

STATE OF ALASKA
BOARD OF PUBLIC
ACCOUNTANCY
MEETING

AUGUST
16, 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

August 16, 2024

Suite 1550, Atwood Building
550 West 7th Ave., Anchorage, Alaska

Zoom Information:

Registration Link: https://us02web.zoom.us/meeting/register/tZwtdOmqqjwqE9CoDi3pqQWd3_YFZ5EJRWkS

Dial In: 253-215-8782 or 408-638-0968

Meeting ID = 880 3028 7094

Passcode = 987994

TENTATIVE MEETING AGENDA

	<u>TIME</u>	<u>TOPIC</u>	
	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 • April 25-26, 2024 • June 11, 2024	Chair
4.	9:20 a.m.	Alaska Society of CPA's Report	John Rodgers
5.	9:45 a.m.	Public Comment (Time limit of 3 minutes will apply as necessary)	Chair
6.	10:00 a.m.	Investigative Report • ICFs/CAs for review • Review/Update Matrix • Discuss fines for late renewal (Jordan)	Dawn Bundick
7.	10:45 a.m.	CPA Exam	Chair
8.	11:00 a.m.	Pipeline Discussion • James Cox, Associate Director AICPA	Chair
9.	11:45 a.m.	NASBA Updates • Upcoming meetings/conferences • NASBA committee meetings - o <i>Communications Committee (Hanks)</i>	Chair

	12:00 p.m.	LUNCH	
10.	1:00 p.m.	Correspondence	Chair
11.	1:15 p.m.	Board Business • SCRA law – military licensure (Director) • ED report • Revenue/Expenditure report (FY24 Q3)	Chair
12.	1:30 p.m.	Statute/Regulation Projects • Review sections for possible update	Chair
13.	3:00 p.m.	Application Review	Chair
14.	4:00 p.m.	Administrative Business • Confirm upcoming meeting schedule: • November 7-8, 2024 - Anchorage • February 2025? • April 2025? • Review task lists • Sign minutes	Chair
	4:30 p.m.	Adjourn	

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 Act¹ 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.

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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
Alaska Department of Law
1031 West 4th Avenue, Suite 200
Anchorage, Alaska 99501-5903
(907) 269-5100
attorney.general@alaska.gov

Revised 9/2013

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.

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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.

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.

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.

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
April 25-26, 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 April 25-26, 2024.

Thursday, April 25, 2024

Call to Order/Roll Call

The meeting was called to order by Rachel Hanks, at 9:06 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
Dawn Bundick, Investigator III (agenda item #6)
Jennifer Summers, Senior Investigator (agenda item #6)
Marilyn Zimmerman, Paralegal 2 (agenda item #6)

Visitors present included:

Crista Burson, Alaska Society of CPAs (AKCPA)

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and made the following change:

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

RESOLVED to amend the agenda to start the meeting at noon on 4/26/24.

Agenda Item 2 – Ethics Report

It was determined that there was nothing to report.

Agenda Item 3 – Review Meeting Minutes

The Board reviewed the minutes of the last meeting.

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

RESOLVED to approve the minutes of the February 9, 2024 meeting as written.

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

Ms. Burson was present and provided a listing of current Society activities:

1. Alaska Society of CPAs Board of Directors met yesterday, April 24th.
2. 2024 Annual Meeting is Wednesday, May 29th – Friday, May 31st at the Land's End Resort in Homer. Request a member of the State Board of Public Accountancy to speak on Friday, May 31st.
3. AICPA Spring Council is May 21st – 23rd, 2024 in Orlando, Florida.
4. Bi-weekly Tax Round Table Meetings virtual – next meeting is Tuesday, April 30th at noon.
5. Leadership Academy 2025 applications forthcoming.
6. 5th Annual BBB (Bottles, Buds & Brews Conference) is scheduled for July 30th at Astra Hotel, Seattle, WA. This will be an in-person event with a virtual option (8-Hours CPE). This event is a collaborative production of Alaska, Colorado, Idaho, Montana, Oregon, and Washington State Societies.
7. 2024-2025 AKCPA Board of Directors Election Results
President-Elect: Michael Fink
Treasurer: Dominique Kurth
Secretary: Kelly Mayes
Directors:
Matthew Curley

Hailey Gundersen
Heather Schrage
Kelly Ward
Hagelbarger Scholarship Director: Errol Russell

8. Advocacy – CSHB 277 - Reviewed by the AKCPA. This bill was introduced by the House Ways & Means Committee in January at 7 pages and on April 17th a committee substitute 29 pages. The next Committee hearing is Friday, April 26th at 3:15 pm, House Labor & Commerce meeting. The AKCPA authored a letter of opposition being sent today.

9. NASBA Professional Licensure Task Force Concept Exposure – The AKCPA submitted a letter of support noting 3 areas of specific concern: Scalability, Competency Determination, Collaboration (AICPA and NASBA).

10. NPAG (AICPA's National Pipeline Advisory Group) reporting its results from surveys and initial pipeline strategy plan during Spring Council.

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

RESOLVED to send a letter to the legislative committees hearing HB277 in support of the letter from AKCPA.

Agenda Item 5 – Public Comment

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

Agenda Item 7 – CPA Exam

A copy of the estimated 2024 score release dates and the candidate guide was included in the packet for Board review.

Agenda Item 8 – NASBA Updates

Meetings

Western/Eastern Regional meetings –Mr. Diehl and Ms. Hondolero approved to attend.

Annual Meeting – Request approval for Ms. Hondolero and Ms. Hanks to attend. Mr. Diehl may be able to serve as an alternate if necessary.

Committees

Ms. Hanks – Communications Committee – attended a recent meeting; noted the communications department can create infographics, videos, newsletters, do mass mailings and CPE online tracking for State Boards.

The Board indicated that it might be good to do an annual newsletter. There was discussion about possibly having NASBA do a presentation regarding services that they offer at a future meeting.

It was noted that members who are interested in serving on a NASBA committee should submit their interest by May 2024.

Other

The NASBA Board of Directors will be meeting in Alaska in July and would likely request to have a dinner with the Board. Ms. Hanks stated that she would get the dates and send them to Ms. Hondolero.

Agenda Item 6 – Investigative Report

Investigator Bundick and Senior Investigator Summers joined the meeting and provided a summary of the investigative report in the packet.

The current report covered the period January 27, 2024 to April 12, 2024.

- 43 open cases
- 5 closed cases

The Board stated that older cases that are still lagging continue to be a concern. Ms. Bundick noted that she was out for an extended period and is now back and continuing work on the case load.

Ms. Hondolero asked if there were any good matrix samples that investigations would recommend the Board reviewing. Senior investigator Summers indicated that the Board of nursing had a good matrix that would be worth reviewing. Ms. Hondolero will request a copy of the matrix to share with the Board. Ms. Hanks stated that she would have an updated matrix copy for the Board to review at the August meeting.

The Board thanked the investigators for the report that was presented.

Ms. Zimmerman was present to discuss CPE issues with the Board.

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

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

The Board entered executive session at 10:02 a.m.
The Board went back on the record at 10:49 a.m.

Agenda Item 9 – Correspondence

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

Agenda Item 10 – Board Business

ED Report

Board vacancy – two seats vacant (CPA and public member).

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

Renewal – the late renewal fee now applies for CPAs who have been lapsed more than 60 days.

Revenue/Expenditure Report – FY24 Q2 report was included in the meeting packet.

Licensee addresses – the Board would like to know the number of out of State and Out of county addresses for the CPAs licensed in AK.

Agenda Item 11 – Statutes/Regulations

A list of current active legislation that could impact the program was included in the meeting packet.

The Board stated that they would like to continue to review the regulations for areas that could use additional revision. All members will review the regulations and send any areas that they believe need work to Ms. Hondolero. The Board also requested that NASBA be notified of the recent regulation changes; specifically, 12 AAC 04.151.

Agenda Item 13 – Administrative Business

Confirm Upcoming Meeting Dates/Locations

- August 16, 2024 (Zoom)
- November 7-8, 2024 in Anchorage

Task Lists

Cori Hondolero

- Distribute a copy of the nursing matrix to Board members for their review.
- Notify NASBA of the update to 12 AAC 04.151.

Rachel Hanks

- Prepare updated matrix for Board review at the August Board meeting.

- Confirm NASBA Board of Directors July AK dates.

All Members

- Identify sections of the regulations that need additional review and send them to Ms. Hondolero; Board will review at the August meeting.

Agenda Item 12 – Application Review

The Board did a working lunch and started application review.

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

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

RESOLVED to approve Sahil Datta, Victoria Kiss, Chi-Khung Mambi, Andrea Manuel, Misha Sajjad, Vita Voloshin and Daniel Zhang 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 permits of SingerLewak LLP and Taylor & Olson, LLC.

The meeting was recessed at 3:54 p.m., until Friday, April 26, 2024.

Friday, April 26, 2024

Call to Order/Roll Call

The meeting was called to order by Rachel Hanks, at 12:02 p.m. Those present, constituting a quorum of the Board were:

Mark Diehl, CPA
Beth Stuart, CPA
Rachel Hanks, 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

Agenda Item 14 – Review Agenda

No changes were noted.

Agenda Item 15 – CPE Audit Review

The Board reviewed a couple additional applications before starting CPE audit review.

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

RESOLVED to approve the firm permit of Etiendem CPA.

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

RESOLVED to approve Blake Taplin for licensure by exam.

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

RESOLVED to approve the following CPE Audits:

- Alexas Bennett
- Ami Oppe
- Andrea Miller
- Andrew Cornelius
- Andrew Krysinski
- Anna Blake
- Anselm Staack
- Antoinette LoMonaco
- Barry Moring
- Brandon Lemmon
- Brenda Fulton
- Brian Lasselle
- Carren Walters
- Catalina Marquez
- Charmaine Ng
- Cheryl Bowers
- Chris Cook
- Cole Lindemann
- Cynthia Fields
- Deborah Lovvorn
- Deepika Pabbati
- Dilip Govindaraju

- Dinara Magadeeva
- Donna Brooks
- Erik Pearson
- Esther Adickes
- Evangeline Salvador
- Hannah Newberry
- Harry Sinz
- Heather Schrage
- Hiroshi Yamada
- Hojin Park
- Jacki Mallinger
- James Dieringer
- James Jacobs Jr.
- Janelle Anderson
- Jason Bontrager
- Javid Seyidov
- Jennifer Petersen
- Jennifer Segelhorst
- John Lawlor
- John Seagren
- Joseph Moore
- Karen Brewer-Tarver
- Kevin Van Nortwick
- Khadyja Johnson
- Kiara Ream
- Kristin Nangle
- Leland Bradish
- Margaret Melear
- Marisa DeLa Torre
- Melissa Beedle
- Melody Feniks
- Meri Mainwaring
- Merilee Smith
- Michael Redmond
- Michelle Short
- Neetha Kuriakose
- Nerissa Buendia
- Paul Wichorek
- Rachel Hanks
- Renee Bergeron
- Rita DeLa Torre
- Rosalia Patton
- Sarradha Ravindran

- Sergey Zhukov
- Shane Baird
- Shanna Entin
- Susanne Skaggs
- Tatia Khoshtaria
- Thomas Huling
- Todd Tew
- Tonya Gamble
- Tracy Steelman
- Valeria Dorofeeva
- Vincent Veit
- William Kolski
- Xin Fan
- Yongchao Huang
- Zachary Dameron
- Zitong Yang

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

RESOLVED to table the CPE audit of David Porter. Additional information is required; refer to the paralegal.

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

RESOLVED to deny the CPE audit of Jacob Dutton; refer to paralegal. Did not have at least 20 hours per year and some certificates missing.

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

RESOLVED to table the CPE audit of Denise Linnell; refer to paralegal due to being short 2 hours of ethics.

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

RESOLVED to table the CPE audit of Alexandra Blake; refer to paralegal due to being short 5 hours and not having at least 20 hours per year.

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

RESOLVED to approve the audit of Ryan Muspratt pending confirmation from the CPE provider that the 4-hour course was completed on 12/31/22. Refer to paralegal for additional follow-up.

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 CPE issues.

The Board entered executive session at 2:11 p.m.
The Board went back on the record at 2:39 p.m.

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

RESOLVED to table the audit of Bartlomiej Roszczyk. Refer to paralegal; short of the 80-hour requirement, but no falsification.

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

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 2:45 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

June 11, 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 June 11, 2024.

Call to Order/Roll Call

The meeting was called to order by Rachel Hanks, at 9:06 a.m. Those present, constituting a quorum of the Board were:

Mark Diehl, CPA
Rachel Hanks, CPA
Lance Johnson, Public Member
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
Marilyn Zimmerman, Paralegal 2

Agenda Item 1 – Continuing Education (CPE) Issues

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 continuing education issues.

The Board entered executive session at 9:08 a.m.
The Board went back on the record at 9:28 a.m.

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

RESOLVED to approve the consent agreements as presented for cases #2024-000389, #2024-00390 and #2024-000400.

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

RESOLVED to approve the FY24 annual report as written.

