08.04.120, 08.04.150, 12 AAC 04.185, and 12 AAC 04.187;
(ii) meets the applicable experience requirements under AS 08.04.120 and 12 AAC 04.180; and
(iii) has passed the applicable examinations required under 12 AAC 04.200; and
(E) the names of three individuals for verification of the applicant's good moral character as required under 12 AAC 04.160.

Authority: AS 08.04.070 AS 08.04.110 AS 08.04.130
AS 08.04.105 AS 08.04.120 AS 08.04.150

12 AAC 04.180. DOCUMENTATION OF EXPERIENCE. (a) An applicant for initial issuance of a license under this chapter must show that the applicant has had two years of experience. Under this subsection, an applicant's acceptable experience

(1) includes providing any type of service or advice involving the use of
(A) accounting;
(B) attest;
(C) compilation;
(D) management advisory;
(E) financial advisory;
(F) tax; or
(G) consulting skills and related training;
(2) must be verified by a supervising certified public accountant with an active license at the time of supervision;
(3) may be gained through employment in government, industry, academia, or public practice; and
(4) does not include paid or unpaid leave or holidays.

(b) One year of experience must consist of full or part-time employment that extends over a period of not less than a year and not more than four years and includes not fewer than 2,000 hours of performance of services described in (a) of this section.

Authority: AS 08.04.070 AS 08.04.120

12 AAC 04.181. WORK EXPERIENCE POINTS. Repealed 12/25/2015.

12 AAC 04.183. ATTEST FUNCTION HOURS. Repealed 12/25/2015.

12 AAC 04.184. TEMPORARY MILITARY COURTESY LICENSE. (a) The board will issue a temporary military courtesy license to an active duty military member or spouse of an active duty military member of the armed forces of the United States to practice as a certified public accountant who meets the requirements of AS 08.01.063 and this section not later than 30 days after the board receives a completed application.

(b) An applicant for a temporary military courtesy license under this section

(1) must submit a notarized application on a form provided by the department;
(2) must pay the temporary license application fee and fee for a temporary license set out under 12 AAC 02.105;
(3) must submit a copy of
(A) the applicant's current active duty military orders showing assignment to a duty station in this state; or
(B) if the applicant is the spouse of an active duty military member, the applicant's spouse's current active duty military orders showing assignment to a duty station in this state;
(4) must submit verification of the applicant's current license to practice public accountancy from a board of accountancy of a licensing jurisdiction of the United States; the verification must include the applicant's status and complete information regarding any disciplinary action or investigation taken or pending relating to the applicant; and

(5) may not have been convicted of a crime that affects the applicant's ability to practice public accountancy competently and safely, as determined by the board.

(c) A temporary military courtesy license issued to an active duty military member or spouse of an active duty military member under this section will be issued for a period of 180 days and may be renewed for one additional 180-day period, at the discretion of the board.

(d) An applicant for a temporary military courtesy license may not have had a license to practice public accountancy revoked, suspended, or voluntarily surrendered in this state or another state or territory of the United States.

(e) While practicing under a temporary military courtesy license issued under this section, the holder of the temporary military courtesy license must comply with the standards of practice set out in AS 08.04 and this chapter.

(f) The board may refuse to issue a temporary military courtesy license for the same reasons that it may deny, suspend, or revoke a license under AS 08.04.450.

Authority: AS 08.01.062 AS 08.01.063 AS 08.04.070

12 AAC 04.185. EDUCATION DEFINED FOR CERTIFIED PUBLIC ACCOUNTANT APPLICANTS.

(a) Repealed 2/2/94.

(b) As used in AS 08.04.120, an accounting concentration consists of not less than

(1) 24 semester credit hours or 36 quarter credit hours in subjects such as

(A) accounting principles;

(B) intermediate accounting;

(C) income tax;

(D) cost accounting;

(E) auditing;

(F) advanced accounting;

(G) accounting theory;

(H) governmental accounting; or

(I) detection of fraud;

(2) nine semester credit hours or 15 quarter credit hours of business law, economics, and

(A) statistics;

(B) computer science; or

(C) algebra, calculus, or mathematics.

(c) Repealed 2/2/94.

(d) Repealed 2/2/94.

(e) As used in AS 08.04.120, "a college or university acceptable to the board" means

(1) a college or university accredited by a regional accrediting association or as otherwise approved by the board; or

(2) a foreign college or university whose degree program has been evaluated by an approved credentials evaluation service and determined to be equivalent to the degree program of an institution acceptable under (1) of this subsection; an approved credentials evaluation service is the National Association of State Boards of Accounting (NASBA) International Evaluation Services (NIES).

(f) For purposes of this section, when converting quarter hours to semester hours, the number of quarter hours is multiplied by 2/3 or 0.67.

(g) The following may not be used to meet the accounting concentration

(1) college level examination program (CLEP) courses;

(2) examination preparation courses;

(3) life experience credits; or

(4) courses similar to those described in (1) – (3) of this subsection, as determined by the board.

(h) No more than six semester credit hours can be earned in each subject listed in (b)(1) of this section.

Authority: AS 08.04.070 AS 08.04.120

12 AAC 04.187. EDUCATION VERIFIED. (a) Repealed 5/28/81.

(b) An applicant for a certified public accountant examination or license shall arrange for the submission of a transcript or transcripts from colleges or universities necessary to verify that the applicant meets the appropriate education requirements of 12 AAC 04.185.

(c) A transcript verifying the education of an applicant for examination must be sent directly to the department for the board's use by the issuing college or university. A transcript submitted by an applicant for a certified public accountant license must be certified unless the

(1) original, official transcript has been posted and can be viewed on the website of an approved credentials evaluation service that meets the requirements of 12 AAC 04.185(e)(3) and the original credential evaluation is mailed directly to the department by the approved credentials evaluation service; or

(2) board determines it is impossible or impracticable for the transcript to be certified.

(d) If an applicant cannot submit a transcript as required by this section, the board may accept as evidence of

education
(1) verification from the licensing authority of accountants in another jurisdiction;
(2) verification from a governmental agency, employer, or association which
(A) previously required documentary evidence of education; or
(B) directly verified education;
(3) oral testimony and sworn statements of the applicant and other parties; and
(4) other documentary evidence.
(e) Repealed 2/2/94.

Authority: AS 08.04.070 AS 08.04.120

12 AAC 04.189. LICENSE RENEWAL. To renew a license to engage in the practice of public accounting, a licensee must submit the applicable renewal fee required in 12 AAC 02.340 and a complete renewal application on a form provided by the department. The renewal application must include certification that the licensee
(1) maintains all of the licensee's offices as required by AS 08.04.360 – 08.04.380;
(2) has met the continuing education requirements of 12 AAC 04.300 – 12 AAC 04.440;
(3) continues to comply with the requirements of AS 08.04; and
(4) either
(A) has met the peer review requirements of 12 AAC 04.600; or
(B) is exempt under 12 AAC 04.620 from compliance with peer review requirements of 12 AAC 04.600.

Authority: AS 08.04.070 AS 08.04.105 AS 08.04.195

ARTICLE 4.
EXAMINATION.

Section

12 AAC 04.190. APPLICATION FOR EXAMINATION. (a) Each applicant must submit
(1) a complete application on forms provided by the department;
(2) the applicable fees established in 12 AAC 02.340;
(3) proof of meeting the requirements in AS 08.04.150 and 12 AAC 04.187; and
(4) if applying under AS 08.04.150(1)(C), verification of the supervising certified public accountant's license.
(b) Authorization to be scheduled to sit for the examination in 12 AAC 04.200(a)(1) is valid for 60 days after the date of approval by the department.

Authority: AS 08.04.070 AS 08.04.130 AS 08.04.150

12 AAC 04.193. REVIEW OF APPLICATION. Repealed 9/28/2008.

12 AAC 04.195. QUALIFICATIONS FOR EXAMINATION. To meet the requirements of AS 08.04.150(1)(C), an applicant must have at least one year of public accounting experience under the direct supervision of a certified public accountant who, at the time the applicant was supervised, held a current license to practice public accounting in a state within the meaning given in AS 08.04.680.

Authority: AS 08.04.070 AS 08.04.150

12 AAC 04.200. EXAMINATION. (a) The examination for certified public accountant consists of
(1) the computer-based Uniform Certified Public Accountant Examination; and
(2) an ethics course and open book ethics examination.
(b) A score of at least 75 in each section of the Uniform Certified Public Accountant Examination is considered passing.
(c) The ethics course and examination described in (a)(2) of this section is the self-study course, including its lesson reviews and examinations, titled *Professional Ethics: The AICPA's Comprehensive Course For Licensure*,

published by the American Institute of Certified Public Accountants (AICPA), and is graded on a pass or fail basis. The board will waive passage of this course and examination if the applicant documents passage of an ethics examination of another licensing jurisdiction that, in the determination of the board, is equivalent to the course and examination described in this subsection.

(d) In the absence of exceptional circumstances, grades are those reported by the Advisory Grading Service of the American Institute of Certified Public Accountants.

(e) An applicant may retake an examination section in accordance with 12 AAC 04.235.

(f) Repealed 2/2/94.

(g) An applicant

(1) may take each of the required examination sections individually, in any order;

(2) may earn credit for each examination section that is passed during a period of 30 months, beginning on the date the applicant's first passing score is released by NASBA and concluding on the date the applicant takes the final section of the examination for which a passing score is achieved; and

(3) must pass all sections of the Uniform Certified Public Accountant Examination within a 30-month period.

(h) An applicant who fails to complete each examination section within a 30-month period will forfeit credit earned for sections passed outside of the 30-month period. Each forfeited section must be retaken in accordance with 12 AAC 04.235.

(i) The board will consider a request for an extension of the period of credit for examinations once an applicant has passed all four sections of the CPA examination. The applicant must submit evidence satisfactory to the board that the credit was lost due to circumstances beyond the applicant's control.

Authority: AS 08.04.070 AS 08.04.130

Editor's note: A copy of *Professional Ethics: The AICPA's Comprehensive Course For Licensure* may be obtained from the American Institute of Certified Public Accountants, Order Department, 220 Leigh Farm Road, Durham, North Carolina 27707-8110, phone: (888) 777-7077, or at the AICPA's Internet web site at www.aicpa.org.

12 AAC 04.205. EXAMINATION TRANSITION TO COMPUTER-BASED TESTING. Repealed 2/24/2022.

12 AAC 04.210. TIME AND PLACE OF EXAMINATION. Repealed 3/24/2004.

12 AAC 04.220. NOTICE OF EXAMINATION. Repealed 3/24/2004.

12 AAC 04.230. EXAMINATION PAPERS. Repealed 3/24/2004.

12 AAC 04.235. REEXAMINATION. (a) To apply for reexamination, an applicant must submit a complete application for reexamination and the applicable fees.

(b) An applicant may retake an exam section once the applicant's grade for any previous attempt of the same exam section has been released.

Authority: AS 08.04.070 AS 08.04.130

ARTICLE 5.
PERMITS AND PRACTICE PRIVILEGES.

Section

12 AAC 04.240. WHEN ALL REQUIREMENTS ARE MET. Repealed 2/10/78.

12 AAC 04.245. FIRM PERMITS. (a) A firm that is engaged in the practice of public accounting in the state must obtain a permit issued by the board under this chapter if the firm

(1) has an established and maintained office in the state and meets the ownership requirements of 12 AAC 04.255;

(2) does not have an established and maintained office in the state but provides, or offers to provide, attest

functions in the state under AS 08.04.240(k); or

(3) assumes or uses the title or designation "certified public accountant" or "public accountant" or the abbreviation "CPA" or "PA" as set out under AS 08.04.510 and 08.04.530, or any of the titles and abbreviations listed under AS 08.04.540 unless operating under the requirements of practice privilege under 12 AAC 04.251.