There being no further business, the meeting adjourned at 9:37 a.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

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
Fax: 907.269.8156

MEMORANDUM

DATE: August 02, 2024
TO: Board of Public Accountancy
THRU: Erika Prieksat, Chief Investigator
FROM: Dawn Bundick, Investigator
RE: Investigative Report for the August 16, 2024 Meeting

The following information was compiled as an investigative report to the Board for the period of April 13, 2024 thru August 02, 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 - 77

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
CERTIFIED PUBLIC ACCOUNTANT			
2024-000070	License Application Review/Referral	Intake	01/17/2024
2024-000091	License Application Review/Referral	Intake	01/23/2024
2024-000539	Continuing education	Intake	06/12/2024
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
2024-000078	License Application Review/Referral	Complaint	04/01/2024
2024-000080	Unlicensed practice or activity	Complaint	05/15/2024
2024-000119	License Application Review/Referral	Complaint	06/17/2024
2024-000163	Unlicensed practice or activity	Complaint	02/15/2024
2024-000415	Continuing education	Complaint	05/07/2024
2024-000451	Unlicensed practice or activity	Complaint	06/28/2024
2024-000496	Continuing education	Complaint	06/06/2024
2024-000497	Continuing education	Complaint	06/06/2024
2024-000500	Continuing education	Complaint	06/06/2024
2024-000501	Continuing education	Complaint	06/06/2024
2024-000503	Continuing education	Complaint	06/06/2024
2024-000506	Continuing education	Complaint	06/06/2024
2024-000549	Continuing education	Complaint	06/22/2024
2024-000551	Continuing education	Complaint	06/22/2024
2024-000575	Continuing education	Complaint	06/22/2024
2024-000639	Continuing education	Complaint	07/22/2024
2024-000641	Continuing education	Complaint	07/22/2024
2024-000673	Continuing education	Complaint	08/01/2024
2024-000675	Continuing education	Complaint	07/31/2024
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
2022-000589	Continuing education	Investigation	03/31/2023
2023-001203	Criminal action - conviction	Investigation	04/10/2024
2024-000083	Unlicensed practice or activity	Investigation	07/24/2024
2024-000169	Unlicensed practice or activity	Investigation	04/09/2024
2024-000176	Unlicensed practice or activity	Investigation	06/04/2024
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
2024-000370	Continuing education	Investigation	06/11/2024
2024-000377	Continuing education	Investigation	05/28/2024
2024-000381	Continuing education	Investigation	05/28/2024
2024-000382	Continuing education	Investigation	06/11/2024
2024-000383	Continuing education	Investigation	06/04/2024
2024-000385	Continuing education	Investigation	06/24/2024
2024-000386	Continuing education	Investigation	06/11/2024
2024-000392	Continuing education	Investigation	05/01/2024
2024-000411	Continuing education	Investigation	05/08/2024
2024-000413	Continuing education	Investigation	06/04/2024
2024-000489	Continuing education	Investigation	07/29/2024
2024-000493	Continuing education	Investigation	06/26/2024
2024-000494	Continuing education	Investigation	06/24/2024
2024-000498	Continuing education	Investigation	07/09/2024
2024-000502	Continuing education	Investigation	06/25/2024
2024-000504	Continuing education	Investigation	06/11/2024
2024-000514	Continuing education	Investigation	06/11/2024
2024-000515	Continuing education	Investigation	06/11/2024

**CERTIFIED PUBLIC
ACCOUNTANT REGISTRATION**

2024-000069	License Application Review/Referral	Intake	01/17/2024
2024-000077	License Application Review/Referral	Intake	01/18/2024
2024-000079	License Application Review/Referral	Intake	01/18/2024
2024-000264	License Application Review/Referral	Intake	03/20/2024
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

2024-000243	Unlicensed practice or activity	Complaint	04/19/2024
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

CORPORATE AUTHORIZATION

2022-000870	Incompetence	Complaint	09/14/2022

Closed - 17

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
CERTIFIED PUBLIC ACCOUNTANT				
2024-000075	License Application Review/Referral	Closed-Intake	06/18/2024	Review Complete
2024-000281	License Application Review/Referral	Closed-Intake	04/26/2024	Review Complete
2024-000398		Closed-Intake	06/18/2024	Incomplete Complaint
2024-000399		Closed-Intake	06/18/2024	Incomplete Complaint
2022-001162	Violation of licensing regulation	Closed-Complaint	06/18/2024	No Action - Insufficient Evidence
2024-000104	Unlicensed practice or activity	Closed-Complaint	06/18/2024	No Action - No Violation
2024-000387	Continuing education	Closed-Complaint	07/01/2024	No Action - No Violation
2024-000412	Continuing education	Closed-Complaint	06/05/2024	No Action - No Violation
2024-000428	Continuing education	Closed-Complaint	07/10/2024	No Action - No Violation
2024-000378	Continuing education	Closed-Investigation	07/02/2024	Advisement Letter
2024-000389	Continuing education	Closed-Investigation	06/13/2024	License Action
2024-000390	Continuing education	Closed-Investigation	06/17/2024	License Action
2024-000400	Continuing education	Closed-Investigation	06/17/2024	License Action
2024-000410	Continuing education	Closed-Investigation	06/05/2024	Advisement Letter

CERTIFIED PUBLIC ACCOUNTANT REGISTRATION

2024-000025	License Application Review/Referral	Closed-Intake	06/18/2024	Review Complete
2024-000321	License Application Review/Referral	Closed-Intake	07/23/2024	Review Complete
CORPORATE AUTHORIZATION				
2022-001164	Violation of licensing regulation	Closed-Complaint	06/18/2024	No Action - Insufficient Evidence

END OF REPORT

Items for Board Review/Action

Imposition of Civil Fine (ICF)

- 2024-000169
- 2024-000176

Hardship Waiver Request

- 2024-000411

Consent Agreements (CA)

- 2022-000589
- 2024-000370
- 2024-000377
- 2024-000381
- 2024-000382
- 2024-000383
- 2024-000385
- 2024-000386
- 2024-000392
- 2024-000413
- 2024-000494
- 2024-000498
- 2024-000502
- 2024-000504
- 2024-000514
- 2024-000515

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)

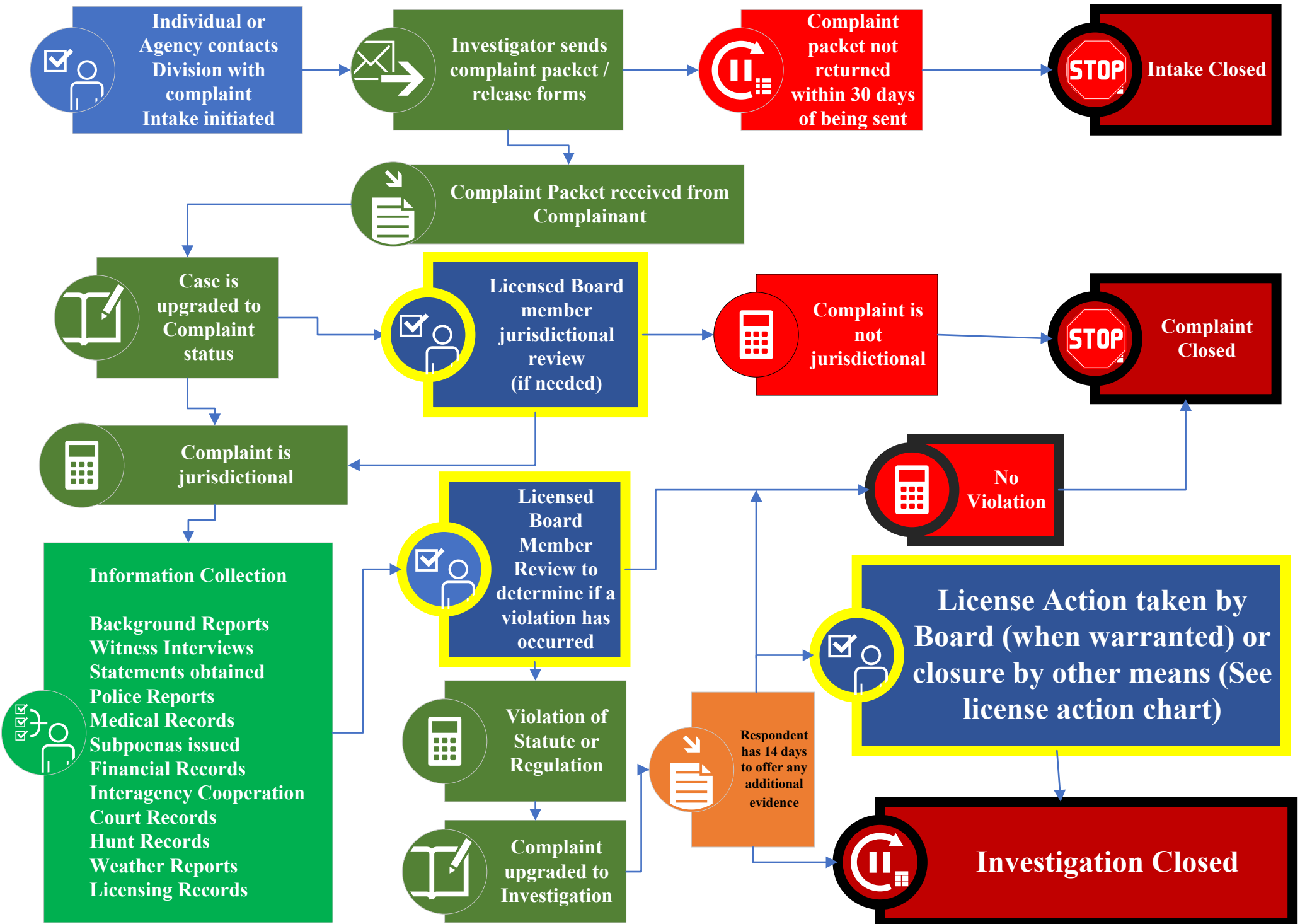
If an Agreement with the licensee is unsuccessful, the case is referred to the investigators' counsel, an Assistant Attorney General (AAG), for review and possible litigation, filing an Accusation charging the violations. If an Accusation is filed, the licensee is entitled to a hearing on the charges 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.

Confidentiality:

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.

INVESTIGATIVE PROCESS



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.

CPA EXAM

Quarterly Candidate Performance: Overall Performance - All Jurisdictions

Year/Quarter

2024-Q1

Jurisdiction

Alaska

Period:

2024-Q1

Jurisdiction:

Alaska

Jurisdiction Ranking

13

Overall Pass Rate

13

Overall Avg. Score

15

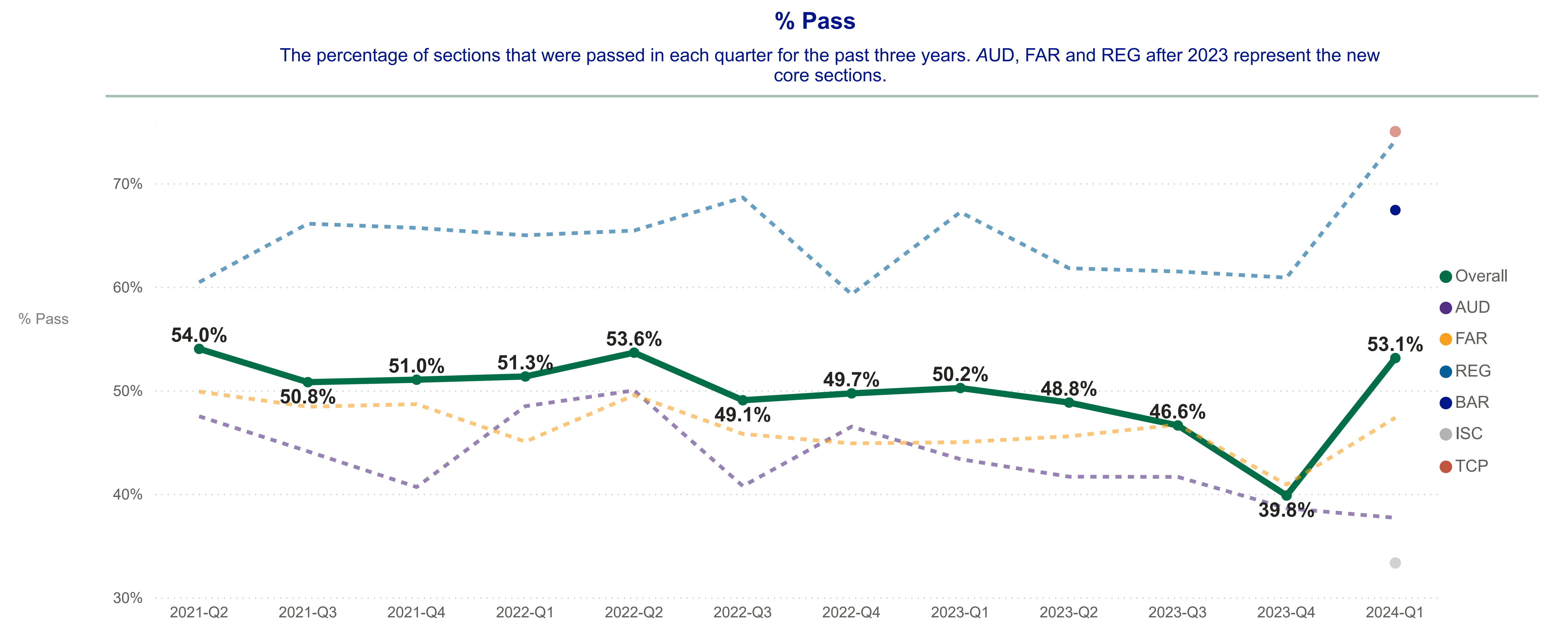
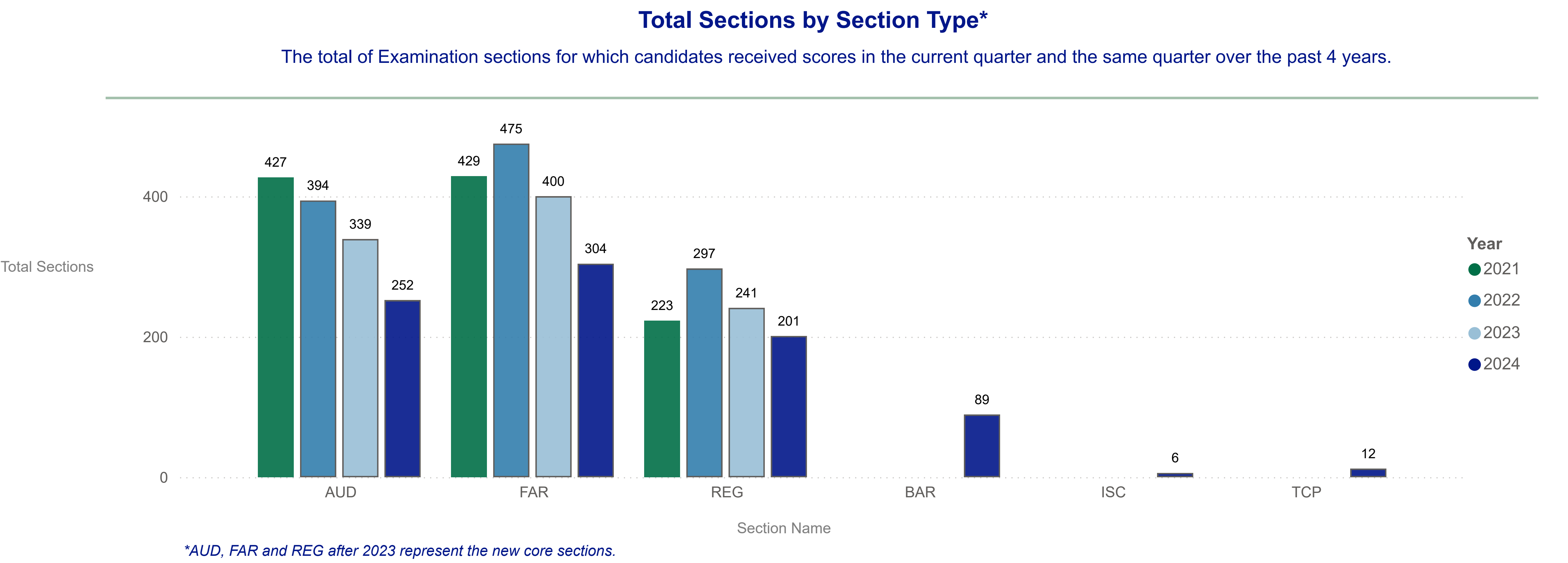
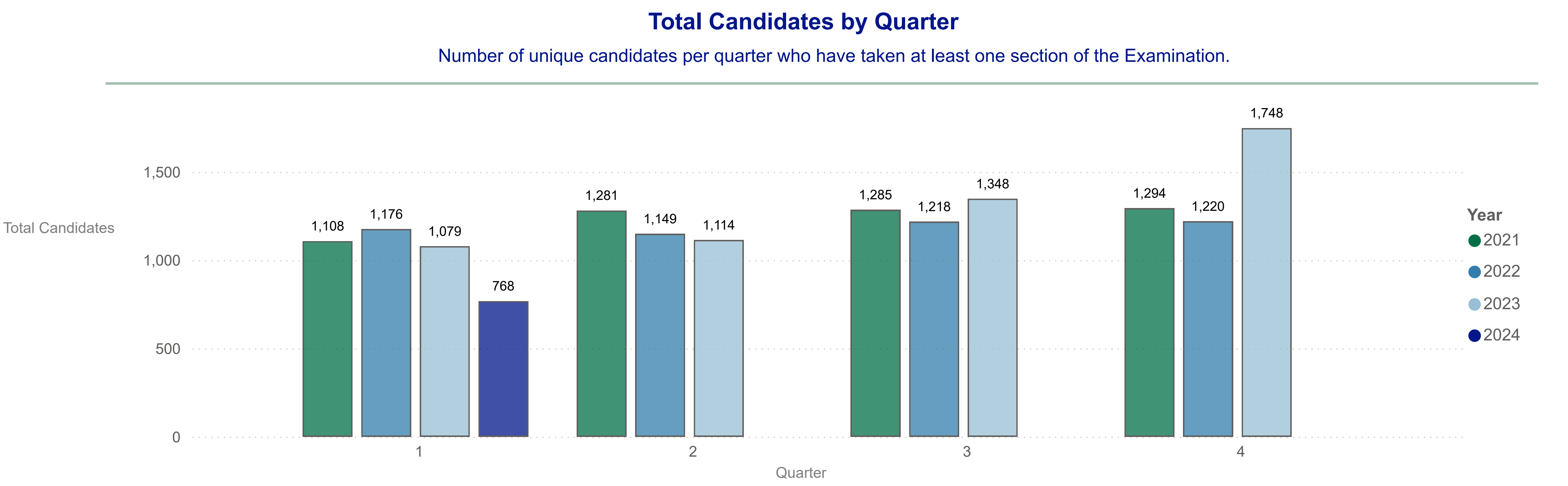
Core Pass Rate