(b) A firm that requires a permit must meet the requirements of 12 AAC 04.280.

Authority: AS 08.04.070 AS 08.04.240

12 AAC 04.250. PRACTICE PERMITS. Repealed 4/12/2024.

12 AAC 04.251. PRACTICE PRIVILEGE. (a) An individual who establishes a principal place of business in the state and holds a current CPA license in another state in good standing may practice public accounting in this state without a license for a period of 180 days. The individual is required to obtain a license by reciprocity under 12 AAC 04.165 not later than 180 days after establishing a principal place of business in the state.

(b) The board may request that an applicant who engages in the practice of public accounting in the state under AS 08.04.420 verify that the applicant's

(1) licensure in another state is in good standing;

(2) principal place of business is located in the same state as licensure under (1) of this subsection; or

(3) substantial equivalency qualifications required under 12 AAC 04.285 have been met.

(c) An accountant who exercises the practice privilege granted under AS 08.04.420 shall follow the statutes and regulations of the state when practicing in the state and shall recognize the jurisdiction and disciplinary authority of the board and courts over the services provided by the accountant in the state.

Authority: AS 08.04.070 AS 08.04.240

12 AAC 04.255. FIRM OWNERSHIP. (a) A firm within the meaning given in AS 08.04.680 granted a permit under AS 08.04.240 that ceases to be in compliance with the ownership requirements of that section shall promptly take action to remedy that noncompliance.

(b) The following time periods apply to the remediation efforts under (a) of this section:

(1) if the noncompliance is remedied not later than 180 days after the noncompliance begins, the firm need not provide notice to the board;

(2) if the noncompliance is not or cannot be remedied during the 180-day period, the firm shall provide notice of the noncompliance to the board; the board will establish a reasonable length of additional time by which the firm must achieve compliance; in establishing a reasonable length of time,

(A) the following factors may be considered:

(i) the nature and extent of the noncompliance;

(ii) whether the noncompliance could or should have been anticipated or avoided;

(iii) any hardship that achieving compliance in a more expeditious manner may impose; and

(B) the board may approve

(i) up to an additional 180 days, for a total of 360 days;

(ii) a length greater than that set under (i) of this subparagraph, if reasonable and necessary.

Authority: AS 08.04.055 AS 08.04.240

12 AAC 04.260. ROSTER. Repealed 1/1/2008.

12 AAC 04.270. RECIPROCITY FOR CPA'S. Repealed 5/28/81.

12 AAC 04.280. APPLICATIONS FOR FIRM PERMITS AND RENEWAL OF FIRM PERMITS. (a) An applicant for a permit under 12 AAC 04.245 and AS 08.04.240 must submit

(1) evidence satisfactory to the board that the firm

(A) meets the ownership requirements set out under AS 08.04.240 and 12 AAC 04.255; and

(B) is supervised in accordance with the requirements set out under AS 08.04.360;

(2) a complete application on a form provided by the department;

(3) the applicable fees required in 12 AAC 02.340; and

(4) verification that the firm holds a current permit to practice public accounting in good standing issued by the state or another state; verification must include the firm's current permit status and information regarding any disciplinary action or investigation taken or pending against the firm or its owners; if the permit is not issued by the state, the verification must be from the state in which the firm's established office and principal place of business is located.

(b) A permit is valid for the biennial license period for which it was issued.

(c) A permit issued under AS 08.04.240, 12 AAC 04.245, and this section will be renewed for subsequent biennial license periods if the holder of the permit submits

(1) a renewal application, due not later than December 31, on a form provided by the department;

(2) the applicable fee required in 12 AAC 02.340; and
(3) certification that the holder of the permit continues to meet the requirements of AS 08.04.240.

(d) The board may refuse to grant a permit or renewal of a permit issued under AS 08.04.240 and this section for the same reasons that the board may impose disciplinary sanctions under 12 AAC 04.520 upon the holder of a license, permit, or practice privilege.

Authority: AS 08.04.070 AS 08.04.240

12 AAC 04.285. SUBSTANTIAL EQUIVALENCY. (a) The licensing requirements of another state are substantially equivalent to the national standard if the National Association of State Boards of Accountancy National Qualification Appraisal Service has determined that the qualifications for licensure as a certified public accountant in that state are substantially equivalent to the qualifications for certification as a certified public accountant of the Uniform Accountancy Act, published jointly by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

(b) The qualifications of an individual are substantially equivalent to the national standard if the National Association of State Boards of Accountancy National Qualification Appraisal Service has determined that the individual's qualifications are substantially equivalent to the qualifications for certification as a certified public accountant of the Uniform Accountancy Act, published jointly by the American Institute of Certified Public Accountants and the National Association of State Board of Accountancy.

Authority: AS 08.04.070 AS 08.04.075 AS 08.04.120

Editor's note: A copy of the Uniform Accountancy Act may be obtained from the American Institute of Certified Public Accountants at AICPA, 220 Leigh Farm Road, Durham, North Carolina 27707-8110, or at AICPA's website at http://www.aicpa.org, or from the National Association of State Boards of Accountancy, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417, or at NASBA's website at http://www.nasba.org.

ARTICLE 6.
CONTINUING EDUCATION.

Section

12 AAC 04.300. HOURS OF CONTINUING EDUCATION REQUIRED. (a) Continuing education in this section must ensure that a licensee

(1) maintains high professional accountancy standards;
(2) is up to date with current educational trends; and
(3) has obtained specific training required for a CPA to provide public accountancy services effectively and competently, applying the principles and concepts of public accountancy set out in AS 08.04.

(b) An applicant must demonstrate to the board that continuing education completed in the concluding biennial licensing period as set out in 12 AAC 04.300 - 12 AAC 04.400 meets the requirements for continued education as set out in this section.

(c) Except as provided in 12 AAC 04.430 and 12 AAC 04.440, an applicant for renewal of a license issued by the board under this chapter shall provide verification to the board that the applicant completed not less than 80 hours of approved continuing education during the concluding biennial licensing period. At least 20 hours of continuing education must have been completed for each year of the concluding biennial licensing renewal period.

(d) At least four hours of the minimum 80 hours of approved continuing education required in (c) of this section must cover ethics.

(e) Not more than 10 hours of the minimum 80 hours of approved continuing education required in (c) of this

section may be completed by means of micro-learning activities.

(f) The continuing education requirements of this section do not apply to an individual who holds an inactive license under AS 08.04.410.

(g) For the purposes of this section a continuing education activity under one hour in length is considered a micro-learning activity.

(h) A licensee who for reasonable cause or excusable neglect is unable to complete the continuing education requirements for renewal of a license may request an exemption by explaining the cause for the exemption to the board a written statement. If the exemption is granted, the board will prescribe an alternative method for the licensee to complete the continuing education requirements.

Authority: AS 08.04.070 AS 08.04.410 AS 08.04.425

12 AAC 04.310. COMPUTATION OF NONACADEMIC CONTINUING EDUCATION HOURS. (a) For the purposes of 12 AAC 04.300 — 12 AAC 04.440, 50 minutes of instruction constitute one hour.

(b) Repealed 12/25/2015.

(c) Credit is given only for class hours and not for hours devoted to class preparation.

Authority: AS 08.04.070 AS 08.04.425

12 AAC 04.320. COMPUTATION OF ACADEMIC CONTINUING EDUCATION HOURS. (a) One quarter hour academic credit from a college or university constitutes 10 hours of continuing education.

(b) One semester hour academic credit from a college or university constitutes 15 hours of continuing education.

Authority: AS 08.04.070(b) AS 08.04.425(a)

12 AAC 04.330. CHALLENGED COURSES. Academic credit earned for a challenged course is not acceptable for continuing education.

Authority: AS 08.04.070(b) AS 08.04.425(a)

12 AAC 04.340. APPROVED SUBJECTS. To be approved by the board, a subject for continuing education credit must contribute directly to the professional competence of a certified public accountant and may include

(1) technical subjects pertaining directly to the profession of accounting; or

(2) non-technical subjects that improve the licensee's ability to practice accountancy in a competent manner.

Authority: AS 08.04.070 AS 08.04.425

12 AAC 04.350. NONACADEMIC PROGRAM CRITERIA. (a) Nonacademic continuing education programs requiring class attendance are approved by the board if

(1) a course outline is prepared in advance and preserved;

(2) repealed 12/25/2015;

(3) the program is conducted by a qualified instructor; and

(4) a record of attendance is maintained.

(b) In (a)(3) of this section, "qualified instructor" includes an instructor or discussion leader whose background, training, education, or experience makes it appropriate for him or her to lead a discussion on the subject matter of the particular program.

Authority: AS 08.04.070 AS 08.04.425

12 AAC 04.360. APPROVED NONACADEMIC CONTINUING EDUCATION PROGRAMS. The following programs are approved by the board if they meet the requirements of 12 AAC 04.340 and 12 AAC 04.350:

(1) professional development programs of the American Institute of Certified Public Accountants, national professional accounting organizations, state accounting societies, or organizations listed by the National Association of State Boards of Accountancy on the National Registry of CPE Sponsors;

(2) technical sessions designed as formal educational programs at meetings of the American Institute of Certified Public Accountants, national professional accounting organizations, state accounting societies, or organizations listed by the National Association of State Boards of Accountancy on the National Registry of CPE Sponsors;

(3) formal, organized, education programs that focus primarily on the enhancement of necessary skills and knowledge in the subjects of accounting, auditing, tax, consulting, financial planning, professional conduct, and specialized industry or government practices;

(4) college or university short courses not carrying academic credit;

(5) repealed 4/12/2024.

Authority: AS 08.04.070 AS 08.04.425

Editor's note: A copy of the National Association of State Boards of Accountancy's National Registry of CPE Sponsors may be obtained from the National Association of State Boards of Accountancy, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417, or at NASBA's website at http://www.registry.nasbatools.com/display_page.

12 AAC 04.370. INDIVIDUAL STUDY. Repealed 5/14/2022.

12 AAC 04.380. INSTRUCTOR OR DISCUSSION LEADER. (a) The board will award one hour of continuing education credit for each hour completed in preparation for instruction or discussion as an instructor or discussion leader of an educational program meeting the requirements of 12 AAC 04.310 – 12 AAC 04.360. The number of hours of credit awarded under this subsection may not exceed twice the number of hours awarded under (b) of this section.

(b) The board will award one hour of continuing education credit for each hour completed as an instructor or discussion leader of an educational program meeting the requirements of 12 AAC 04.310 – 12 AAC 04.360. The board will award credit only for the initial course of instruction of the subject matter unless there have been substantial new developments in the subject since the prior presentation.

(c) Credit awarded under (a) and (b) of this section may not exceed 30 hours in any two-year period.

Authority: AS 08.04.070 AS 08.04.425

12 AAC 04.390. PUBLICATIONS. Repealed 2/24/2022.

12 AAC 04.400. REPORT OF CONTINUING EDUCATION. An applicant for renewal of a license issued by the board under this chapter to practice public accounting shall submit, on a form provided by the department, a statement that the applicant has complied with the continuing education requirements of 12 AAC 04.300.