13

Discipline Pass Rate

	Exam Type			Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	768	496	303	252	304	201	89	6	12
Sections	864	551	313	252	304	201	89	6	12
% Pass	53.1%	58.4%	43.8%	37.7%	47.4%	74.1%	67.4%	33.3%	75.0%
Average Score	71.9	72.9	70.2	69.9	68.4	77.2	76.8	66.8	81.1
Average Age	31.1	30.1	32.7	31.1	31.2	30.2	32.8	29.3	28.3

	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	262	482	24	17	161	590	133	47	20	15	12	82	89	97	84	405
Sections	288	548	28	20	192	652	151	52	22	18	16	99	103	109	94	442
% Pass	47.6%	55.8%	57.1%	70.0%	57.3%	51.4%	50.3%	53.8%	40.9%	44.4%	70.6%	61.6%	47.6%	57.8%	58.5%	49.5%
Average Score	69.9	73.0	70.9	76.2	73.1	71.4	69.3	71.4	71.9	66.9	75.9	73.4	71.8	73.5	73.5	70.7
Average Age	30.7	31.2	31.8	30.8	28.4	31.9	29.0	29.9	33.4	30.3	19.7	22.7	24.6	26.6	28.6	36.5



Year-Quarter	Overall Pass Rate	AUD	FAR	REG	BAR	ISC	TCP
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%	48.7%	65.7%	-	-	-
2021-Q3	50.8%	44.1%	48.4%	66.1%	-	-	-
2021-Q2	54.0%	47.5%	49.9%	60.5%	-	-	-

Quarterly Candidate Performance Report: Overall Performance - First Time (FT)

Year/Quarter

Jurisdiction

Period: 2024-Q1

Jurisdiction: Alaska

2024-Q1

Alaska

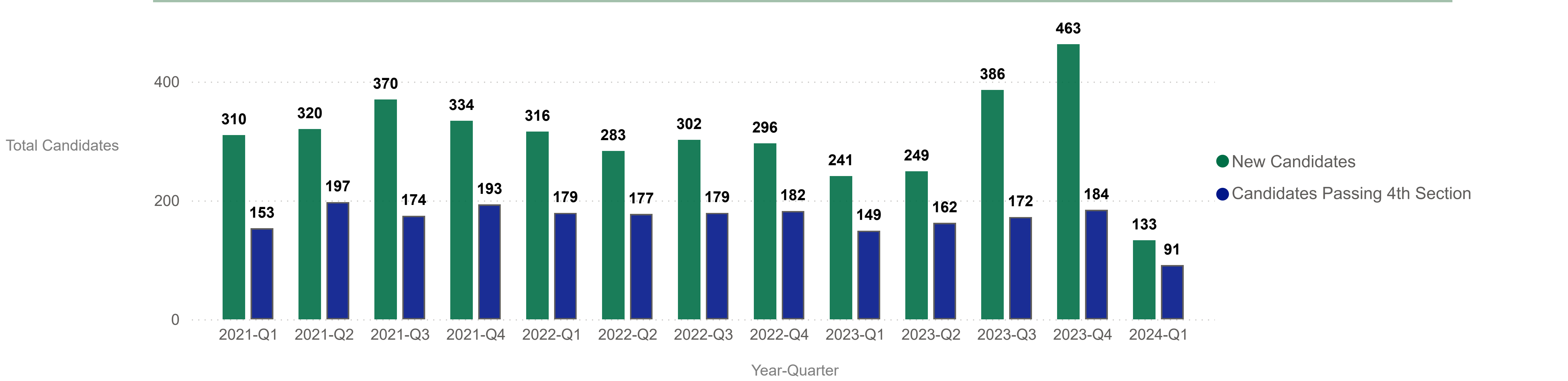
	Exam Type			Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	496	496	-	122	181	141	89	6	12
Sections	551	551	-	122	181	141	89	6	12
% Pass	58.4%	58.4%	-	41.0%	52.5%	75.2%	67.4%	33.3%	75.0%
Average Score	72.9	72.9	-	69.1	69.6	77.5	76.8	66.8	81.1
Average Age	30.1	30.1	-	29.6	29.8	29.5	32.8	29.3	28.3



	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	173	303	20	10	121	365	133	28	6	4	12	71	58	61	53	241
Sections	187	341	23	13	147	391	151	29	6	5	16	85	66	70	58	255
% Pass	52.4%	61.0%	69.6%	84.6%	63.3%	55.8%	50.3%	55.2%	33.3%	60.0%	70.6%	65.9%	54.5%	61.4%	60.3%	54.9%
Average Score	70.9	73.9	73.3	80.9	74.1	72.2	69.3	73.0	69.7	-	75.9	74.2	72.8	74.8	73.2	71.7
Average Age	30.0	30.1	31.7	28.8	27.5	31.2	29.0	29.3	35.2	-	19.7	22.6	24.6	26.6	28.6	36.1

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

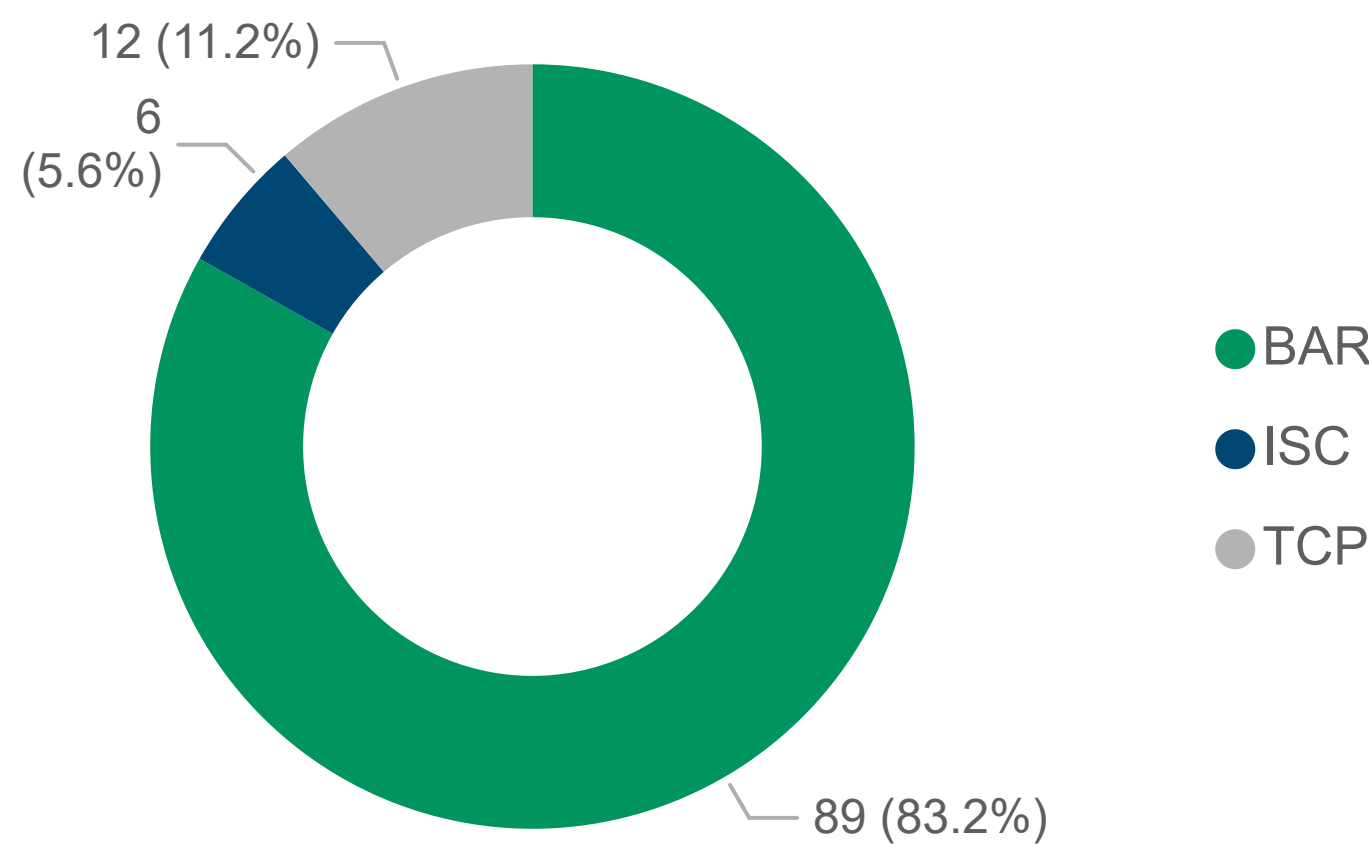
Highest degree listed for a candidate.

	Candidates	% Total
Bachelor's Degree	569	74.1%
Advanced Degree	66	8.6%
Enrolled / Other	133	17.3%

NOTE: Degree Type and Disciplines data includes both FT and RE candidates.

Disciplines

Breakdown of what percentage of candidates are taking which discipline.



Notes:

- 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.
- The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
- Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
- 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.
- The CPA Exam introduced a new Exam on January 1, 2024. AUD, FAR, and REG after 2023 represent the new core sections.

Quarterly Candidate Performance: Jurisdiction Summary

Year/Quarter

2024-Q1

▼

Jurisdiction

All

▼

Period: 2024-Q1

Jurisdiction: All Jurisdictions

Overall Statistics by Jurisdiction

This table is a summary of examination data for each Jurisdiction with fifteen* or more candidates.

Jurisdiction	Candidates Total	Sections Total	Sections FT	Sections RE	Average Pass Rate	Average Score	Average Age
Alabama	278	375	294	81	54.4%	72.1	25.9
Alaska	768	864	551	313	53.1%	71.9	31.1
Arizona	326	354	236	118	47.5%	69.5	29.3
Arkansas	164	180	114	66	42.2%	69.2	28.2
California	3,291	3,743	2,448	1,295	47.0%	69.5	29.9
Colorado	322	370	233	137	55.7%	73.0	30.1
Connecticut	224	248	150	98	43.1%	69.9	28.7
Delaware	43	50	26	24	42.0%	69.6	34.2
District of Columbia	58	68	38	30	48.5%	71.0	28.4
Florida	949	1,055	722	333	51.3%	72.3	29.2
Georgia	593	678	425	253	48.2%	70.2	29.7
Guam	1,017	1,145	795	350	51.1%	71.2	29.6
Hawaii	71	86	45	41	47.7%	69.9	29.2
Idaho	90	95	68	27	47.4%	70.7	29.7
Illinois	1,108	1,272	874	398	51.7%	71.0	27.5
Indiana	248	269	172	97	52.0%	70.7	28.7
Iowa	183	252	207	45	56.7%	73.1	24.9
Kansas	45	50	29	21	32.0%	69.6	29.7
Kentucky	164	178	120	58	51.7%	71.1	28.4
Louisiana	185	207	136	71	43.0%	68.0	29.0
Maine	274	331	198	133	52.0%	70.4	33.2
Maryland	259	289	162	127	41.5%	67.2	30.7
Massachusetts	498	561	370	191	46.3%	70.4	26.6
Michigan	417	463	300	163	49.2%	70.1	28.0
Minnesota	215	228	150	78	51.3%	71.1	27.4
Mississippi	163	178	133	45	37.6%	67.3	26.0
Missouri	360	421	316	105	50.1%	71.1	26.1
Montana	466	565	404	161	54.0%	72.0	29.3
Nebraska	58	62	47	15	61.3%	73.8	26.4
Nevada	131	147	100	47	47.6%	70.1	29.6
New Hampshire	130	143	72	71	42.7%	68.3	33.2
New Jersey	539	595	347	248	43.2%	68.3	28.6
New Mexico	59	63	42	21	55.6%	71.6	34.1
New York	2,505	2,789	1,716	1,073	48.8%	70.3	28.4
North Carolina	559	639	449	190	49.6%	70.3	27.2
North Dakota	131	145	92	53	51.0%	69.9	29.7
Ohio	531	587	362	225	47.2%	70.5	27.4
Oklahoma	186	212	136	76	46.7%	69.8	30.8
Oregon	135	148	99	49	50.0%	70.2	32.8
Pennsylvania	760	834	535	299	47.6%	70.2	28.3
Puerto Rico	135	141	64	77	35.5%	67.5	29.3
Rhode Island	28	35	22	13	45.7%	67.0	29.7
South Carolina	181	200	141	59	48.0%	70.4	28.0
South Dakota	32	33	20	13	57.6%	72.2	30.3
Tennessee	391	433	282	151	46.9%	70.2	29.1
Texas	1,850	2,243	1,622	621	55.3%	72.6	28.1
Utah	219	247	169	78	54.7%	72.2	30.0
Vermont	61	85	57	28	60.0%	73.5	28.4
Virginia	649	728	475	253	46.8%	70.4	30.0
Washington	881	994	673	321	54.8%	72.3	32.1
West Virginia	44	49	29	20	51.0%	70.5	28.8
Wisconsin	199	220	143	77	59.5%	75.0	26.4
Wyoming	21	23	22	1	60.9%	73.0	29.6

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

Quarterly Candidate Performance: Overall Performance - All Jurisdictions

Year/Quarter

2024-Q1

Jurisdiction

All

Period:

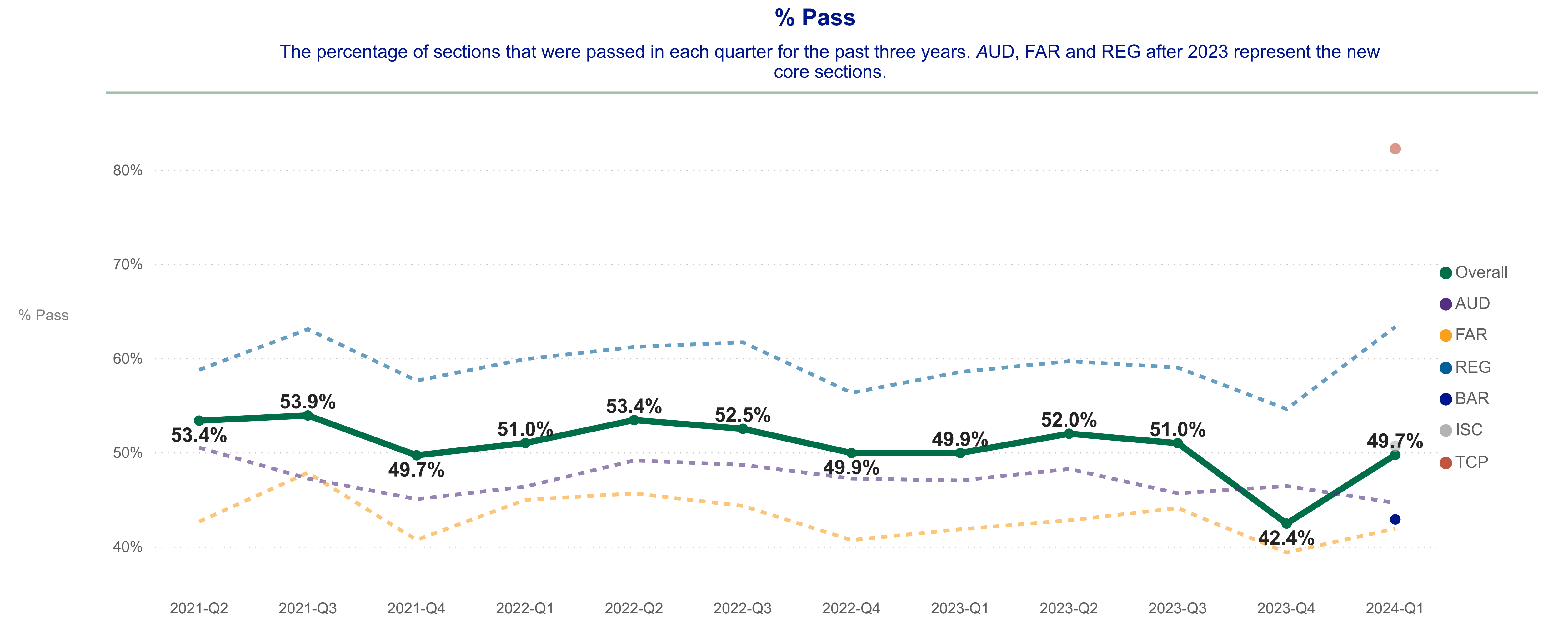
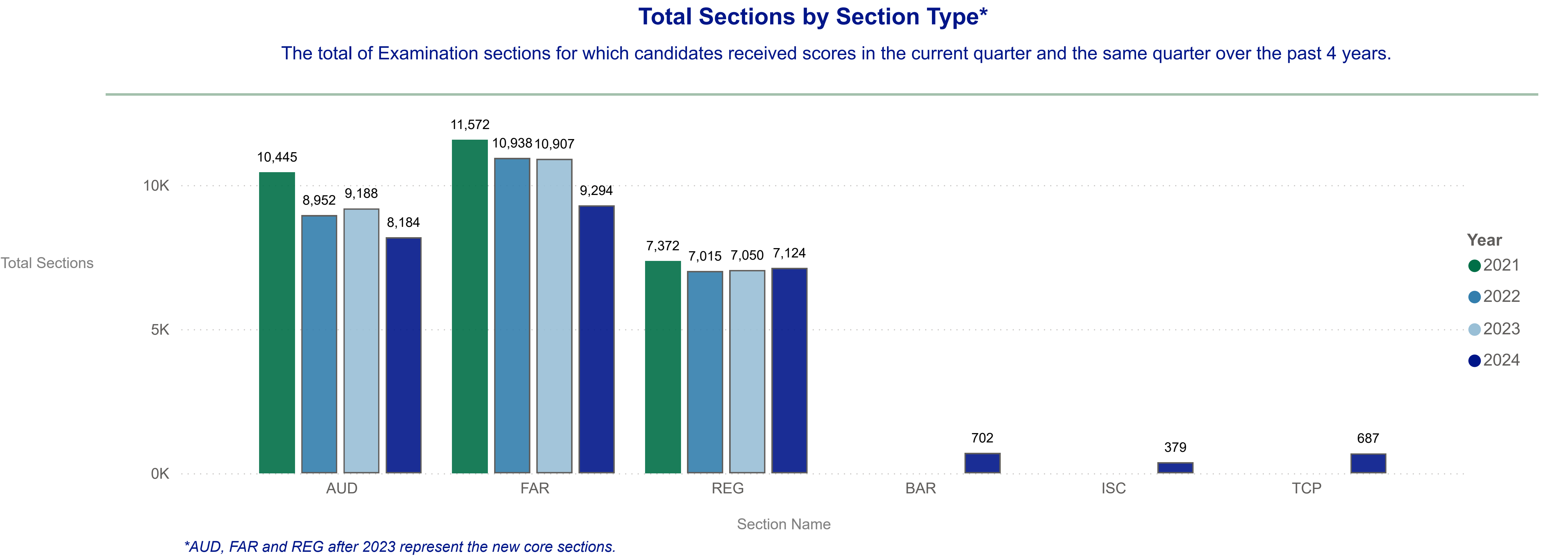
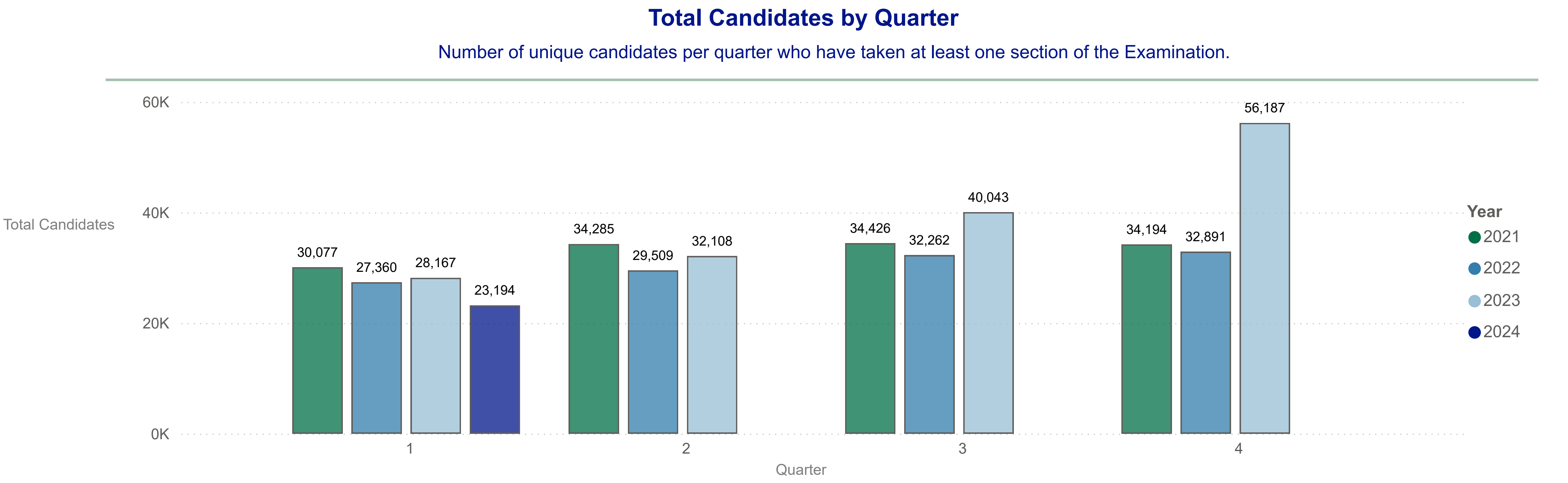
2024-Q1

Jurisdiction:

All Jurisdictions

	Exam Type			Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	23,194	15,567	8,435	8,184	9,294	7,124	702	379	687
Sections	26,370	17,432	8,938	8,184	9,294	7,124	702	379	687
% Pass	49.7%	56.0%	37.5%	44.6%	41.9%	63.3%	42.9%	50.7%	82.2%
Average Score	70.7	72.2	67.8	70.7	66.5	75.0	70.8	73.9	81.8
Average Age	29.0	27.9	31.1	28.8	28.7	28.9	31.8	30.2	32.2

	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	10,492	11,097	1,605	16,222	3,258	3,714	4,108	1,285	448	256	523	5,812	3,874	2,760	2,133	8,187
Sections	11,815	12,695	1,860	18,448	3,690	4,232	4,730	1,409	499	284	624	6,795	4,220	3,094	2,406	9,220
% Pass	46.4%	52.7%	50.6%	48.8%	53.1%	50.8%	50.4%	52.8%	34.9%	36.6%	67.5%	56.6%	44.9%	47.6%	49.2%	46.6%
Average Score	69.6	71.8	70.6	70.4	72.1	70.9	69.0	72.0	67.3	66.7	75.9	72.8	69.4	70.0	70.7	69.7
Average Age	29.4	28.7	28.1	28.6	29.0	30.8	26.9	28.7	30.6	30.3	20.6	22.6	24.4	26.5	28.5	37.4



Year-Quarter	Overall Pass Rate	AUD	FAR	REG	BAR	ISC	TCP
2024-Q1	49.7%	44.6%	41.9%	63.3%	42.9%	50.7%	82.2%
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%	46.4%	45.0%	59.9%	-	-	-
2021-Q4	49.7%	45.0%	40.7%	57.6%	-	-	-
2021-Q3	53.9%	47.2%	47.8%	63.1%	-	-	-
2021-Q2	53.4%	50.5%	42.6%	58.8%	-	-	-

Quarterly Candidate Performance Report: Overall Performance - First Time (FT)

Year/Quarter

Jurisdiction

Period: 2024-Q1

Jurisdiction: All Jurisdictions

2024-Q1

All

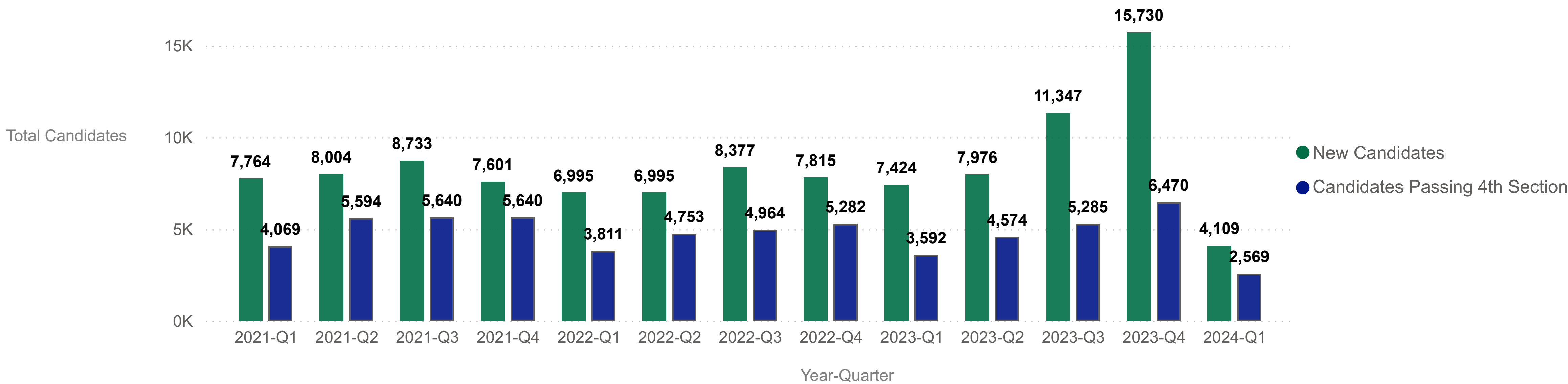
	Exam Type			Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	15,567	15,567	-	4,792	5,938	4,934	702	379	687
Sections	17,432	17,432	-	4,792	5,938	4,934	702	379	687
% Pass	56.0%	56.0%	-	49.5%	50.1%	68.0%	42.9%	50.7%	82.2%
Average Score	72.2	72.2	-	71.3	68.6	76.3	70.8	73.9	81.8
Average Age	27.9	27.9	-	27.2	27.2	28.0	31.8	30.2	32.2



	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	6,883	7,515	1,169	10,848	2,194	2,525	4,108	725	173	87	491	4,969	2,499	1,712	1,290	4,655
Sections	7,647	8,467	1,318	12,186	2,456	2,790	4,730	759	183	92	581	5,773	2,686	1,870	1,410	5,104
% Pass	52.4%	59.3%	55.8%	54.8%	61.2%	56.7%	50.4%	60.3%	33.9%	47.8%	69.6%	59.7%	50.1%	53.7%	55.2%	54.4%
Average Score	70.9	73.5	71.8	71.9	74.1	72.3	69.0	74.6	67.5	70.0	76.3	73.5	70.4	71.4	72.4	71.6
Average Age	28.3	27.7	27.4	27.5	27.5	29.8	26.9	28.8	31.5	30.4	20.7	22.5	24.4	26.5	28.5	37.0

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

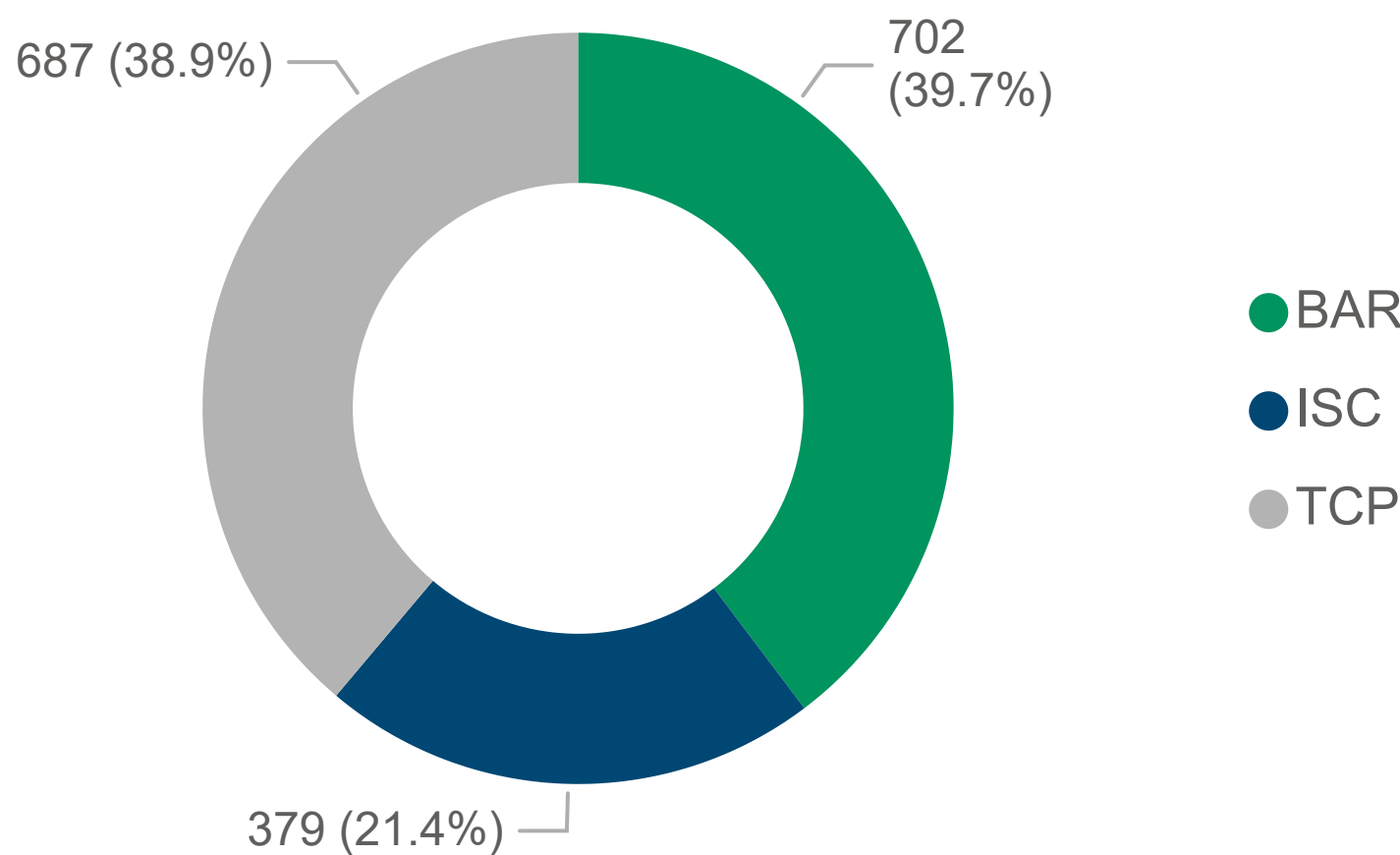
Highest degree listed for a candidate.