Authority: AS 08.04.070 AS 08.04.425

12 AAC 04.410. "REASONABLE CAUSE OR EXCUSABLE NEGLECT" DEFINED. Repealed 4/12/2024.

12 AAC 04.420. APPLICABILITY OF CONTINUING EDUCATION REQUIREMENT. Repealed 1/1/2008.

Editor's note: As of Register 184, Jan 2008, the substance of former 12 AAC 04.420 appears in 12 AAC 04.300(d).

12 AAC 04.430. INACTIVE LICENSES. (a) To obtain or renew an inactive license under AS 08.04.410, the holder of a license must submit

(1) an application on a form provided by the department; and

(2) the fee set out in 12 AAC 02.340(5).

(b) To resume the active practice of public accounting, the holder of an inactive license must submit

(1) an application on a form provided by the department;

(2) the applicable fee set out in 12 AAC 02.340; and

(3) documentation that shows the applicant's completion of at least 120 hours of approved continuing education, in accordance with 12 AAC 04.310 – 12 AAC 04.410, during the 36 months immediately before the date of the application; no more than 16 of the hours required in this paragraph may be from continuing education programs described in 12 AAC 04.360(5).

(c) The hours of continuing education required in (b) of this section do not satisfy the continuing education requirement for a subsequent renewal of the reactivated license.

(d) Notwithstanding 12 AAC 04.300, a licensee whose license has been reactivated under this section shall complete at least

(l) 10 hours of approved continuing education for each full calendar quarter between the date that the license was reactivated and the next renewal date; or

(2) repealed 7/25/2001;

(3) 80 hours of approved continuing education between the date that the permit was reactivated and the next renewal date.

(e) When a license is in "inactive" status, that status must be made clear by the licensee by the addition of "CPA-Inactive" or "CPA (inactive)" when using the CPA designation in any form, including on business cards, email signatures, websites, and social media accounts.

(f) When a license is in inactive status, the licensee may not practice public accounting or offer to practice public accounting.

Authority: AS 08.04.070 AS 08.04.410 AS 08.04.425

12 AAC 04.440. REINSTATEMENT OF LAPSED LICENSE. (a) An individual whose license to practice has been lapsed for less than one year may apply for reinstatement of the license by submitting the applicable renewal fee and, if the license has been lapsed for more than 60 days, the delayed renewal penalty fee required in 12 AAC 02.340 and a complete renewal application on a form provided by the department. The renewal application must include certification that the applicant

(1) maintained all of the licensee's offices as required by AS 08.04.360 – 08.04.380;

(2) has met the continuing education requirements of 12 AAC 04.300 – 12 AAC 04.440;

(3) continues to comply with the requirements of AS 08.04; and

(4) either

(A) has met the peer review requirements of 12 AAC 04.600(a)(1) – (3); or

(B) is exempt under 12 AAC 04.620 from compliance with the peer review requirements of 12 AAC 04.600(a)(1) – (3).

(b) An individual whose license to practice has been lapsed for at least one year, but less than three years, may apply for reinstatement of the license by submitting

(1) an application on a form provided by the department;

(2) the license renewal fees for the entire period during which the license has been lapsed and the delayed renewal penalty fee required under 12 AAC 02.340; and

(3) documentation showing the applicant's completion of at least 120 hours of approved continuing education, in accordance with 12 AAC 04.310 – 12 AAC 04.410, during the 36 months immediately before the date of the application for reinstatement; no more than 16 of the hours required in this paragraph may be from continuing education programs described in 12 AAC 04.360(5); at least four hours of the hours required in this paragraph must cover current ethics and statutes and regulations under AS 08.04 and 12 AAC 04.

(c) An individual whose license to practice has been lapsed for at least three years, but less than five years, may apply for reinstatement of the license by

(1) documenting to the satisfaction of the board that the individual's failure to renew the license was excusable;

(2) meeting the requirements of (b) of this section; and

(3) documenting that the continuing education completed in accordance with (b)(3) of this section included successful completion of a current ethics course and examination published by the American Institute of Certified Public Accountants (AICPA) or an ethics examination of another licensing jurisdiction, that, in the determination of the board, is equivalent to the AICPA course and examination described in 12 AAC 04.200(c).

(d) Notwithstanding 12 AAC 04.300, a licensee whose license has been reinstated under (b) or (c) of this section shall complete at least

(1) 10 hours of approved continuing education for each full calendar quarter between the date the license was reissued and the next renewal date; or

(2) 80 hours of approved continuing education between the date the permit was reissued and the next renewal date.

(e) The board may reinstate an applicant's license despite failure to furnish evidence of completion of the continuing education requirements in this section, if the board determines that failure to complete the continuing education requirements was due to reasonable cause or excusable neglect and the applicant agrees to complete a particular program or schedule of continuing education prescribed by the board.

(f) A license to practice that has been lapsed for five years or more may not be reinstated.

Authority: AS 08.01.100 AS 08.04.425 AS 08.04.440
AS 08.04.070

ARTICLE 7.
DISCIPLINARY GUIDELINES.

Section

12 AAC 04.500. PURPOSE OF DISCIPLINARY GUIDELINES. To insure that the board's disciplinary policies are known and are administered consistently and fairly, the disciplinary guidelines in 12 AAC 04.510—12 AAC 04.520 are established.

Authority: AS 08.01.075 AS 08.04.070(b) AS 08.04.450

12 AAC 04.510. VIOLATIONS. Repealed 1/1/2008.

12 AAC 04.520. DISCIPLINARY GUIDELINES. (a) The board may impose greater or lesser penalties than those described under AS 08.04 and this section depending on the circumstances of a particular case, to the full extent of AS 08.01.075, AS 08.04.450, 08.04.470, and 08.04.480.

(b) The board may revoke a license, permit, or practice privilege if the holder of the license, permit, or practice privilege

(1) obtains or attempts to obtain, by fraud or deceit, a license, permit, or practice privilege;

(2) is convicted of a felony under the laws of any state or the United States;

(3) is the subject of a licensing action by another state as described in AS 08.04.450(7); or

(4) has had the right to practice public accountancy before any state or federal agency suspended or revoked.

(c) The board may suspend a license, permit, or practice privilege for up to two years, impose a civil fine in the amount determined by the board, and impose other disciplinary sanctions authorized under AS 08.01.075, in cases of

(1) gross negligence in the practice of public accounting as defined in 12 AAC 04.530;

(2) an act discreditable to the accounting profession as defined in 12 AAC 04.530;

(3) dishonesty in the practice of public accounting as defined in 12 AAC 04.530;

(4) the conviction of a crime involving dishonesty or fraud as described in AS 08.04.450(6); or

(5) unprofessional conduct in an investigation.

(d) The board may suspend a license, permit, or practice privilege for up to one year, in cases of

(1) violation of a provision of AS 08.04.500—AS 08.04.610 as described in AS 08.04.450(3); and

(2) violation of a regulation of the board as described in AS 08.04.450(4).

(e) If the board determines that an applicant has cheated on or breached the security of the examination for certified public accountancy, the applicant is subject to the following:

(1) voiding of that applicant's examination score and denial of a license or permit to that applicant based on that examination score;

(2) prohibition of that applicant from sitting for further examinations in the state.

Authority: AS 08.01.075 AS 08.04.130 AS 08.04.450
AS 08.04.070

12 AAC 04.530. DEFINITIONS FOR DISCIPLINARY GUIDELINES. For the purposes of this section, AS 08.04.450, 08.04.470, 08.04.480, and 12 AAC 04.520 - 12 AAC 04.530,

(1) "act discreditable to the accounting profession" means an action that conflicts with or is in breach of the rules set out in the Code of Professional Conduct of the American Institute of Certified Public Accountants, AICPA Professional Standards, ET Section, revised as of June 15, 2022, and adopted by reference under 12 AAC 04.004;

(2) "breaching the security provisions of a licensing examination" includes

(A) removing any examination materials from the examination room without authorization,

(B) reproducing, or assisting a person in reproducing, any portion of the licensing examination by any means and without authorization;

(C) obtaining examination questions or other examination materials, except by specific authorization before, during, or after an examination;

(D) using, or purporting to use, improperly obtained examination questions or materials to instruct or prepare an examinee for the licensing examination; and

(E) selling, distributing, buying, receiving, or having unauthorized possession of any portion of a future, current, or previously administered licensing examination;

(3) "cheating on a licensing examination" means

(A) communicating with another examinee or an unauthorized person during the administration of the examination regarding the content of the examination;

(B) copying answers from another examinee; or

(C) permitting answers to be copied by another examinee;

(4) "dishonesty in the practice of public accounting" means making misleading, deceptive, or untrue representations in the practice of public accountancy;

(5) "fraud or deceit in obtaining any certificate, license, registration, or permit" means knowingly submitting false or forged evidence to the board in, or in support of,

(A) an application for a certificate, license, registration, or permit;

(B) cheating on a licensing examination, or assisting a person in cheating on a licensing examination; or

(C) breaching the security provisions of a licensing examination;

(6) "gross negligence in the practice of public accounting" means

(A) the failure by a licensee to adequately keep required documentation and work papers of a client or of work performed by the holder of a license, permit, or certificate;

(B) mis-accounting funds; or

(C) other misapplication of generally accepted accounting practices that results in substantial injury to another;

(7) "unprofessional conduct in an investigation" means

(A) failing to cooperate with an official investigation by the board or the board's representatives, including failing to timely provide requested information; and

(B) failing to allow the board or the board's representative to examine and have access to records maintained by the licensee that relate to the licensee's practice under AS 08.04 upon written request.

Authority: AS 08.01.075 AS 08.04.070 AS 08.04.450

ARTICLE 8.
QUALITY REVIEW.

Section

12 AAC 04.600. PEER REVIEW REQUIREMENTS. (a) A permit holder who issued a report on audited or reviewed financial statements during the concluding permit period shall

(1) certify that within the three years before the date of application for permit renewal, the permit holder has undergone a peer review that meets the requirements of

(A) American Institute of Certified Public Accountants, AICPA Standards for Performing and Reporting on Peer Reviews, June 2023 edition, adopted by reference, excluding any reference to compilations; or

(B) National State Auditors Association (NSAA), Peer Review Manual, 2022 edition, adopted by reference;

(2) remain in good standing with the organization administering the peer review; and

(3) submit the most recent written acceptance report from the AICPA at the request of the board if required.

(b) In this section,

(1) "organization administering the peer review" means

(A) a state certified public accountant society authorized by the American Institute of Certified Public Accountants (AICPA) Peer Review Board to administer quality reviews; or

(B) the National State Auditors Association;

(2) "permit holder" means a person or firm that holds a permit to practice under AS 08.04.420.

Authority: AS 08.04.070 AS 08.04.426

12 AAC 04.610. APPROVED QUALITY REVIEW PROGRAMS. Repealed 4/12/2024.

12 AAC 04.620. EXCEPTIONS TO PEER REVIEW REPORTING REQUIREMENTS. (a) A permit holder is exempt from the peer review requirements under 12 AAC 04.600 if

(1) the permit holder did not issue reports on audited or reviewed financial statements during the concluding permit period; or

(2) the report on audited or reviewed financial statements was

(A) the permit holder's first report during the permit period; and

(B) was issued within the last 12 months of the concluding permit period.

(b) A permit holder who is exempt under (a)(2) of this section must undergo a peer review as set out under 12 AAC 04.600 within 18 months after the date of the first completed report on audited or reviewed financial statement.

(c) If a firm is merged, otherwise combined, dissolved, or separated, the organization administering the quality review shall determine which firm is considered the succeeding firm. That determination is subject to review by the board. The succeeding firm shall retain its quality review status and its quality review due date.

Authority: AS 08.04.070 AS 08.04.426

12 AAC 04.630. SPECIAL QUALITY REVIEW REPORTING REQUIREMENTS. Repealed 4/12/2024.

12 AAC 04.690. DEFINITIONS RELATED TO QUALITY REVIEW. Repealed 4/12/2024.

ARTICLE 9.
GENERAL PROVISIONS.

Section

990. Definitions

12 AAC 04.900. COMPLAINTS. A complaint against a licensed or unlicensed person or firm must be made to the department in compliance with the established complaint procedures of the department.

Authority: AS 08.04.070(b)

12 AAC 04.920. CURRENT ADDRESS. A licensee shall maintain a current, valid mailing address on file with the division at all times. The latest mailing address on file for an active, inactive, or lapsed license is the address of the licensee for official communications, notifications, and service of legal process.

Authority: AS 08.04.070(b)

12 AAC 04.930. ARTICLES OF INCORPORATION AND ARTICLES OF ORGANIZATION. (a) Except as provided in (b) of this section, a corporation registered or applying for registration with the board under AS 08.04.240(b) shall file with the board a copy of the corporation's articles of incorporation. The articles of incorporation must state the sole purpose and business of the corporation is the practice of public accounting as required under AS 08.04.240(b).

(b) A corporation that is incorporated under AS 10.45 as a professional corporation in the state is exempt from the requirements of this section.

(c) A limited liability company registered or applying for registration with the board under AS 08.04.240(d) shall file with the board a copy of the limited liability company's articles of organization. The articles of organization must state that the sole purpose and business of the limited liability company is the practice of public accounting as required under AS 08.04.240(d).

Authority: AS 08.04.070 AS 08.04.240

12 AAC 04.940. USE OF TITLE "ENROLLED AGENT". The use of the title "enrolled agent," as defined by the United States Internal Revenue Service, does not constitute use of a deceptive title under AS 08.04.540.

Authority: AS 08.04.070 AS 08.04.540

12 AAC 04.990. DEFINITIONS. In this chapter

(1) "accountant" means a person who holds

(A) a license under AS 08.04.105 or 08.04.195;

(B) a permit under AS 08.04.240;

(C) an out-of-state practice privilege under AS 08.04.420; or

(D) repealed 4/12/2024;

(2) "board" means the Board of Public Accountancy;

(3) "department" means the Department of Commerce, Community, and Economic Development;

(4) repealed 5/28/81;

(5) "financial statement" includes a statement of position, a statement of operations, a statement of change in equity and notes, a balance sheet, an income statement, a statement of cash flows, a statement of assets and liabilities, and any other statement that purports to represent a statement of position or operation;

(6) "opinion" means a written conclusion, based on the use of expert knowledge in accounting and auditing, in matters for which advice is sought or required;

(7) repealed 1/1/2008;

(8) repealed 2/2/94;

(9) "statement" means a financial statement;

(10) "conditional credit" means credit for subjects which the candidate has successfully passed and will not be required to repeat;

(11) "attest function" means the financial statement services described in 12 AAC 04.038;

(12) "good moral character" means the absence of conduct that would cause a reasonable person to have substantial doubts about an individual's honesty, fairness, and respect for the rights of others and for the laws of this state and the United States, including

(A) illegal conduct;

(B) conduct involving dishonesty, fraud, deceit, or misrepresentation, including misconduct in the licensing application process; and

(C) conduct that adversely reflects on the individual's fitness to perform as an accountant or ability to comply with the requirements of AS 08.04 and this chapter;

(13) repealed 1/1/2008;

(14) "engagement" means an agreement between a client and a licensee regarding the performance of professional services and the services performed under the agreement;

(15) "reasonable cause or excusable neglect" includes

(A) chronic illness;
(B) military service; and
(C) other extenuating circumstances, as found by the board.

Authority:	AS 08.04.070	AS 08.04.130	AS 08.04.425
	AS 08.04.110	AS 08.04.150	AS 08.04.680
	AS 08.04.120		

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

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2024 Legislative Guidance for CBPL Board & Commission Members

As a member of a professional licensing board or commission, you have considerable latitude—as well as responsibility—to recommend changes to your licensing program's enabling statutes. Members of the public, consumers, other professionals, and your industry's association (if applicable) confidently approach members of the Legislature to affect the change they wish to see in your practice. Whether taking the initiative or reacting to an "active" bill, board members also need to be prepared to champion their cause!

THE OPEN MEETINGS ACT ALWAYS APPLIES

AS 44.62.310(h) provides detailed definitions of "governmental body", "meeting", and "public entity" that, when combined, define what constitutes a public meeting. A meeting of a decision or policy-making body occurs when more than three (3) members or a majority of the members, whichever is less, engage collectively in discussion of a subject on which the body is authorized to act and set policy and is therefore subject to the Open Meetings Act (OMA). Under this definition, it doesn't matter where the meeting occurs, if it was prearranged, or who arranged it and could include unplanned casual or social contact in any location, including the office of a Legislator or an industry gathering.

Members of boards and commissions should be cautious not to conduct business over email or end up in situations that could be seen as a violation of the OMA, lest the public be removed from the process. Members should not email each other about board business; if a special meeting is needed, a member can alert staff and a meeting can be arranged that way and publicly noticed as required. Remember, all member email correspondence is discoverable, and your board business is also the public's business.

This information is contained in the *CBPL Guide to Excellence in Regulation*, which can be found here along with many other board resources: www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/BoardMemberResources.

BE INFORMED: IF NOT YOU, THEN WHO?

- Ahead of Legislative session (which starts in mid-January every year), select – on the record – a member who will serve as the point person for legislative activity.
    - In the absence of this person, the division will look to the chair of the board for input and interpretation.
    - If the board is championing a piece of legislation, a history of the meeting minutes reflecting the issues and board's perspective should be compiled by this leader and made available to board members and division management, who will be at every hearing. This research and history will be especially helpful to new board members who are appointed.

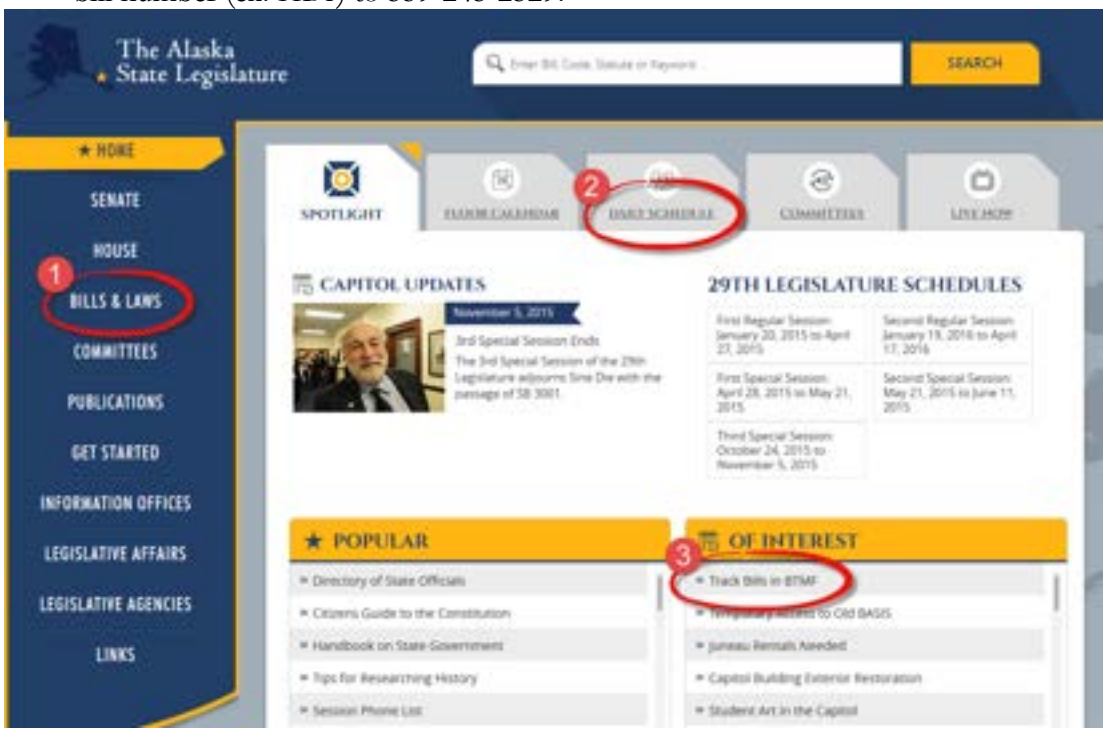
- When a bill is filed, division management will alert program staff. The examiner or executive should ensure that their board members are made aware of legislation that is filed that will affect them. With sometimes hundreds of bills to track, analyze, and testify on, division management may not be able to keep the board apprised of every late-breaking detail. Division management will periodically send updates to staff regarding legislation or request discussion with the board.

- However, it is up to board membership to track the progress of a bill the board is interested in, to call in to testify as desired by the board, submit support or opposition letters as determined by the board, etc. The division will do its best to inform members of scheduled hearings as a courtesy, but board members should utilize the tools identified below to track hearings as well.

- Bill progression and "companion"/"sister" bills:
    - When a bill is introduced, it will either be a House Bill (or "HB", indicating it was introduced by a Representative) or a Senate Bill (or "SB", indicating it was introduced by a Senator).
    - Occasionally, the same bill will be introduced by both a Senator and Representative. It will have the same "short title" but different bill numbers. These are often called "sister" or "companion" bills.
    - Once the bill is introduced, it will be referred to one or more committee(s) in that body (i.e., the House or the Senate) and must be heard and passed by those committee(s) before it can go to the Floor – meaning before it is voted on by all members of that body.
    - Committees can amend legislation however they see fit, including changing the text originally included, adding new text, or taking things out. If a committee amends a bill, that amended version is called the "Committee Substitute" and that is what's considered by the next committee.
    - When the bill reaches the body floor, the latest version of the bill is what's considered and voted on.
    - If the bill passes its committees of referral and passes on the floor, then it must go to the other body (i.e., if it passes out of its House Committees and passes on the House Floor, now it goes to the Senate) at which point the process starts over – the bill is referred to committees within that body.
    - If the bill is amended further and then is passed in the second body, it must then go back to the first body for concurrence since it is no longer the same bill they voted on.
    - If all of that occurs, the bill is passed by the Legislature and then goes to the Governor for consideration and signature.
    - The bill keeps the same HB or SB number throughout the entire process.
    - When sister/companion bills are introduced, the legislation is often expedited because the bill is basically working its way through both bodies at the same time. If one of the two companion bills pass out of its original body, it will be referred to whatever committee its companion is currently in, and that committee can choose which version to advance. This is why you will often see that whenever the Governor introduces a bill, he introduces it in both the House and Senate, to give it the best chance of getting through all committees of referral in each bill simultaneously rather than one and then the other.
    - For more guidance on the bill progress process, consider reviewing the following resources available on the Alaska State Legislature's website:
        - Steps in Passage of a Bill: https://akleg.gov/docs/pdf/passbill.pdf
        - Legislative Process: https://akleg.gov/docs/pdf/legprocess.pdf

- Know where to find your bill using the Alaska State Legislature's website (also known as BASIS): akleg.gov – *See screen shot on next page:*
    - The **BILLS & LAWS** section on the sidebar links to a searchable list of documents. If you know the bill number, you can search using the bar at the top of the screen.
    - The **DAILY SCHEDULE** shows all committee activity for the day you choose. It is subject to change, but it is a good starting place to see what is happening where.
    - The **BTMF**—or Bill Tracking Management Facility – is your best friend when trying to keep up with a bill. Take the time to set up your profile and register the bill you want to track, then you will receive email updates when its status changes or is scheduled for a hearing.