	Candidates	% Total
Bachelor's Degree	13,857	59.7%
Advanced Degree	4,731	20.4%
Enrolled / Other	4,606	19.9%

NOTE: Degree Type and Disciplines data includes both FT and RE candidates.

Disciplines

Breakdown of what percentage of candidates are taking which discipline.



Notes:

- 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.
- The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
- Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
- 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.
- The CPA Exam introduced a new Exam on January 1, 2024. AUD, FAR, and REG after 2023 represent the new core sections.



National Association of State Boards of Accountancy

CANDIDATE CARE

QUARTERLY REPORT

April 1, 2024 – June 30, 2024

KATHLEEN LOVE SCALES, CANDIDATE CARE ADVOCATE

NASBA'S CANDIDATE CARE CONCERNS

2024 Q2

April 1- June 30, 2024

Category	2024 Q2
AICPA Test Content	3
Candidate Error	60
Environment	17
Prometric Scheduling Issues	31
Prometric Site Issues	67
Technical/Software	12
Technical/Hardware	15
Total	205
Retests Awarded	15

NASBA Candidate Care Concerns Table

This report summarizes activities and preparations for the CPA examinations which have taken place in the 2nd quarter of 2024. It also presents concerns expressed by candidates during the testing period.

AICPA Test Content

In this category, if candidates report issues with examination content, such as documents provided to answer questions showing conflicting information, no balance sheet available or unclear instructions, they are instructed to direct their inquiry to the AICPA.

Candidate Error

Candidate error includes issues such as failing to bring NTS to test center, providing an incorrect NTS, issues with name on the roster/NTS not matching primary identification, hitting the "submit" button prematurely and timing out on the introductory screen.

Environment-Force Majeure

This category houses environmental issues such as test center room temperature, construction noise, power failure, fire drill and situations out of the candidate's or testing centers control.

Prometric Scheduling Issues

Candidates report concerns about the lack of availability at test centers, test center closures due to relocation or force majeure, and cancellation of testing appointments due to lack of staffing. Prometric routinely reviews capacity throughout the testing centers and will extend operating hours as needed.

Prometric Site Issues

This category documents candidate complaints such as where they are seated in the testing room or the check-in process.

Technical/Software/Hardware

Examples of issues in this category are exam will not launch, computer tools not working properly, exam shutting down, unable to restart exam or confirmation of attendance not printing.

Tangible Items for the Quarter

CPA Evolution has continued to be successful throughout the second quarter. Prometric implemented a new self-service portal for various requests such as eligibility updates or a DVR of a testing event, to name a few during this quarter. The portal also allows NASBA to research case details of submitted requests.

As always, we appreciate the opportunity to assist your CPA candidates. If you have any questions or concerns please call 615-880-4252 or Email klove@nasba.org or candidatecare@nasba.org Kathleen Love Scales, Candidate Care Department, NASBA. You may also share on: [Facebook](#)/[Twitter](#)/[linked-in](#)/[Email](#)



National Association of State Boards of Accountancy

CANDIDATE CARE

QUARTERLY REPORT

January 1, 2024 – March 31, 2024

KATHLEEN LOVE SCALES, CANDIDATE CARE ADVOCATE

NASBA'S CANDIDATE CARE CONCERNS

2024 Q1

January 1- March 31, 2024

Category	2024 Q1
AICPA Test Content	8
Candidate Error	27
Environment	15
Prometric Scheduling Issues	24
Prometric Site Issues	41
Technical/Software	6
Technical/Hardware	12
Total	133
Retests Awarded	14

NASBA Candidate Care Concerns Table

This report summarizes activities and preparations for the CPA examinations which have taken place in the 1st quarter of 2024. It also presents concerns expressed by candidates during the testing period.

AICPA Test Content

In this category, if candidates report issues with examination content, such as documents provided to answer questions showing conflicting information, no balance sheet available or unclear instructions, they are instructed to direct their inquiry to the AICPA.

Candidate Error

Candidate error includes issues such as failing to bring NTS to test center, providing an incorrect NTS, issues with name on the roster/NTS not matching primary identification, hitting the "submit" button prematurely and timing out on the introductory screen.

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Technical/Software/Hardware

Examples of issues in this category are exam will not launch, computer tools not working properly, exam shutting down, unable to restart exam or confirmation of attendance not printing.

Tangible Items for the Quarter

The implementation of CPA Evolution commenced on 01/01/2024 and has been a successful launch throughout the first quarter.

As always, we appreciate the opportunity to assist your CPA candidates. If you have any questions or concerns please call 615-880-4252 or Email klove@nasba.org or candidatecare@nasba.org Kathleen Love Scales, Candidate Care Department, NASBA. You may also share on: [Facebook](#)/[Twitter](#)/[linked-In](#)/[Email](#)

Pipeline Discussion

James Cox, Associate Director – State Regulatory & Legislative Affairs – AICPA

Documents in packet:

- National Pipeline Advisory Group (NPAG)
 - Strategy Report Executive Summary
 - Full Strategy Report
 - Slides from NASBA Regional Meeting
- Experience, Learn and Earn Program (ELE)
 - Information from website
- Professional Licensure Task Force
 - Slides from NASBA Regional Meeting
- Information from the California CPA Board
 - Proposed Licensure Framework
 - Proposed Mobility Framework
- Minority CPAs Article

Accounting Talent Strategy Report: Executive Summary

Analyzing the root causes of the accounting talent shortage, potential solutions, and next steps forward.





◀ **LEXY KESSLER, CPA, CGMA**
Chair, National Pipeline
Advisory Group

Welcome and gratitude

Thank you for your interest in developing accounting's talent pipeline. While a career in accounting has much to offer, the profession is at a crossroads, and many agree it's time for changes that will make the field more attractive.

I am encouraged by the thousands of people who have shared their insights on this challenge over the past year with the National Pipeline Advisory Group (NPAG). The independent advisory group was convened in July 2023 in response to an AICPA Council resolution aimed at developing a national strategy to address accounting talent issues. Embedded in the Council resolution was a commitment to preserving mobility, which powers the ability CPAs have to practice with ease across state lines.

Expectations surrounding education and careers are changing. We must respond to and anticipate market needs, as well as design and implement solutions to ensure accounting's future talent continues to grow and keep pace with demand.

The dearth of accounting professionals expands beyond labor issues. There is profession-wide concern that the shortage is playing a role in financial reporting delays and challenges across U.S. businesses,¹ an alarming fact that increases the urgency for action.

¹ Mark Maurer, "[The Accountant Shortage Is Showing Up in Financial Statements](#)," *The Wall Street Journal*, July 11, 2023.

Now more than ever, we need a cohesive, unified, data-driven, and flexible approach to bring more people into accounting — and ensure that those who are already in the profession remain.

An inclusive approach

The fundamental approach of NPAG's work was to seek extensive input to ensure an inclusive strategy that reflects diverse perspectives. The recommendations in this report are driven by a combination of insights from stakeholders across the profession; thousands of individuals who participated in focus groups, forums, and discussions; and surveys of students and other stakeholders.

Jennifer Wilson, partner and cofounder of ConvergenceCoaching®, LLC, and her team facilitated NPAG's planning process, and a separate third-party research organization, Meridian Research & Insights, was responsible for deploying and analyzing our national and student surveys.

Highlights within this report include:

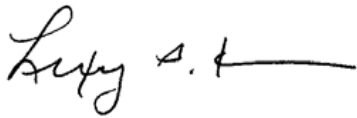
- **An analysis of the changing labor market and education landscape.**
- **A look at root causes of the pipeline shortage.** The initial step in identifying solutions was to understand the causes of the shortage and how they intersect.
- **Recommended strategies and tactics for bolstering the accounting talent pipeline and evolving the CPA license.** NPAG is urging the profession to take a coordinated and intentional approach to its suggested solutions, including any that might disrupt the national system of substantial equivalency that underpins CPA mobility.
- **Highlights of other ongoing efforts.** NPAG and other stakeholders are focused on ideas and solutions for improving the accounting pipeline. In this report, we also highlight the extensive and valuable work of other organizations and initiatives that are in place or being developed to address the talent shortage. Our commitment in this report is to be both inclusive and comprehensive to help drive a unified stakeholder approach.

What are the next steps?

These recommendations are only the beginning. NPAG is acutely aware of how critical implementation will be to transforming the accounting talent pipeline. No single entity in the profession can implement these strategies and recommendations alone. To be successful in attracting more people to accounting, the profession's key stakeholders must unify and work together in a more structured, collaborative, and transparent way to continuously innovate and improve our profession.

Together, leaders of these initiatives will test, customize, and refine the strategies. As stakeholders implement year one of this strategy, stakeholders must also continue envisioning plans for year three, year five, and beyond to build on, accelerate, and amplify our ambitious goals.

Thank you for reading this important report. I am truly honored to be part of an effort to build the accounting profession's workforce. We look forward to discussing how these strategies can help the profession achieve its greatest level of success in the ever-changing market.



Lexy Kessler, CPA, CGMA
Mid-Atlantic Regional Leader, Aprio
Chair, National Pipeline Advisory Group



**We need a cohesive,
unified, data-driven,
and flexible approach
to bring more people
into accounting.**

Executive summary

The talent shortages of the past several years, coupled with strong demand for accountants and CPAs, have created challenges throughout the profession. Yet today we see the potential for meaningful change.

Stakeholders from all areas of accounting — including CPA firms, finance departments, businesses, academia, government bodies, not-for-profits, the regulatory community, accounting associations, and state societies — have devoted substantial time and energy to understanding the talent hurdles and identifying positive solutions. The collective passion around solving the pipeline problem is encouraging.

While the challenges are daunting, the members of the National Pipeline Advisory Group (NPAG) feel a genuine sense of optimism. We know that when the accounting profession pulls together to solve a tough challenge, some amazing things can happen. That's what this report is all about.

NPAG's recommendations are based on six major themes that emerged from various data sources. These themes are not ranked, and all are equally critical. To succeed, the profession collectively needs to:

- ✓ **Make the academic experience more engaging**
- ✓ **Address the time and cost of education**
- ✓ **Grow support for CPA Exam candidates**
- ✓ **Expand access for underrepresented groups**
- ✓ **Enhance the employee experience**
- ✓ **Tell a more compelling story**



Make the academic experience more engaging

Academia is leading an important push to change how introductory courses are taught by making best-in-class resources and training available to all educators. NPAG also recommends:

- Consider what is taught in Principles of Accounting courses and when. Reviewing the pacing and topical areas would help ensure that introductory courses provide undeclared students with a sense of the prestige, flexibility, and purpose that a career in accounting can deliver, along with the attractive lifetime earning potential.

- Ensure that accounting programs are positioned to help guide and support students as they progress into more challenging coursework. There are majors that are known for high attrition rates. To build a stable talent base, accounting can't be one of them.
- Secure classroom engagement from ample mentors, champions, and visiting practitioners.
- Harness technology to bring the accounting material to life in different ways.

Address the time and cost of education

This entails creating a nimble process to keep the CPA license and its requirements evolving, transparent, and accessible. NPAG recognizes that some candidates must begin working immediately after earning a bachelor's degree and need a cost-effective way to earn the final 30 credit hours for licensure. With a focus on moving swiftly, NPAG has outlined three concepts that build on each other and shift direction toward measuring competency versus just academic experience.

In addition, NPAG recommends that a timely practice analysis be conducted to assess market needs and drive better alignment of national licensing requirements. Concepts include:

Experiential learning that earns college credit on the student's transcript, delivered by an accredited college or university. This option is **available now** under several models and could be expanded nationally. This continues to preserve CPA practice mobility.

Experiential learning that earns college credit off the student's transcript, most likely delivered by the employer or another third party. Through this **near-term** option, the learning would be earned through work experience according to a yet-to-be-developed common rubric, with clearly defined learning objectives and measurable outcomes, following standards and guidelines that outline the competencies necessary for CPA licensure.

Due to its overall complexity, the third concept is deemed **longer term: Create a competency-based licensure model that is not based solely on university credit hours or time on the job**, although both are likely to contribute in some way. This model, which is used by other licensed professions, would help measure a candidate's competency in specific knowledge and skills. This competency-based model would measure outputs (skills mastery, abilities, knowledge, and experience) versus time (education hours). This model reimagines the education and experience together and moves the discussion away from hours completely. It would be the single umbrella that any and all pathways would fall under and could provide unity among states regardless of pathways in statute.

All three concepts would require passage of the CPA Exam, just as the existing process does. **The second and third concepts would require an intentional and coordinated approach to manage potential disruption to CPA practice mobility.** Today's existing pathways would remain, and candidates and employers could choose which approach would work best for them.

Grow support for CPA Exam candidates

NPAG's scope is accounting talent broadly. But some accounting professionals will go on to take the CPA Exam, and there's room to improve the testing experience. The recommendations sit in these areas of focus:

- Addressing the cost of the exam, and rewarding individuals for passing each section of the exam
- Adding flexibility to the timeframe in which the exam can be taken
- Simplifying the application and eligibility process end-to-end
- Reworking the content and/or format of the exam itself

Prioritize strategies to expand access for underrepresented groups at every stage

It's critical that the accounting profession reflect the makeup of the U.S. population. Getting there will take building interest in accounting careers among underrepresented populations through:

- Targeted messages
- Scalable college-bound experiential programs
- Closer relationships among the profession and community colleges, four-year colleges, and minority-serving institutions and universities

Enhance the employee experience by evolving business models and cultures

Reversing the long-term accounting enrollment trends depends on the creation of a more attractive employee experience, including an immediate shift in starting salaries to be competitive with other majors and professions vying for top talent. Simply put, employers need to make the return on investment of an accounting education more compelling. This must happen, along with more manageable workloads, more interesting work, and clearer advancement opportunities and rewards. Accounting associations and state CPA societies can assist with resources and best practices for some employers, but at the end of the day, this shift lies with leaders of firms and finance departments.

Tell a more compelling story

Outdated messaging that highlights more negatives than positives and misperceptions about an accounting career persist, which ultimately hurts the profession's pipeline. To move the needle, let's all put some muscle behind a grassroots effort to tell a better story, amplify existing resources, and spotlight diverse voices. While working together to address the business and cultural hurdles identified by NPAG, we can begin to shift the profession's image. NPAG is inviting everyone in the profession to take the [Pipeline Pledge](#) — a commitment to participate in activities that can influence and grow the talent pool.

What we collectively tell students and other prospective accountants must be truthful and balanced, giving them a sense of both the benefits of a career in accounting and the common challenges. Painting a clear picture increases the importance of fixing some of the issues that detract from accounting careers. To tell a more compelling story, there must be a better story to tell.

Moving forward

This is not the first time accounting has seen a talent shortage, and NPAG is not the first group or even the only group recommending steps to make the profession more sustainable. (See “NPAG’s quick guide to recommendations” in the appendix for a full list of solutions.) Today we have an opportunity to better understand what’s truly behind the current decline in interest and craft actionable, data-driven, and long-lasting solutions. So, what will make these efforts successful?

Data. Our profession needs data that can help paint a detailed picture of what’s working and what’s not when it comes to accounting talent. Key stakeholders should commit to making changes needed to enable the sharing of existing data, as well as identifying what new data should be collected and shared. That could include parsing data on the majors students switch to if they leave accounting programs, analyzing CPA Exam performance and progression, or exploring what careers accountants move to if they exit the profession.

Sustained collaboration. To accomplish the scale of change ahead, continuous collaboration among stakeholders is critical. If the profession’s key stakeholders take a fragmented approach to solving the issues, the collective results will be muted. Stakeholders may not always agree on the way forward, but the best results lie in amplifying each other’s strategies and programs, eliminating duplication, and continuing the dialogue. NPAG is calling for inclusive joint roundtables of key stakeholders, the first of which is being planned for fall 2024. **Implementing NPAG’s proposed solutions will require cooperation from all key accounting bodies, including the AICPA, AAA, NASBA, state licensing boards, and state CPA societies, among others.**

Transparency and reporting. Talent must remain a priority, even when market conditions change and the urgency to fill roles begins to abate. The talent pipeline should remain a standing agenda item when the profession’s stakeholders gather. NPAG recommends the development of a scorecard to measure and report publicly on progress.

Individual actions. Our intent with this report is to harness the momentum from ongoing discussions and ensure individuals feel empowered to effect change in their communities and organizations. For more details on the current landscape, the available data, and the recommendations, we encourage you to read the full report and visit the [NPAG website](#).

Working together

This report is only the beginning of a longer journey, and every individual can contribute. We must now pull together, identify solution “ownership” assignments that leverage each stakeholder group’s unique talents, and develop, fund, and execute the solutions in this report. Ideally, this next group of accounting leaders will transparently report their progress to the profession semi-annually and will call on individual stakeholders to take new actions as progress is made.

Together, we can — and will — transform the accounting pipeline.

Identifying the key factors behind the CPA pipeline shortage

The accounting profession is facing a shrinking workforce due to a confluence of causes, including demographics, the cost of higher education, starting pay that lags behind competing sectors, and concerns about long hours and workplace culture. Examining labor reports and research findings to identify the root causes of this talent shortage provides the foundation needed to evaluate NPAG's recommendations for growing the pipeline while paving a path forward to ensure a vibrant profession.

A changing U.S. labor market

To understand the accounting profession's talent challenges, it helps to start with global and U.S. demographic and labor trends. The accounting profession is one among many sectors facing hiring constraints because of these trends. From nurses and doctors to airline pilots, skilled tradespeople, and restaurant workers, concerns about meeting current and future staffing needs abound.

What's driving these shortages? Census data shows the U.S. working-age population grew only 3% from 2010 to 2020, slowed by a general drop in fertility rates and the growing pool of retirees.² The Pew Research Center reported that nearly 28.6 million baby boomers left the workforce in late 2020,³ a 12.6% jump from 2019.

While hiring rates continue to rise across all industries, the financial and business sectors are especially struggling to fill jobs, according to the U.S. Chamber of Commerce.⁴ There simply aren't enough skilled people to meet the demand for accounting services. The U.S. Bureau of Labor Statistics reports that job openings for accountants and auditors will grow by 4% between 2022 and 2032, due in part to workers retiring or changing roles.⁵

Unfortunately, this supply and demand mismatch won't pass quickly. According to the U.S. Chamber of Commerce, there are 8.5 million job openings in the United States, but only 6.5 million unemployed workers.⁶ Through 2032, the U.S. labor force is expected to grow by just 0.4% annually, compared to 0.6% from 2012 through 2022.⁷ The accounting profession's strategies for building a vibrant future workforce must anticipate this changing landscape.

² Luke Rogers and Kristie Wilder, "[Shift in Working-Age Population Relative to Older and Younger Americans](#)," U.S. Census Bureau, June 25, 2020.

³ Richard Fry, "[The pace of Boomer retirements has accelerated in the past year](#)," Pew Research Center, November 9, 2020.

⁴ Stephanie Ferguson and Makinzi Hoover, "[Understanding America's Labor Shortage: The Most Impacted Industries](#)," U.S. Chamber of Commerce, May 13, 2024.

⁵ U.S. Bureau of Labor Statistics, "[Occupational Outlook Handbook: Accountants and Auditors](#)," accessed June 10, 2024.

⁶ Stephanie Ferguson, "[Understanding America's Labor Shortage](#)," U.S. Chamber of Commerce, June 24, 2024.

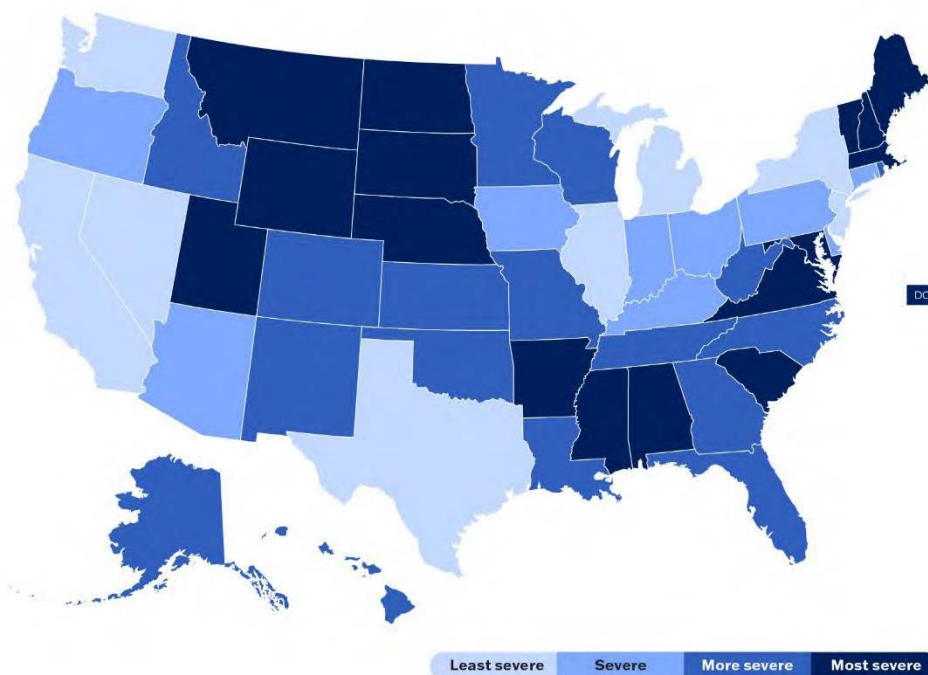
⁷ U.S. Bureau of Labor Statistics, "[Labor force and macroeconomic projections overview and highlights, 2022–32](#)," September 2023.

Paradoxically, these shortages exist amid reports of layoffs at some accounting firms, including at the partner level, and delayed start dates for new hires.⁸ Such layoffs, however, may be attributed to a lower demand for specific consulting services. Meanwhile, the accountant shortage is being acutely felt throughout the market. Several businesses have reported that the shortage is so severe they have had to delay the release of annual reports and other key filings.⁹

Regional differences

The overall talent shortage among all sectors is not being felt equally across the country. The U.S. Chamber of Commerce's Worker Shortage Index ratio, which reflects the number of available workers for each job opening, shows that the need for workers of *all types*, not solely accountants, is the least severe in states such as New York, New Jersey, Texas, California, Nevada, Washington, Michigan, and Illinois. It's worth noting that even these states still face shortages.

U.S. Chamber of Commerce Worker Shortage Index Ratio



⁸ Mark Maurer and Alexander Saeedy, "[Accounting Firms Overhired. Now Some Are Starting to Lay Off Partners,](#)" *The Wall Street Journal*, December 15, 2023.

⁹ Shubhangi Goel, "[The accountant shortage is so bad that it's delaying key reports at companies like Tupperware,](#)" *Business Insider*, April 1, 2024.

The nature of the labor shortage is more severe throughout much of the Midwest, South, and New England. The data shows a wide variance between states, with the highest worker index in California, with 92 workers per 100 open jobs, compared to the lowest worker index found in New Hampshire, with 28 workers per 100 open jobs.¹⁰

While regional and state-based pictures are important considerations, the availability of trained workers can vary greatly even within a state's borders, a factor that causes the pipeline issue to be felt much more deeply in some areas. With these stark differences between states, professional mobility becomes even more crucial as organizations may seek accounting services from providers in regions with more capacity, and accounting employers may seek to hire remote talent from more populous states.

"The vast majority [of states] have seen their labor forces shrink because of early retirements, increased savings, and less immigration, among other factors," according to a U.S. Chamber of Commerce analysis.¹¹ Remote work may offer some employers access to a larger labor pool. The Chamber estimates that approximately 20% of business and professional services positions are fully remote, and close to 40% are hybrid, offering an opportunity to ease hiring strain.¹²

Students are exploring options other than a bachelor's degree

The pressing need to fill the pipeline has come at a time of shifting demand and expectations around higher education, and consequently, there is a greater need to reevaluate the academic experience to attract and retain more students.

Students are exploring options, and one of those options is foregoing college. Total undergraduate enrollment fell by 15% between 2010 and 2021, according to the National Center for Education Statistics.¹³ The downward trend began before the pandemic. Job opportunities not requiring a degree and the rising cost of higher education are thought to be contributing factors.¹⁴

In 2019, 41% of 18- to 29-year-olds said a college education is "very important," a steep drop from 74% in 2013.¹⁵ Among parents, who are key influencers of their children's choice of education and career, nearly half envisioned something other than a four-year degree for their children. Two-year colleges, non-college training programs, and other pathways were seen as ideal for their children by 46% of parents, even when they were told to consider a scenario in which there were "no obstacles or limitations."¹⁶

¹⁰ Lindsay Cates and Stephanie Ferguson, "[Understanding America's Labor Shortage: The Most Impacted States](#)," U.S. Chamber of Commerce, July 2, 2024.

¹¹ Ibid.

¹² Stephanie Ferguson and Makinizi Hoover, "[Understanding America's Labor Shortage: The Most Impacted Industries](#)," U.S. Chamber of Commerce, June 24, 2024.

¹³ National Center for Education Statistics, [Undergraduate Enrollment](#), updated May 2023.

¹⁴ Collin Binkley, "[Jaded with education, more Americans are skipping college](#)," *The Associated Press*, March 9, 2023.

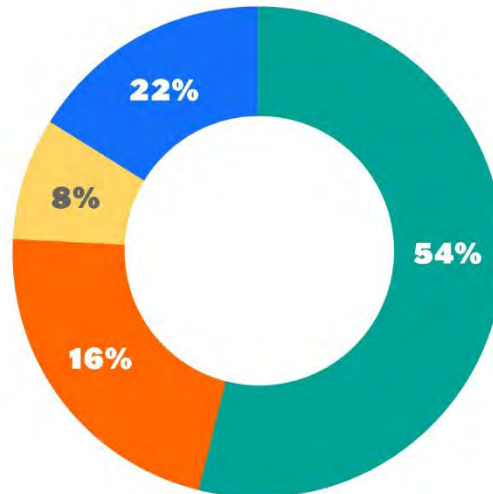
¹⁵ Stephanie Marken, "[Half in U.S. Now Consider College Education Very Important](#)," Gallup, December 30, 2019.

¹⁶ Zach Hrynowski, "[Nearly Half of U.S. Parents Want More Noncollege Paths](#)," Gallup, April 7, 2021.

The term “paper ceiling” has begun to gain traction in questioning whether a college degree is necessary for certain positions and whether requiring a degree creates unnecessary barriers for candidates who are otherwise right for a job.

Parental preferences

When asked about their ideal scenarios with no barriers or limitations, **46% of parents favored something other than a four-year college** for their children after high school.



College enrollment figures for spring 2024 showed some positives, with overall undergraduate enrollment up 2.5% over the previous year. That made for the second straight semester of year-over-year increase following years of declining enrollment during and following COVID.

“While these enrollment gains are optimistic signs for a potential recovery from pandemic losses, they remain well below pre-pandemic levels, with nearly 800,000 fewer students (–4.2%) overall and over 900,000 (–6.0%) fewer undergraduates, compared to spring 2020,” the National Student Clearinghouse Research Center reported.¹⁷

Accounting undergraduate enrollment followed a similar trend, with spring enrollment in 4-year institutions increasing 6% year over year to reach 170,000, the National Student Clearinghouse Research Center data shows. Mirroring overall undergraduate enrollment, accounting enrollments have not returned to pre-pandemic levels. Some 201,000 accounting students were enrolled in 4-year institutions in the spring semester of 2019.

¹⁷ National Student Clearinghouse Research Center, “[Postsecondary Enrollment Continues to Grow](#),” May 22, 2024.

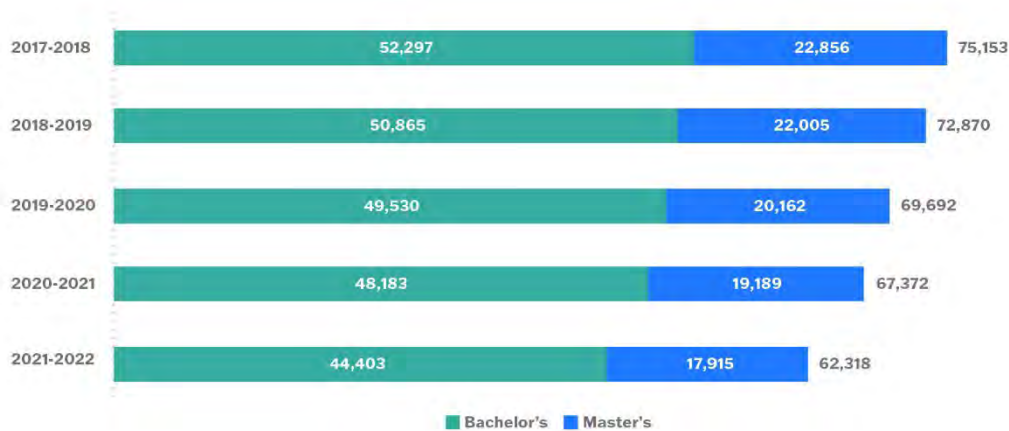
Where the pipeline is leaking

No single organization is collecting data on a student's entire journey from entering college to graduation to beginning an accounting career and possibly taking the CPA Exam. But several trends provide context for the profession's loss of talent. Among all undergraduate business students, only one in nine chooses an accounting major.¹⁸

Of students who declare an accounting major, not all will graduate with a bachelor's degree in accounting, fewer will go on to earn a graduate-level degree, even fewer sit for the CPA Exam, and even fewer will pass all four sections and become licensed. In terms of a pipeline "funnel," we can begin to see areas in need of remediation. Areas to examine include the following:

Trends in accounting degree completions: Of those students who are pursuing higher education, there are fewer completing bachelor's in accounting programs in favor of other majors. Accounting degree completions fell 17% from 75,153 in 2017–2018 to 62,318 in 2021–2022, according to IPEDS, the Integrated Postsecondary Education Data System.