- You can also sign up to receive SMS text alerts on bill hearings and bill movement by texting the bill number (ex: HB1) to 559-245-2529.



GUIDELINES FOR BOARD MEMBER TESTIMONY

- Encourage the board to become engaged:
  - Track the bill online;
  - Participate in hearings;
  - Write a letter supporting the board's official position; and/or
  - Discuss the legislation in a public meeting.

- It is a best practice for organizations to speak with "one voice." Any testimony or correspondence by a board member on behalf of a board must represent deliberation and action taken on the record in a public meeting.

- Staff may not express opinions on behalf of the board or discuss legislation with elected officials except in rare circumstances when they have obtained prior approval from division management <u>and</u> clearance from the Governor's Legislative Office – so the board will need to ensure they have a plan to express their position(s) on legislative bill(s).

- If the board has published a resolution or letter regarding the legislation because of a vote at a public meeting, staff may provide that document to legislators per department procedures.

- If a board has voted to pursue legislation, this must be an effort by the board membership.
  - Staff cannot participate or assist (aside from providing guidance as needed) unless pre-approved by the Commissioner's Office and Governor's Legislative Office.
  - This is because division staff – whether it be the Director, Deputy Director, an Executive Administrator, Licensing Examiner, or other – represent the Governor in the eyes of the Legislature.

- Individual board members may offer their personal or professional opinions on the legislation by clarifying that while they are appointed to a board, they do not speak on behalf of the board.

- Boards must provide a member to testify telephonically (or in person, if the individual resides in Juneau) at every hearing when being considered for reauthorization per AS 08.03 (i.e., a "sunset" bill). Without member interest and advocacy for the board or commission's continuation, it is possible that the sponsor could withdraw the bill and the board could sunset.
    - Boards must also provide a member to testify at each hearing for a bill that was introduced at the request of the board.
    - The chair or elected board spokesperson should be prepared to answer questions posed by staff or legislators, testify on bills that require subject matter expertise or upon request, and otherwise be available on short notice to engage in this process.

- Be sure to differentiate the State licensing board from the industry association. Sometimes, they share the same goals. Sometimes, they do not. Legislators must keep track of a lot of names and organizations, so be sure that you are clear that you represent the State of Alaska.

- Nervous? Don't worry! You can email or call the Division Director or Deputy Director to discuss tips or even run through some potential questions/roleplay. Their contact information is provided at the end of this document.

LEGISLATIVE TESTIMONY CALL-IN DO'S AND DON'TS

- **Do** use the streaming video available on the "Live Now" tab on akleg.gov or Gavel Alaska (ktoo.org/gavel) to watch for your bill to come up in a scheduling hearing.
    - The chairman will announce the order of bills at the beginning of the meeting.
    - Callers may be disconnected from the meeting if they call in prior to their bill being taken up.
    - If video streaming is not an option for you, please contact the committee aide prior to the hearing to arrange to call in early.
    - Once the bill is before the committee, call 844-586-9085, 844-563-9085, 907-586-9085, or 907-563-9085. Give your name, the bill number, state whether you are on the line to testify and/or answer questions, and ask to be connected to the _____ Committee.

- Do **not** call in before the bill you are testifying on comes before the committee.

- Do **not** call in for a hearing if you simply want to listen – utilize the streaming video as noted above.

- **Do** use the "mute" function of your phone until called on to testify. If this function is not available on your phone, ask the Legislative Information Office (LIO) moderator to mute your call.

- Do **not** use the "hold" function while connected to a legislative committee. (It may result in hold music playing on the loudspeaker in the committee room which is very disruptive.)

- **Do** try to be in a quiet room without distractions or interruptions while testifying or on the line for questions. Please treat the important responsibility of testifying with utmost respect and professionalism.

- **Do** remember that everything transmitted over your phone will be broadcast directly into the meeting room and recorded to become part of the permanent record.

- **Do** remember to be in a location with good reception if using a cell phone. Disruptions coming into the meeting via the phone lines may result in all callers being disconnected from the system. This will require testifiers to call back to be reconnected.

- Do **not** have your computer or TV speakers on if you are listening online and on the line to testify or for questions, as this will create an audio "loop".

- **Do** try to adhere to time limits imposed by the chairman.

- **Do** feel comfortable asking for a question to be repeated or clarified if you did not hear or understand what is being asked.

- **Do** feel comfortable referring a question to the division if it's related to a day-to-day administrative matter or the fiscal note provided for a bill.

Remember: There are a limited number of phone lines coming into the Capitol. These lines are also used by LIOs around the state. When all the phone lines are used up, an LIO may not be able to call in with a room full of people.

ADDITIONAL RESOURCES:

Additional resources on BASIS that will be helpful in understanding how to navigate BASIS, understand what you're seeing, and become more familiar with the legislative process:

- Tips for Using Basis: https://akleg.gov/docs/pdf/basis.pdf
- Frequently Asked Questions: https://akleg.gov/faq.php
- Legislative Abbreviations & Acronyms: https://akleg.gov/docs/pdf/abbracro.pdf
- Glossary of Legislative Terms: https://akleg.gov/docs/pdf/glossary.pdf
- How to Read a Bill History: https://akleg.gov/docs/pdf/readbill.pdf
- Layman's Guide to the Budget Process: https://akleg.gov/docs/pdf/budgproc.pdf

DIVISION CONTACT INFORMATION:

You can always route questions through the staff to your boards. However, if you have an urgent matter that requires you contact division management quickly:

- CBPL Director – Sylvan Robb: sylvan.robb@alaska.gov, (907) 465-2524, (907) 419-7678
- CBPL Deputy Director – Glenn Saviers: glenn.saviers@alaska.gov, (907) 465-2691, (907) 321-1423

Division management is often in meetings or hearings throughout the day during legislative session, so email may sometimes be the quickest way to get a response. If you opt to call, make sure to leave a voicemail and consider following up with an email. Please do understand that while management will get back to you as quickly as possible, they may not always be able to get back to you the same day.

LEGISLATIVE PROCESS IN ALASKA

THE LEGISLATURE

The Alaska State Legislature consists of 60 members in two houses, The Senate and the House of Representatives. There are 20 Senators and 40 Representatives. The presiding officer or head of the Senate is the President of the Senate and the presiding officer or head of the House of Representatives is the Speaker of the House.

A Legislature consists of two regular sessions, a first Regular Session convening in odd-numbered years and a second Regular Session convening in the following, even-numbered year, and any special sessions held during that two year period. The Constitution of the State of Alaska requires that the Legislature adjourn 120 days after the day the Legislature convenes (the constitutional 121 day session limit) unless extended for up to 10 days by a two-thirds vote of each house. By law (AS 24.05.150), the Legislature must adjourn within 90 days of convening (the statutory 90 day session limit). Regular sessions begin in January.

CLERICAL OFFICERS: House Chief Clerk and Senate Secretary

The Chief Clerk of the House of Representatives and the Secretary of the Senate, along with their technical staffs, maintain official records of action in each body, prepare the daily journals, and facilitate the transmittal of work to and from the committees, between the two houses, and to the Governor. They are responsible for the flow of journal information and data entry for the history of each piece of legislation. This information is transmitted to the Legislative Affairs Agency for inclusion in the computerized systems available to the public. This information can be found on the Legislature's website at akleg.gov.

UNIFORM RULES

The Constitution of the State of Alaska provides: "The houses of each legislature shall adopt uniform rules of procedure." The uniform rules are intended to permit the members to conduct and the public to follow the legislative process without confusion. The rules were adopted by both houses sitting in joint session as one body in 1981. The rules have been and can be amended by the passage of a concurrent resolution.

The rules are designed as an aid to legislators and both houses in the conduct of their business in the formal processing of legislative documents and the exercise of other powers and duties assigned the Legislature by the constitution and by statute.

When the legislature meets for its daily session, it follows the order of business set out in Uniform Rule 17.

UNIFORM RULE 17. DAILY ORDER OF BUSINESS

Unless changed by a two-thirds vote of the full membership of the house the daily order of business of each house is as follows:

1. Roll call
2. Invocation or meditation
3. Pledge of Allegiance
4. Certification by the chief clerk or secretary to the house as to the correctness of the journal of the previous day, journal approved or ordered changed
5. Introduction of guests
6. Messages from the Governor
7. Messages from the other house
8. Communications
9. Reports of standing committees
10. Reports of special committees
11. Introduction of resolutions
12. Introduction, first reading and reference of bills
13. Consideration of daily calendar
    a. Second reading of bills of house
    b. Second reading of bills of other house
    c. Third reading of bills of house
    d. Third reading of bills of other house
    e. All other matters up for final action in the house
14. Unfinished business
15. Announcement of committee meetings
16. Special Orders (not set for a particular hour)
17. Adjournment

BILL PROCESS

THE IDEA

The idea for a bill, or proposed legislation, may come from a legislator, a legislative committee, a group of legislators, a state or local agency, a business, professional or fraternal group, an individual citizen, a lobbyist, the Governor, etc. The idea must be communicated to a legislator, legislative committee, or the Governor for further action, as all bills must be introduced by a legislator, a legislative committee, or the Governor through the Rules Committee.

BILL DRAFTING

A legislator or a legislative committee transmits a proposal for a bill to the Legislative Affairs Agency, Legal Services. A work order is completed and the Director of Legal Services assigns the request to a staff member for action. The legal staff concentrates on legal research, drafting, and review to assist the legislators and the committees in their efforts to propose new law, amend or repeal existing law, annul regulations, etc. This is a technical service carried out by the professional and administrative staff of the Legislative Affairs Agency under provisions of law (AS 24.08), the Uniform Rules of the Alaska State Legislature, and the Legislative Drafting Manual.

The legislation proposed by the Governor is prepared by the staff of the Department of Law under provisions of law and the Legislative Drafting Manual.

BILL INTRODUCTION

Once a bill has been prepared by Legal Services, the prime sponsor (either an individual legislator or a committee chair) receives the bill with the necessary copies. A member introduces the bill by giving it to the Chief Clerk of the House of Representatives or the Secretary of the Senate on the afternoon before it is to be introduced. Bills by the Governor are introduced by the Rules Committees and bear the sponsor notation: Rules Committee by request of the Governor. The House Chief Clerk or the Senate Secretary will assign the bill its number.

FIRST READING: Referral to Committee(s)

During the Daily Order of Business, a bill is introduced and read the first time with the number, sponsor(s), and the title of the bill. This is referred to as the First Reading. The bill is not read in its entirety. The presiding officer will refer the bill to a committee or committees. The jurisdiction of the various standing committees is set out in Rule 20 of the Uniform Rules.

Uniform Rule 20. STANDING COMMITTEES

(a) Each house has the following standing committees with the jurisdiction indicated:

Education (the programs and activities of the department of Education and Early Development and the University of Alaska)

Finance (all appropriation, revenue, capital improvement, and bonding measures, the executive budget, and the programs and activities of the Department of Revenue)

Health and Social Services (the programs and activities of the Department of Health and Social Services) Judiciary (the programs and activities of the Alaska Court System and the Department of Law, and the legal and substantive review of bills referred to it for that purpose)

Labor and Commerce (the programs and activities of the Department of Labor and Workforce Development relating to labor-management relations, industrial safety, unemployment compensation, and workers' compensation and the programs and activities of the Department of Commerce, Community and Economic Development that do not primarily relate to local government or to government services or functions in the unorganized borough)

Community and Regional Affairs (the programs and activities of the Department of Commerce, Community and Economic Development that primarily relate to local government and government services or functions in the unorganized borough, and other matters relating to political subdivisions)

Resources (the programs and activities of the Departments of Fish and Game, Natural Resources, and Environmental Conservation)

Rules (interpretation of the Uniform Rules, calendar, the internal administration of the house and matters pertaining to the management of the legislature as a whole)

State Affairs (programs and activities of the Office of the Governor and the Departments of Administration, Military and Veterans' Affairs, Corrections, and Public Safety, and programs and activities of the Department of Transportation and Public Facilities relating to public facilities)

Transportation (programs and activities of the Department of Transportation and Public Facilities relating to transportation and other legislative matters relating to transportation).

(b) The committee chair is authorized to form such subcommittees as they determine to be necessary.

One copy of the bill is delivered to the first committee of referral and the original copy of the bill is kept on file by the Senate Secretary or the House Chief Clerk until passed by the house of origin.

COMMITTEE CONSIDERATION

The committee to which the bill is referred may consider the bill with public hearings at the Capitol or elsewhere. The committee may combine bills that deal with the same subject or add or delete its own ideas for the bill. The committee reports the bill out of committee as introduced or with changes incorporated into a committee substitute or with attached amendments. Legislative Affairs Agency, Legal Services prepares the committee substitute or amendments. Committee substitutes do not replace the original bill but are considered as proposed amendments to the legislation, unless and until a committee substitute is adopted in the second reading of the bill. The committee then returns the bill with its report to the House Chief Clerk or Senate Secretary.

The report is read under Reports of Standing Committees as part of the Daily Order of Business. The bill is then transmitted to the next committee of referral by the House Chief Clerk or Senate Secretary. If the bill does not have another committee referral, it is delivered to the Rules Committee, which may schedule the bill on the Daily Calendar for Second Reading. The Rules Committee may also hold hearings on the bill and may propose amendments or a committee substitute of its own.

SECOND READING (Receipt of committee reports; consideration of amendments)

Once the bill has been scheduled for floor action by the Rules Committee, the bill appears on the calendar in Second Reading. The bill is again read by number, sponsor(s), and title along with the standing committee reports. A motion is made on the floor to adopt a committee substitute, if any, in Second Reading. If there is an objection to adoption of a committee substitute, a roll call vote must be taken and recorded in the journal. Any amendments to the bill are offered and voted on in Second Reading. Drafted amendments should be requested through Legislative Affairs Agency, Legal Services, by the sponsor of the amendments.

Approved amendments are engrossed (integrated) in the bill by the Office of the House Chief Clerk or Senate Secretary. Often a bill which has been read a second time will be considered engrossed and advanced to Third Reading for final passage on the same day. This special advancement motion requires the affirmative vote of three-fourths of the full membership (30 in the House, 15 in the Senate).

If the bill was not advanced to Third Reading on the same day it was read in Second Reading, it automatically appears on the Calendar in Third Reading on the next day the Legislature convenes.

THIRD READING (Final Passage)

After the bill is read the third time and is in Third Reading, a motion may be made to return the bill to Second Reading for a specific amendment. This motion requires the affirmative vote of the majority of the full body (21 in the House, 11 in the Senate). Only action on that specific amendment may be taken at that time. Following the vote on the specific amendment, the bill is again in Third Reading.

The bill is passed if it receives an affirmative vote of a majority of the members of the body. If the bill has an effective date clause, for example, the bill provides for an immediate effective date or a specific date, a - 6separate - two-thirds vote of the full membership is required to pass (27 in the House, 14 in the Senate). Without an effective date clause, the bill takes effect ninety days after it has been signed by the Governor or permitted to become law without the Governor's signature. An immediate effective date causes a bill to take effect the day following the Governor's signature or day of enactment without the Governor's signature. A bill may also have a specific effective date, such as July 1, 2019 or January 1, 2020. See AS 01.10.070 regarding effective dates.-

RECONSIDERATION

As provided in Rule 30 of the Uniform Rules, a member may give notice of reconsideration of his/her vote on a bill. Reconsideration may be taken up on the next legislative day unless the body, by a two-thirds vote (27 in the House, 14 in the Senate), orders the reconsideration to be taken up on the same day.

Calling up reconsideration on the next legislative day automatically places the question to be reconsidered again before the body in Third Reading. Calling up reconsideration cancels the previous vote on the question to be reconsidered as completely as though the vote had never been taken.

The time for reconsideration expires at adjournment on the next legislative day unless an extension of time is granted to the next legislative day or to a date certain by a majority vote of the members present.

RECONSIDERATION IN THE OTHER HOUSE

After final passage in one house, the bill is then engrossed and sent to the other house, where it again goes through the same introduction, committee referral, and three readings as in the house of origin.

IN CASE OF DISAGREEMENT (Conference Committees)

If the second house amends the bill and adopts the amended version, the bill is returned in its amended form to the house of origin. Upon receipt of the amended bill, a motion is required to concur (agree) or not to concur in the amendments. If the house of origin concurs with the amendments from the other body, the bill is sent to the Legislative Affairs Agency, Legal Services, for enrollment. amendments, the bill then goes back to the house of origin for enrollment. If the other body refuses to recede, it so advises the presiding officer of the house of origin. It is then in order for the presiding officer of each house to appoint three members to a conference committee to resolve the differences and bring in a report offering a solution.

A conference committee addresses only those points of contention in the previously adopted versions of the bill adopted by either house. If the two houses cannot agree on amendments, or one or both houses refuses to adopt the committee report, it is then in order for the conference committee to request limited powers of free conference.

Conference Committees and Free Conference Committees with Limited Powers of Free Conference

The presiding officer of each house may grant limited powers of free conference related only to those specific points of disagreement contained in the conference committee report.

If the members of a Conference Committee with limited powers of free conference cannot agree on amendments, or one or both houses refuses to adopt the committee report, it is then in order to appoint a Free Conference Committee. A member who serves on a Conference Committee with limited powers of free conference may not be appointed to a subsequent Conference Committee or Free Conference Committee concerning the same bill.

The vote on adoption of the conference committee report in each house is recorded in the journals and requires a majority vote of the full membership of each body (21 in the House, 11 in the Senate). A conference committee report cannot be amended.

ENROLLMENT AND SIGNATURE

When a bill has been passed by both houses, the bill is sent to the Legislative Affairs Agency, Legal Services, where it is rechecked by the enrolling secretary and the Revisor of Statutes. The Legal Editor for Legal Services is the enrolling secretary for the Legislature. Any needed corrections are made, and a cover page and authentication page are added. If corrections are made by the enrolling secretary and the Revisor of Statutes, the House Chief Clerk and Senate Secretary are notified and they must notify the Speaker of the House and President of the Senate. The bill in final form is then returned to the house of origin, where it is signed by the presiding officer and House Chief Clerk or Senate Secretary and then sent to the second house for like of origin and formally transmitted to the Governor for review and action.

ROLE OF THE GOVERNOR

The Governor has 15 days, Sundays excluded, to act on a bill if the Legislature is in session. If the Legislature has adjourned, the Governor has 20 days, excluding Sundays. During either period, the Governor may have the bill examined by the Department of Law and affected agencies before acting on it.

By constitutional mandate, the Governor must sign the bill, veto the bill or let it become law without signature. If the Governor vetoes a bill or reduces or vetoes an appropriation item (line item veto), the Governor must return it to the house of origin with a statement of the Governor's reasons for vetoing the bill and do so within the constitutional time limits.

When the Governor allows a bill to become law without signature, the Governor returns the bill and so advises the Legislature.

If the Legislature is in session, both houses may agree on a time to meet in joint session to override or sustain the veto. The houses sit in joint session as a unicameral body and it requires two-thirds (three-fourths if an appropriation bill or a bill to raise revenue) of the membership of the combined houses to override the veto and have the bill become law. If the Legislature has adjourned, the vetoed bill must be taken up within five days after the convening of the Legislature in its second regular session or any special session.

If the Governor vetoes a bill after the adjournment of a second regular session of a Legislature, the veto will not be addressed unless a special session is called before the next Legislature convenes.

FROM A BILL TO AN ACT TO LAW

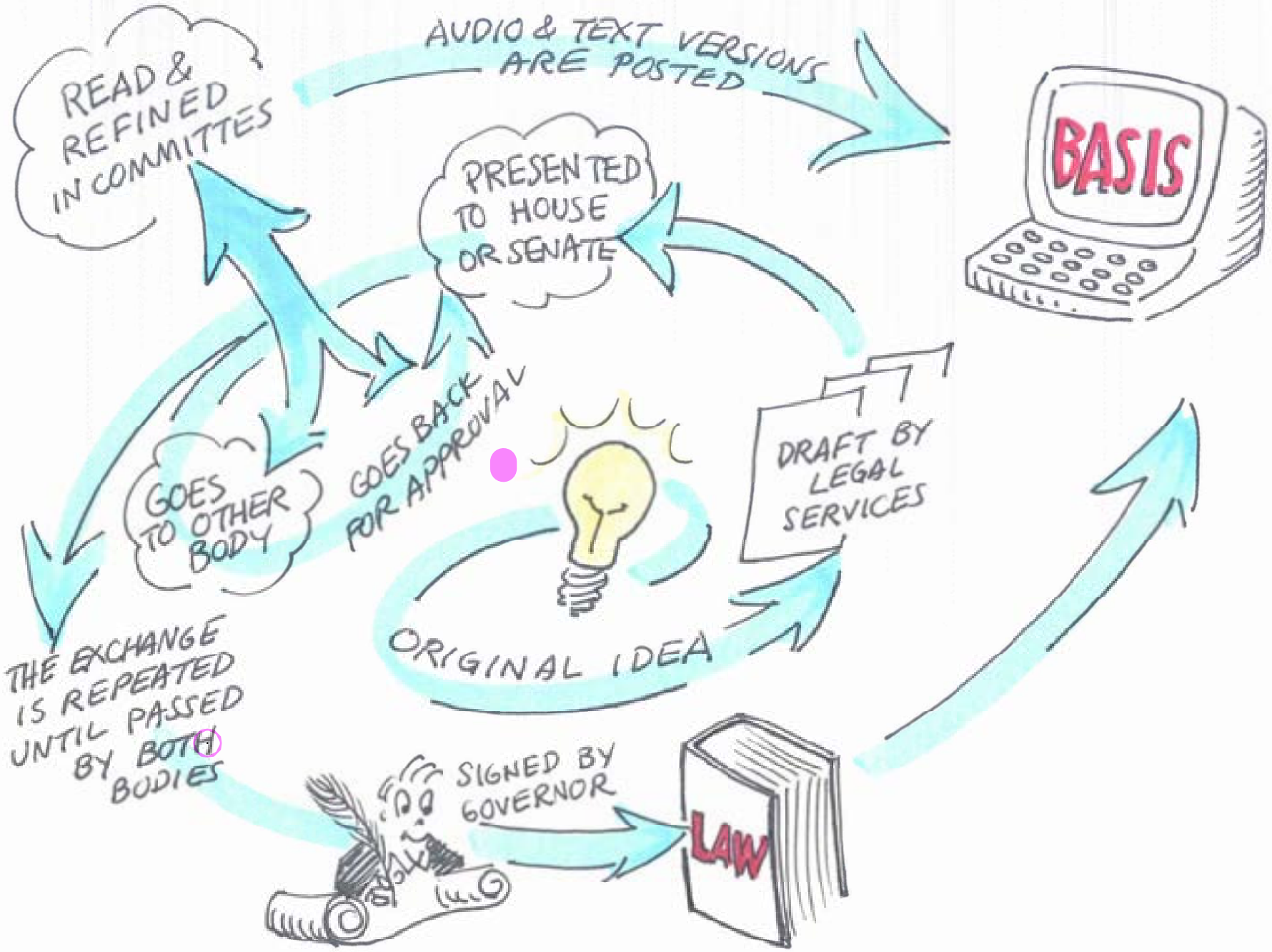
When the Governor signs the bill, allows it to become law without signature, or the Governor's veto is overridden, the bill is enacted and becomes an Act and is given a chapter number and is now a session law. The session law is returned to the Legislative Affairs Agency, where the notations -on 9 -the date of signing and actual effective date of the Act are affixed. The former bill is now designated as Chapter ___, Session Laws of Alaska 20___ (Current year) and is printed in slip law form.