Accounting degree completions 2017-2022

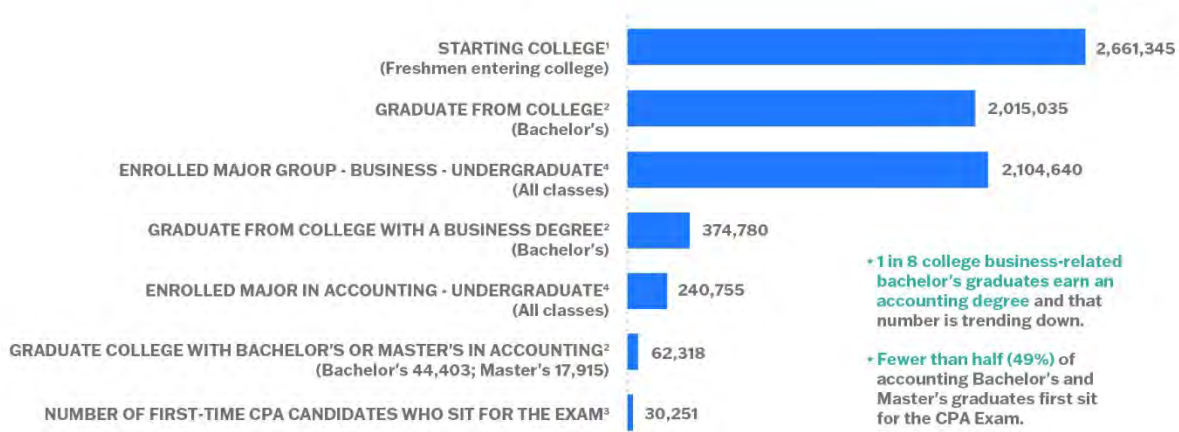


Source: [NCES/IPEDS 2021–22 Degrees/Certificates by Field of Study](#)

CPA Exam interest: The percentage of accounting graduates sitting for the CPA Exam for the first time peaked at 70% in 2010. In 2018, the percentage of exam takers fell below 50% for the first time.

¹⁸ Wiley, "State of the Education Market 2023: Trends and Insights in Key Undergraduate Disciplines," February 2023.

Examining the pipeline 2021-2022



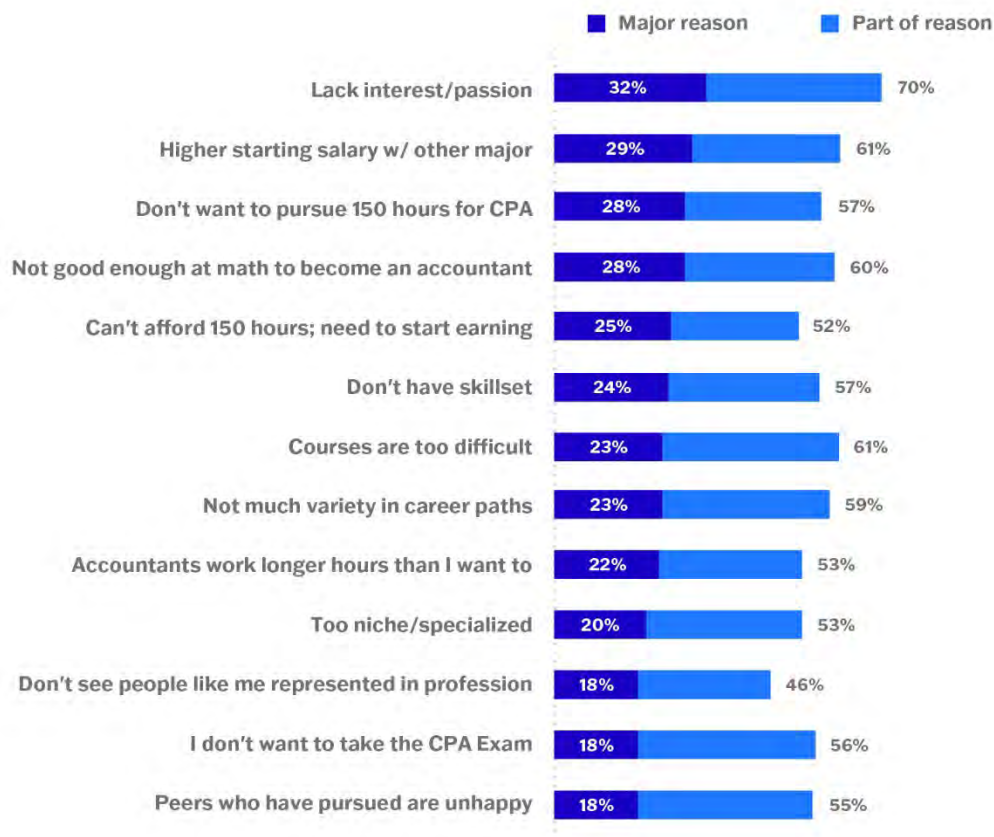
Sources: [NCES/IPEDS 2022 Table 305.10 Total Fall Enrollment of First-Time Degree Certificate Seeking Students](#);¹ [NCES/IPEDS 2021–22 Degrees/Certificates by Field of Study](#);² [AICPA 2023 Trends Report](#);³ [2023 Fall National Clearing House Current Term Enrollment Estimates Report](#).⁴

When examining the data, we can begin to pose the most relevant questions. Why are we not attracting people to a career in accounting, and where are we losing them along the way? And more to the point, what can we do about it?

The accounting major faces competition and challenges. A report from the Center for Audit Quality and Edge Research¹⁹ asked respondents to rank their major reasons and partial reasons for not choosing accounting as a major. Among business students who did not consider accounting, a lack of interest in or passion for accounting along with the belief they lacked the necessary math skills were the top reasons cited for not choosing accounting as a major. For those students that considered accounting but chose not to pursue the major, the additional 30 credit hours required post bachelor's degree to qualify for CPA licensure along with lagging salaries topped their list of reasons why.

¹⁹ Center for Audit Quality, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

Reasons for not choosing accounting as a major among non-accounting majors



Source: [Center for Audit Quality](#), July 2023.

A global issue

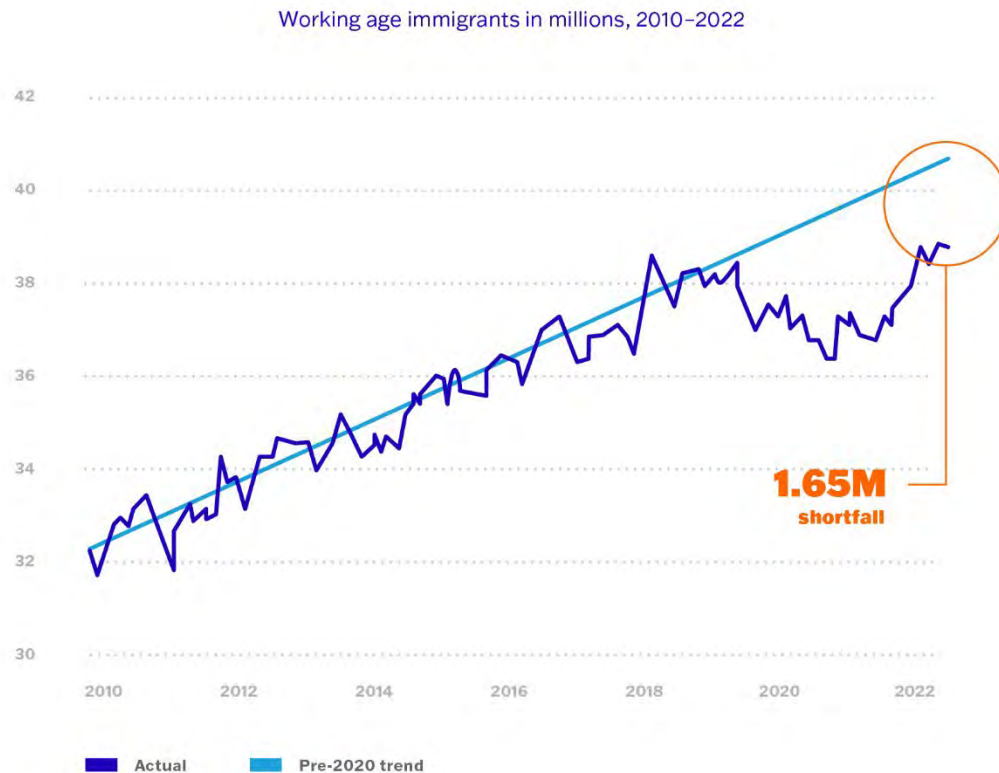
Worker shortages appear to be prevalent in the accounting profession globally as well. A 2024 poll by AICPA & CIMA, the Global Accounting Alliance (GAA), and the Confederation of Asian and Pacific Accountants (CAPA) showed that 28 out of 33 accountancy bodies around the world believe that there is a shortage of professional accountants in their jurisdiction(s).²⁰ Shortage concerns for pre-entry and entry-level roles presented the most significant challenges, while fewer concerns were noted at more experienced levels. Across the world, compensation and attractiveness of the profession were the most frequently selected causes for the shortage of professional accountants.

²⁰ AICPA & CIMA, "[Attraction and retention in the global accounting profession](#)," February 2024.

Immigration's role in the talent supply

Immigration plays a role in talent supply for U.S. employers. Although overall immigration numbers began to decline prior to the COVID-19 pandemic, the pandemic's wake created a 1.65 million shortfall in foreign working-age individuals compared to the previous growth trend, according to economists.²¹

Working age immigration levels contribute to workplace shortages



Source: Source: [U.S. Chamber of Commerce](#), August 2023.

During the 2021–2022 school year, more than 50,000 nonresident graduates earned either a bachelor's or master's degree in business, which accounting falls under. This represents a 10.5% decline from the previous academic year, according to IPEDS data.²²

²¹ Giovanni Peri and Reem Zaiour, "[Changes in international immigration and internal native mobility after COVID-19 in the USA](#)," *Journal of Population Economics*, July 27, 2023.

²² U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS), [Degrees/certificates by race/ethnicity, gender, and field of study, 2020-21](#), accessed June 20, 2024.

A global perspective has also led some firms to turn to offshoring for accounting talent, primarily to countries like India, the Philippines, South Africa, and Mexico. A potential solution could be looking to international accounting talent to fulfill some unmet capacity, either through offshoring or immigration.

The impact of technology: Artificial intelligence

Technology innovation and adoption are moving at light speed. As we consider the impact of technology on the pipeline, it's important to consider shifts in workplace expectations. Gen Z was born into an age of always-on, handheld technology. They expect their employers to be technology-forward, which creates opportunities for employers to differentiate themselves. If the salary and job description were the same, 70% of Gen Z employees would leave their job for more efficient tools and technology, according to an Adobe survey.²³

The rise of AI offers both opportunities and challenges. Several accounting educators suggest that technology can be labor saving (when it replaces job functions) or labor augmenting (when it improves a person's productivity, freeing up labor to add more value).²⁴ NPAG believes that technology in general, and AI in particular, is likely to reduce the number of repeatable processes in accounting, freeing up talent to focus on other, higher-value activities. Further, clients and companies need more advisory and planning services from their accountants than they are currently able to receive, due to capacity issues. Labor-augmenting technologies that increase efficiency and free up capacity allow those in the accounting profession to turn their attention to more difference-making work.

Understanding Gen Z

When building a pipeline strategic plan, a heavy emphasis must be placed on the motivators and concerns of next-generation talent and on anticipating trends affecting future generations. So, it is important to understand areas where the priorities of "next-gen" talent may differ from those of current leadership.

Pew Research defines Gen Z as being born between 1997 and 2012, so the oldest members are turning 27 this year. Gen Z, or post-Millennials, will be the most ethnically diverse and well-educated generation to date, according to Pew Research. This cohort is "enrolling in college at a significantly higher rate than Millennials were at a comparable age."²⁵ Gen Z is also entering the workforce later, which will almost certainly have an impact on overall labor trends and the accounting pipeline.

According to an EY study exploring Gen Z perceptions, business and STEM students are pursuing accounting because it provides:

- Career stability and a comfortable lifestyle (46%)

²³ Adobe, [The Future of Time](#), August 2021.

²⁴ Henry L. Friedman, Andrew Sutherland, and Felix Vetter, "[Technological Investment and Accounting: A Demand-Side Perspective on Accounting Enrollment Declines](#)," April 30, 2024.

²⁵ Richard Fry and Kim Parker, "[Early Benchmarks Show 'Post-Millennials' on Track to Be Most Diverse, Best-Educated Generation Yet](#)," Pew Research Center, November 15, 2018.

- The ability to find solutions within numbers and data (25%)
- An opportunity to contribute to society (23%)
- The chance to impact sustainability (21%)²⁶

Gen Z views on diversity and family makeup are similar to those of Millennials but differ from Gen X and Boomers, something that employers must understand. For instance, Pew indicates that:²⁷

- Nearly half (48%) of Gen Zers say gay and lesbian couples being allowed to marry is a good thing for our society.
- Roughly two-thirds would say that Black or African American individuals are treated less fairly than whites in this country.
- 59% of Gen Zers indicate that forms or online profiles should include additional gender options other than “man” and “woman.”

Pew suggests that Gen Z resides overwhelmingly in urban areas and in Western states. In fact, only “13% of post-Millennials are in rural areas, compared with 18% of Millennials in 2002.”

Despite the demographic and cultural shifts, minority groups are still underrepresented in accounting. During the 2021–2022 school year, 8% of accounting graduates were Black or African American, and just over 14% were Hispanic or Latino/Latina, according to IPEDS. Those percentages decline as seniority levels rise within the profession, with even fewer minorities and women represented in leadership roles.²⁸ This report aims to identify strategies to attract and retain candidates of all backgrounds, with specific ideas for engaging underrepresented minorities outlined in the section “Prioritize strategies to expand access for underrepresented groups.”

A path forward

Understanding some of the macro trends influencing the profession and our pipeline issues was a first step taken by NPAG. The deep dive into research, poll data, forums and discussion groups, and the NPAG national and student surveys has helped lay the groundwork for a path forward. By identifying the root causes, we can develop corresponding solutions to draw more people to accounting and transform the pipeline.