When the session work is completed, the Session Laws of Alaska are compiled, indexed, and distributed to legislators and Legislative Information Offices. The Alaska State Library makes other distributions and prepares complete indexed sets available for public purchase. The session laws are reviewed by the Revisor of Statutes for placement in the Alaska Statutes with appropriate annotations and notes and sent on to the publisher of the Alaska Statutes, along with the revisor's instructions and notes, for printing. At the end of each session, the Legislative Affairs Agency, Legal Services, publishes the Summary of Alaska Legislation, which contains synopses of all bills enacted or vetoed, tables of statute sections amended or repealed, and other statistical data on the session.

Approximately three months after all session-related materials are sent to the publisher, the Alaska Statutes, which are the permanent law and temporary and special acts, are ready for use.
A new replacement set of the Alaska Statutes is published in even-numbered years and a supplement is published in odd-numbered years. In the meantime, the session laws as published in slip law form, along with any technical modification noted by the revisor, are in general use.

AND THEN…

Under the Constitution of the State of Alaska an Act takes effect 90 days after it is enacted. The Act is enacted when it is signed by the Governor or it becomes law without the governor's signature. The Legislature by a two-thirds vote of the full membership can provide for a different or specific effective date in the Act. When an Act becomes effective it is subject to enforcement, observance, and administrative action, as appropriate. The Act, now law, may be subject to implementation by an agency through the adoption of administrative regulations, which spell out the details of how the law is to be applied. (See AS 44.62).


READ & REFINED IN COMMITTES
AUDIO & TEXT VERSIONS ARE POSTED
BASIS
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GOES TO OTHER BODY
GOES BACK FOR APPROVAL
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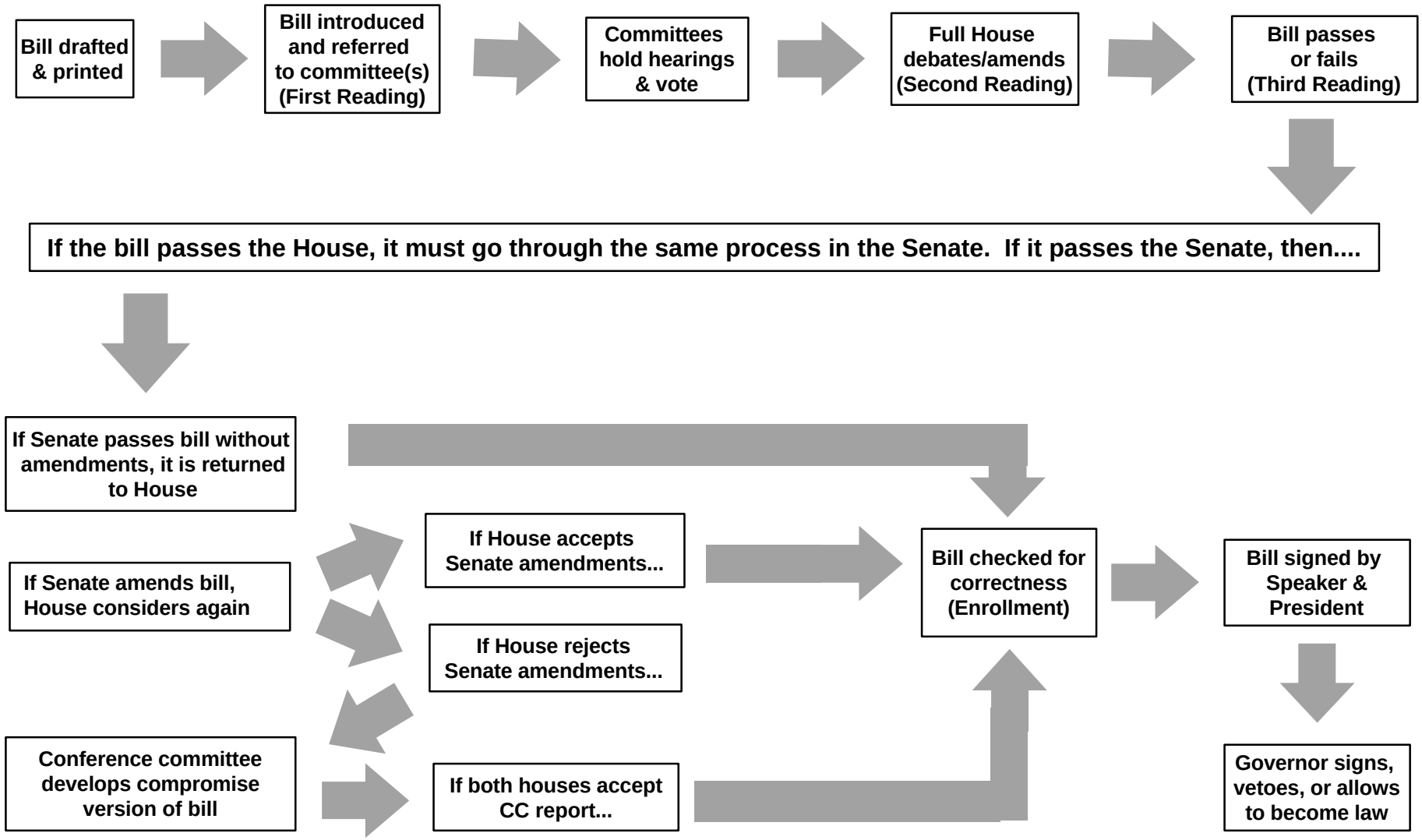
ORIGINAL IDEA
THE EXCHANGE IS REPEATED UNTIL PASSED BY BOTH BODIES
SIGNED BY GOVERNOR
LAW

STEPS IN THE PASSAGE OF A HOUSE BILL*



*This chart shows the progress of a bill originating in the House of Representatives. For a Senate bill, the process would begin on the Senate side. See “Legislative Process in Alaska” for more information.

Dear Board Members and Executive Directors:

Over the last several months, there have been discussions by various groups on removing Substantial Equivalency, as set forth under Section 23 of the Uniform Accountancy Act (UAA), as the criteria for determining mobility. These discussions have centered around replacing Substantial Equivalency with an “Automatic Mobility” provision as a way to ensure mobility continues in the event a jurisdiction has adopted a pathway to licensure that is not defined in the UAA.

It should be noted that such a provision could be considered as an unconstitutional delegation of legislative authority because it grants one state the unqualified right to determine the qualifications for practice for a state that is not the licensee’s principal place of business. This may especially be the case when the initial licensure requirements are not considered substantially equivalent between the relevant states.

We bring this to your attention as there have been a number of courts, attorneys general, and state

agencies that have heard dozens of challenges to such regulations, and they consistently support host states' regulatory powers. For example:

- Johnson v. Hall, Nos. 4:08-CV-2726-TLW-TER & 3:09-CV-0102-TLW-TER, 2011 U.S. Dist. LEXIS 116167 (D.S.C. Aug. 9, 2011), aff'd per curiam sub nom. Johnson v. Bryant, 474 Fed. Appx. 105 (4th Cir. 2012), cert. denied, ___ U.S. ___, 133 S. Ct. 940, 184 L. Ed. 2d 726 (2013): South Carolina has a legitimate constitutional interest in "assuring the public that only persons who have demonstrated their qualifications as CPAs and received a license can hold themselves out as public accountants."
- Att'y Gen. Kan. No. 98-7 (Feb. 9, 1998): "It is clear from the language [of UAA Section 23] that certificate and permit holders from other states who practice in Kansas will be subject to this state's accountancy laws and regulation as administered by the Kansas [Board] regardless whether the Board issues a certificate or permit that represents that privilege."
- In the Matter of the Application for Certification as a Certified Public Accountant by Gary E. Lotzer, No. 12F-2012.096-ACY, 2012 Az. Admin. Hearings LEXIS 241 (Az. Office of Admin. Hearings May 31, 2012): A CPA was properly denied certification by reciprocity in Arizona based on a determination by the board that he did not meet its reciprocity requirements.

Furthermore, only the host state has the power to determine whether an out-of-state licensee's credentials are substantially equivalent to host state requirements. Courts, attorneys general, and state agencies consistently support licensure laws that uphold this principle and reject those that do not. For example:

- Att'y Gen. Oklahoma No. 2011-4, 2011: "Enactment of the Nurse Licensure Compact by the Oklahoma Legislature would constitute an unlawful delegation of Oklahoma's police power as the Nurse Licensure Compact does not establish standards for the implementation of state policy, but authorizes the legislatures of other states to determine by absolute reciprocity the qualifications of persons admitted to practice nursing in Oklahoma."
- 2007 Tenn. AG LEXIS 107: "This [licensure] compact limits reciprocity to any person holding a license, certificate, or other permit issued by any state party to the compact evidencing the meeting of qualifications for professional, mechanical, or other skills. Therefore, so long as the health care professionals in question are licensed in other "party states," then under this compact such professionals may provide medical assistance."
- Att'y Gen. Kan. No. 99-3 (Feb. 9, 1999), 1999 Kan: "Reciprocity in professional licensure is extremely common between states. In every case we could find, however, there was a requirement that there be substantial equivalency between qualifications of the respective states." Thus, "enactment of the nurse licensure compact [without ensuring substantial equivalency] would be an unconstitutional delegation of legislative authority because it grants other states the unqualified right to determine the qualifications for the practice of nursing in this state by nonresidents."

We encourage Boards of Accountancy to use caution and seek board counsel, and/or your state attorney general's input, before moving forward with any statute and/or rule change that would empower another state to determine the qualifications for practice in your state when the licensing requirements are not substantially equivalent.

If we can be of any assistance, please don't hesitate to contact us at ballen@nasba.org or jjohnson@nasba.org.

Brenner (Brie) Allen, Esq.,
Chief Legal Officer

John. W. Johnson
Vice President, Legislative and Governmental Affairs

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(775) 786-0234 (FAX)
cpa@nvaccountancy.com (email)

October 24, 2024

National Association of State Boards of Accountancy
Attn: Brenner (Brie) Allen, Esq., Chief Legal Officer
Attn: John W. Johnson, Vice President, Legislative and Governmental Affairs
150 4th Avenue North, Suite 700
Nashville, TN 37219

Via Email Only
ballen@nasba.org
jjohnson@nasba.org

Re: NASBA's email dated September 19, 2024 entitled *Shifting to "Automatic": The Hazards of Redefining Mobility*

Dear Ms. Allen and Mr. Johnson:

On September 19, 2024, NASBA released an email entitled *"Shifting to "Automatic": The Hazards of Redefining Mobility"* noting that the adoption of automatic mobility could be an unconstitutional delegation of legislative authority. The Nevada State Board of Accountancy ("Board") provides its concerns with your email.

First, NASBA's position in its September 19, 2024 email is different from its position in 2009 when the Nevada Legislature, with NASBA's support, adopted what you term "automatic mobility". In 2009, the Nevada Legislature adopted Senate Bill ("S.B.") 335 providing for practice privileges to be granted to certain persons not licensed in Nevada under certain circumstances. There was never any discussion that the practice privilege provided in S.B. 335 could be considered an unlawful delegation of legislative authority because it granted one state the unqualified right to determine the qualifications for practice for a state that is not the licensee's principal place of business. In fact, the representations made to the Nevada Legislature by NASBA's representative Ken Bishop testifying in support of the legislation, was that S.B. 335 followed the Uniform Accountancy Act ("UAA"), licensure requirements not considered substantially equivalent between the relevant states was not an issue, and there could be different education and licensing requirements between CPAs licensed in Nevada and CPAs granted practice privileges as provided in S.B. 335, but the same level of quality service can be expected.

In 2023, the Nevada Legislature adopted S.B. 437 which extended the authority of the Board to grant a firm practice privilege with no registration with the Board. NASBA was aware of this legislation and the fact that the Nevada practice privilege statute was subject to amendment in 2023. There was never any indication from NASBA that Nevada's practice privilege legislation could be subject to a constitutional challenge based on licensing requirements between states not being substantially equivalent.

NASBA's September 19, 2024 email is unfortunate because it highlights the Board's continued concerns that NASBA encourages state boards of accountancy to adopt certain proposals NASBA advocates at the time urging uniformity, what NASBA contends is best for the profession or the public, and then later appears to take a different position. NASBA proposed the mobility language that was adopted in S.B. 335 in 2009 after fully reviewing Nevada's statutory provisions governing the regulation of accountants and knew Nevada's practice privilege statute was subject to amendment in 2023. To subsequently raise the concern that the legislation NASBA supported in Nevada in 2009 and did not raise any concerns in 2023, could now, in 2024, be subject to legal challenge, is troubling.

In terms of professionalism and courtesy as a mission driven, member focused organization, our reasonable expectations would have included:

- Advance notice to the Nevada Board or Board staff sharing NASBA's position in its September 19, 2024 email prior to the email being issued.
- An opportunity to offer a different legal analysis to that provided in NASBA's September 19, 2024 email prior to the email being issued.
- An opportunity to learn how NASBA's position stated in the email was developed.
- Advance notice of NASBA's position to State Board members prior to the September 19, 2024 email being issued.

The Board hopes that NASBA will take appropriate steps to ensure this situation does not occur again.

If you have any questions regarding this matter, please do not hesitate to contact the undersigned. Thank you.

Sincerely,

NEVADA STATE BOARD OF ACCOUNTANCY

By: Kristina N Etherington
Kristina "Nikki" Etherington, CPA
Board President

cc: Board of Directors, National Association of State Boards of Accountancy
State Boards of Accountancy
Board Members, Nevada State Board of Accountancy
Viki Windfeldt, Executive Director, Nevada State Board of Accountancy

KE/nf

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New CPA Paths Emerge As States Try to Stem Accountant Shortage

Story by Mark Maurer • 3w • 5 min read

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New CPA Paths Emerge As States Try to Stem Accountant Shortage

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States are considering allowing prospective accountants to bypass a fifth year of school, one of the barriers to entry contributing to the shortage of workers in the field.

Under a proposal by two national accounting groups, CPA candidates can use an additional year of work experience instead of schoolwork to demonstrate professional and technical skills. That is on top of a bachelor's degree, a passing grade on the qualifying exam and one year of work.

Companies, audit firms, professional groups and some state boards have been looking for ways to make the profession more appealing to students as fewer students graduate with an accounting degree and more workers quit for higher paying, less stressful jobs.

Many prospective accountants say they are daunted by the barrier to entry, including 150 college credit hours, which requires a master's degree or additional college credits, to become a certified public accountant. After all that, graduates say the entry-level salaries for accounting are generally lower than comparable tech and banking roles.

The associations' suggested alternative to the 150-hour requirement could make the path to a state accounting license less expensive.

But defenders of the 150-hour rule say it's a purposeful hurdle for meeting a standard needed to service clients around the U.S. Florida was the first state to adopt the requirement in 1983, with all other states following suit over the next two decades.

Under the new proposal, candidates could become a CPA by demonstrating skills in areas such as ethical behavior, critical thinking, audit services, tax engagements and financial reporting based on an additional year of work experience.

Candidates would be required to exhibit all seven professional competencies and at least one of the three technical competencies, which would be verified by at least one evaluator in their organization, the groups said. Supervisors already sign off on CPA candidates' work experience, but that process appears more intensive under the proposal. The public has until December to provide feedback.

Students are scrutinizing the proposal. Martha Pierre-Louis, a 19-year-old sophomore at Loyola University Chicago, said the proposed alternative to the 150-hour rule would save her in cost and anxiety. She would have to take out more loans on top of her existing debts to pay roughly $25,000 for a fifth year of school resulting in a master's degree. A new option could help remove that burden.

"It's been on my mind since I entered college as a freshman," Pierre-Louis said. "I want my CPA license. How will I afford this?"

Auggie Davidson, a 23-year-old junior studying accounting at Temple University, said the proposed extra work experience would be his best option because he tends to learn better on the job. But he was disappointed that internship credit earned toward a bachelor's won't count as hours of competency-based experience.

"To me it's a little silly that that isn't counted," Davidson said. "That's a professional enough environment that that should count toward that first two years of experience."

A potential new path

Some audit firms began turning away or offshoring work as the accounting shortage became acute, and companies such as Advance Auto Parts and Tupperware Brands said they failed to file financial reports on time due in part to insufficient accounting personnel.

National accounting groups reviewed the cost and time of education for CPA candidates, and in September, the American Institute of CPAs, an advocacy group, and the National Association of State Boards of Accountancy, which represents 55 U.S. boards, issued this proposal.

The groups are aiming to finalize the framework as early as February, which would guide state boards and legislators on law changes, said Sue Coffey, chief executive of public accounting at the AICPA.

If state legislatures vote to pass a new CPA law, the accountancy board would implement it by granting licenses and regulating those who have them.

"There's a high likelihood that we will see change because of so much work being done in the background, frankly, for a year or two to get to this point and to try to bring people to a place that's as converged as possible," said Jen Cryder, CEO of the Pennsylvania Institute of CPAs.

Her organization plans to advocate for the state licensing law to be re-evaluated in January, but it hasn't decided yet which changes to make, Cryder said.

"It becomes so critical in the coming months to see where are the states going, each individually, and if we don't all stay substantially equivalent, how far off are we?" Cryder said.

The proposal calls for preserving mobility, or the ability of CPAs to serve clients across state lines, while many state groups prefer strengthening it by automatically recognizing a certificate issued by another state. States say the latter would aid CPA services across state lines. The proposal's approach to mobility isn't "conducive to today's environment," Cryder said.

Strengthening interstate mobility through state legislation related to automatic approvals ensures that U.S. businesses have unimpeded access to qualified CPA talent, said Scott Wiley, CEO of the Ohio Society of CPAs.

"Simply preserving the present system of CPA interstate mobility in

at a time of great economic uncertainty," Wiley said.

Separate paths

As the national accountancy groups rally for support and feedback from the states, states such as California, Minnesota, Arkansas and South Carolina are moving ahead with different plans.

The California Board of Accountancy is drafting legislative proposals that would allow work experience to replace school credits as a CPA requirement, but potentially without the need for testing on competencies. The board, which also wants to expand eligibility for automatic mobility, is seeking a senator or Assembly member to introduce the proposals in early 2025. California has the largest CPA licensure population in the U.S.

"As we continue to have conversations with the national groups, there may be morphing of some of that experience to come closer together," said Denise LeDuc Froemming, CEO of the California Society of CPAs.

The AICPA is aligned with the California board on their aims, such as creating greater accessibility while increasing the number of accountants, Coffey said. But the organization wants as much uniformity as possible across states, she said.

Minnesota accountants, who have struggled to loosen the state's mandate, hope a similar version of a previously stalled bill will be introduced when a new legislative session starts in January.

The earlier bill, introduced in February 2023, initially faced staunch opposition from national CPA groups that said it would lower the bar. It would have allowed licensure for those who passed the CPA exam and earned a bachelor's degree in accounting and two years of work experience.

"The mere fact that we have this new framework out here seems to be an acknowledgement that it is not going to be lowering the bar," said Boz Bostrom, board chair at the Minnesota Society of Certified Public Accountants and an accounting professor.

Write to Mark Maurer at mark.maurer@wsj.com

State of Alaska
Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

BOARD OF PUBLIC ACCOUNTANCY

November 7-8, 2024

Suite 1535, Atwood Building
550 West 7th Ave., Anchorage, Alaska

Zoom Information:
Registration Link: https://us02web.zoom.us/meeting/register/tZIpcu6opjovGNKWQ-NBZuwPVP8pLeh6I4xV
Dial In: 253-215-8782 or 408-638-0968
Meeting ID = 864 5708 1526
Passcode = 939555

TENTATIVE MEETING AGENDA

Friday, November 8, 2024

	TIME	TOPIC	
	9:00 a.m.	**Call to Order/Roll Call**	**Rachel Hanks, Chair**
12.	**9:05 a.m.**	**Review Agenda**	**Chair**
13.	**9:10 a.m.**	**Application Review**	**Chair**
14.	**10:15 a.m.**	**Statute/Regulation Projects**	**Chair**
	12:00 p.m	**LUNCH**	
		Continue work on Statutes/Regulations	

15.	**3:00 p.m.**	**Administrative Business**
		• Confirm upcoming meeting schedule:
		  • December 17, 2024
		  • February 7, 2025
		  • April 25, 2025
		• Review task lists
		• Sign minutes
			Chair

APPLICATION REVIEW

(WILL BRING LIST TO MTG)

ADMINISTRATIVE BUSINESS

State of Alaska 2024 HOLIDAY CALENDAR

State Holidays

Date	Holiday
01/01/2024	New Year's Day
01/15/2024	MLK Jr.'s Birthday
02/19/2024	Presidents' Day
03/25/2024	Seward's Day
05/27/2024	Memorial Day
07/04/2024	Independence Day
09/02/2024	Labor Day
10/18/2024	Alaska Day
11/11/2024	Veterans' Day
11/28/2024	Thanksgiving Day
12/25/2024	Christmas Day

Please refer to appropriate collective bargaining unit agreement for more information regarding holidays.

Holiday

JANUARY

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State calendar maintained by the
Division of Finance, Department of Administration

http://doa.alaska.gov/calendars.html

Revised 04/03/2023

State of Alaska
2025 HOLIDAY CALENDAR

State Holidays

Date	Holiday
01/01/2025	New Year's Day
01/20/2025	MLK Jr.'s Birthday
02/17/2025	Presidents' Day
03/31/2025	Seward's Day
05/26/2025	Memorial Day
07/04/2025	Independence Day
09/01/2025	Labor Day
10/18/2025	Alaska Day (observed 10/17/2025)
11/11/2025	Veterans' Day
11/27/2025	Thanksgiving Day
12/25/2025	Christmas Day

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