²⁵ Dante D'Egidio, Ginnie Carlier, Becky Burke, “[How Gen Z insights are shaping the accounting profession of the future](#),” EY, November 2, 2023.

²⁷ Kim Parker, Nikki Graf, and Ruth Igielnik, “[Generation Z Looks a Lot Like Millennials on Key Social and Political Issues](#),” Pew Research Center, January 17, 2019.

²⁸ Institute of Management Accountants and California Society of Certified Public Accountants, “[Diversifying US Accounting Talent A Critical Imperative to Achieve Transformational Outcomes](#),” October 12, 2021.

Solutions to the pipeline crisis: Transforming support, engagement, and business models

NPAG has worked to identify what it believes to be the highest-impact ideas for growing the accounting pipeline. These solutions are organized by each thematic area in the sections that follow.

The recommendations in this report are guided by the core principles that any solutions must balance rigor with flexibility and will require collaboration across the profession.

NPAG's solutions aim to preserve or elevate the profession's value. The solutions are intended to attract more people to a career in accounting and provide candidates of all backgrounds with greater clarity, accessibility, and options on the way to licensure.

No single solution will solve the problem in isolation, and stakeholders must work together to accomplish meaningful change. We must amplify and leverage each other's programs to reach new recruits and retain early-career employees. The effort to grow the pipeline must involve academia, business and industry, CPA firms and decision-makers, state societies and CPA associations, regulators and state boards of accountancy, and other advocates.

This work is ongoing and, in many respects, just beginning. These solutions and recommendations are meant to serve as the start of a broader conversation, providing a deeper understanding of the hurdles we face and meaningful, actionable ideas to address them. We owe it to the public, the profession, and future generations of accountants to move these solutions forward and show real progress, with meaningful results in growing the accounting pipeline.

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**National Pipeline
Advisory Group**

Accounting Talent Strategy Report

Analyzing the root causes of the accounting talent shortage, potential solutions, and next steps forward.



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◀ **LEXY KESSLER, CPA, CGMA**
Chair, National Pipeline
Advisory Group

Welcome and gratitude

Thank you for your interest in developing accounting's talent pipeline. While a career in accounting has much to offer, the profession is at a crossroads, and many agree it's time for changes that will make the field more attractive.

I am encouraged by the thousands of people who have shared their insights on this challenge over the past year with the National Pipeline Advisory Group (NPAG). The independent advisory group was convened in July 2023 in response to an AICPA Council resolution aimed at developing a national strategy to address accounting talent issues. Embedded in the Council resolution was a commitment to preserving mobility, which powers the ability CPAs have to practice with ease across state lines.

Expectations surrounding education and careers are changing. We must respond to and anticipate market needs, as well as design and implement solutions to ensure accounting's future talent continues to grow and keep pace with demand.

The dearth of accounting professionals expands beyond labor issues. There is profession-wide concern that the shortage is playing a role in financial reporting delays and challenges across U.S. businesses,¹ an alarming fact that increases the urgency for action.

¹ Mark Maurer, "[The Accountant Shortage Is Showing Up in Financial Statements](#)," *The Wall Street Journal*, July 11, 2023.

Now more than ever, we need a cohesive, unified, data-driven, and flexible approach to bring more people into accounting — and ensure that those who are already in the profession remain.

An inclusive approach

The fundamental approach of NPAG's work was to seek extensive input to ensure an inclusive strategy that reflects diverse perspectives. The recommendations in this report are driven by a combination of insights from stakeholders across the profession; thousands of individuals who participated in focus groups, forums, and discussions; and surveys of students and other stakeholders.

Jennifer Wilson, partner and cofounder of ConvergenceCoaching®, LLC, and her team facilitated NPAG's planning process, and a separate third-party research organization, Meridian Research & Insights, was responsible for deploying and analyzing our national and student surveys.

Highlights within this report include:

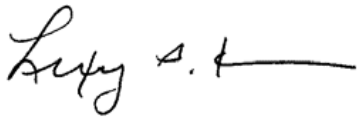
- **An analysis of the changing labor market and education landscape.**
- **A look at root causes of the pipeline shortage.** The initial step in identifying solutions was to understand the causes of the shortage and how they intersect.
- **Recommended strategies and tactics for bolstering the accounting talent pipeline and evolving the CPA license.** NPAG is urging the profession to take a coordinated and intentional approach to its suggested solutions, including any that might disrupt the national system of substantial equivalency that underpins CPA mobility.
- **Highlights of other ongoing efforts.** NPAG and other stakeholders are focused on ideas and solutions for improving the accounting pipeline. In this report, we also highlight the extensive and valuable work of other organizations and initiatives that are in place or being developed to address the talent shortage. Our commitment in this report is to be both inclusive and comprehensive to help drive a unified stakeholder approach.

What are the next steps?

These recommendations are only the beginning. NPAG is acutely aware of how critical implementation will be to transforming the accounting talent pipeline. No single entity in the profession can implement these strategies and recommendations alone. To be successful in attracting more people to accounting, the profession's key stakeholders must unify and work together in a more structured, collaborative, and transparent way to continuously innovate and improve our profession.

Together, leaders of these initiatives will test, customize, and refine the strategies. As stakeholders implement year one of this strategy, stakeholders must also continue envisioning plans for year three, year five, and beyond to build on, accelerate, and amplify our ambitious goals.

Thank you for reading this important report. I am truly honored to be part of an effort to build the accounting profession's workforce. We look forward to discussing how these strategies can help the profession achieve its greatest level of success in the ever-changing market.



Lexy Kessler, CPA, CGMA
Mid-Atlantic Regional Leader, Aprio
Chair, National Pipeline Advisory Group



**We need a cohesive,
unified, data-driven,
and flexible approach
to bring more people
into accounting.**

Executive summary

The talent shortages of the past several years, coupled with strong demand for accountants and CPAs, have created challenges throughout the profession. Yet today we see the potential for meaningful change.

Stakeholders from all areas of accounting — including CPA firms, finance departments, businesses, academia, government bodies, not-for-profits, the regulatory community, accounting associations, and state societies — have devoted substantial time and energy to understanding the talent hurdles and identifying positive solutions. The collective passion around solving the pipeline problem is encouraging.

While the challenges are daunting, the members of the National Pipeline Advisory Group (NPAG) feel a genuine sense of optimism. We know that when the accounting profession pulls together to solve a tough challenge, some amazing things can happen. That's what this report is all about.

NPAG's recommendations are based on six major themes that emerged from various data sources. These themes are not ranked, and all are equally critical. To succeed, the profession collectively needs to:

- ✓ **Make the academic experience more engaging**
- ✓ **Address the time and cost of education**
- ✓ **Grow support for CPA Exam candidates**
- ✓ **Expand access for underrepresented groups**
- ✓ **Enhance the employee experience**
- ✓ **Tell a more compelling story**



Make the academic experience more engaging

Academia is leading an important push to change how introductory courses are taught by making best-in-class resources and training available to all educators. NPAG also recommends:

- Consider what is taught in Principles of Accounting courses and when. Reviewing the pacing and topical areas would help ensure that introductory courses provide undeclared students with a sense of the prestige, flexibility, and purpose that a career in accounting can deliver, along with the attractive lifetime earning potential.

- Ensure that accounting programs are positioned to help guide and support students as they progress into more challenging coursework. There are majors that are known for high attrition rates. To build a stable talent base, accounting can't be one of them.
- Secure classroom engagement from ample mentors, champions, and visiting practitioners.
- Harness technology to bring the accounting material to life in different ways.

Address the time and cost of education

This entails creating a nimble process to keep the CPA license and its requirements evolving, transparent, and accessible. NPAG recognizes that some candidates must begin working immediately after earning a bachelor's degree and need a cost-effective way to earn the final 30 credit hours for licensure. With a focus on moving swiftly, NPAG has outlined three concepts that build on each other and shift direction toward measuring competency versus just academic experience.

In addition, NPAG recommends that a timely practice analysis be conducted to assess market needs and drive better alignment of national licensing requirements. Concepts include:

Experiential learning that earns college credit on the student's transcript, delivered by an accredited college or university. This option is **available now** under several models and could be expanded nationally. This continues to preserve CPA practice mobility.

Experiential learning that earns college credit off the student's transcript, most likely delivered by the employer or another third party. Through this **near-term** option, the learning would be earned through work experience according to a yet-to-be-developed common rubric, with clearly defined learning objectives and measurable outcomes, following standards and guidelines that outline the competencies necessary for CPA licensure.

Due to its overall complexity, the third concept is deemed **longer term: Create a competency-based licensure model that is not based solely on university credit hours or time on the job**, although both are likely to contribute in some way. This model, which is used by other licensed professions, would help measure a candidate's competency in specific knowledge and skills. This competency-based model would measure outputs (skills mastery, abilities, knowledge, and experience) versus time (education hours). This model reimagines the education and experience together and moves the discussion away from hours completely. It would be the single umbrella that any and all pathways would fall under and could provide unity among states regardless of pathways in statute.

All three concepts would require passage of the CPA Exam, just as the existing process does. **The second and third concepts would require an intentional and coordinated approach to manage potential disruption to CPA practice mobility.** Today's existing pathways would remain, and candidates and employers could choose which approach would work best for them.

Grow support for CPA Exam candidates

NPAG's scope is accounting talent broadly. But some accounting professionals will go on to take the CPA Exam, and there's room to improve the testing experience. The recommendations sit in these areas of focus:

- Addressing the cost of the exam, and rewarding individuals for passing each section of the exam
- Adding flexibility to the timeframe in which the exam can be taken
- Simplifying the application and eligibility process end-to-end
- Reworking the content and/or format of the exam itself

Prioritize strategies to expand access for underrepresented groups at every stage

It's critical that the accounting profession reflect the makeup of the U.S. population. Getting there will take building interest in accounting careers among underrepresented populations through:

- Targeted messages
- Scalable college-bound experiential programs
- Closer relationships among the profession and community colleges, four-year colleges, and minority-serving institutions and universities

Enhance the employee experience by evolving business models and cultures

Reversing the long-term accounting enrollment trends depends on the creation of a more attractive employee experience, including an immediate shift in starting salaries to be competitive with other majors and professions vying for top talent. Simply put, employers need to make the return on investment of an accounting education more compelling. This must happen, along with more manageable workloads, more interesting work, and clearer advancement opportunities and rewards. Accounting associations and state CPA societies can assist with resources and best practices for some employers, but at the end of the day, this shift lies with leaders of firms and finance departments.

Tell a more compelling story

Outdated messaging that highlights more negatives than positives and misperceptions about an accounting career persist, which ultimately hurts the profession's pipeline. To move the needle, let's all put some muscle behind a grassroots effort to tell a better story, amplify existing resources, and spotlight diverse voices. While working together to address the business and cultural hurdles identified by NPAG, we can begin to shift the profession's image. NPAG is inviting everyone in the profession to take the [Pipeline Pledge](#) — a commitment to participate in activities that can influence and grow the talent pool.

What we collectively tell students and other prospective accountants must be truthful and balanced, giving them a sense of both the benefits of a career in accounting and the common challenges. Painting a clear picture increases the importance of fixing some of the issues that detract from accounting careers. To tell a more compelling story, there must be a better story to tell.

Moving forward

This is not the first time accounting has seen a talent shortage, and NPAG is not the first group or even the only group recommending steps to make the profession more sustainable. (See “NPAG’s quick guide to recommendations” in the appendix for a full list of solutions.) Today we have an opportunity to better understand what’s truly behind the current decline in interest and craft actionable, data-driven, and long-lasting solutions. So, what will make these efforts successful?

Data. Our profession needs data that can help paint a detailed picture of what’s working and what’s not when it comes to accounting talent. Key stakeholders should commit to making changes needed to enable the sharing of existing data, as well as identifying what new data should be collected and shared. That could include parsing data on the majors students switch to if they leave accounting programs, analyzing CPA Exam performance and progression, or exploring what careers accountants move to if they exit the profession.

Sustained collaboration. To accomplish the scale of change ahead, continuous collaboration among stakeholders is critical. If the profession’s key stakeholders take a fragmented approach to solving the issues, the collective results will be muted. Stakeholders may not always agree on the way forward, but the best results lie in amplifying each other’s strategies and programs, eliminating duplication, and continuing the dialogue. NPAG is calling for inclusive joint roundtables of key stakeholders, the first of which is being planned for fall 2024. **Implementing NPAG’s proposed solutions will require cooperation from all key accounting bodies, including the AICPA, AAA, NASBA, state licensing boards, and state CPA societies, among others.**

Transparency and reporting. Talent must remain a priority, even when market conditions change and the urgency to fill roles begins to abate. The talent pipeline should remain a standing agenda item when the profession’s stakeholders gather. NPAG recommends the development of a scorecard to measure and report publicly on progress.

Individual actions. Our intent with this report is to harness the momentum from ongoing discussions and ensure individuals feel empowered to effect change in their communities and organizations. For more details on the current landscape, the available data, and the recommendations, we encourage you to read the full report and visit the [NPAG website](#).

Working together

This report is only the beginning of a longer journey, and every individual can contribute. We must now pull together, identify solution “ownership” assignments that leverage each stakeholder group’s unique talents, and develop, fund, and execute the solutions in this report. Ideally, this next group of accounting leaders will transparently report their progress to the profession semi-annually and will call on individual stakeholders to take new actions as progress is made.

Together, we can — and will — transform the accounting pipeline.

Identifying the key factors behind the CPA pipeline shortage

The accounting profession is facing a shrinking workforce due to a confluence of causes, including demographics, the cost of higher education, starting pay that lags behind competing sectors, and concerns about long hours and workplace culture. Examining labor reports and research findings to identify the root causes of this talent shortage provides the foundation needed to evaluate NPAG's recommendations for growing the pipeline while paving a path forward to ensure a vibrant profession.

A changing U.S. labor market

To understand the accounting profession's talent challenges, it helps to start with global and U.S. demographic and labor trends. The accounting profession is one among many sectors facing hiring constraints because of these trends. From nurses and doctors to airline pilots, skilled tradespeople, and restaurant workers, concerns about meeting current and future staffing needs abound.

What's driving these shortages? Census data shows the U.S. working-age population grew only 3% from 2010 to 2020, slowed by a general drop in fertility rates and the growing pool of retirees.² The Pew Research Center reported that nearly 28.6 million baby boomers left the workforce in late 2020,³ a 12.6% jump from 2019.

While hiring rates continue to rise across all industries, the financial and business sectors are especially struggling to fill jobs, according to the U.S. Chamber of Commerce.⁴ There simply aren't enough skilled people to meet the demand for accounting services. The U.S. Bureau of Labor Statistics reports that job openings for accountants and auditors will grow by 4% between 2022 and 2032, due in part to workers retiring or changing roles.⁵

Unfortunately, this supply and demand mismatch won't pass quickly. According to the U.S. Chamber of Commerce, there are 8.5 million job openings in the United States, but only 6.5 million unemployed workers.⁶ Through 2032, the U.S. labor force is expected to grow by just 0.4% annually, compared to 0.6% from 2012 through 2022.⁷ The accounting profession's strategies for building a vibrant future workforce must anticipate this changing landscape.

² Luke Rogers and Kristie Wilder, "[Shift in Working-Age Population Relative to Older and Younger Americans](#)," U.S. Census Bureau, June 25, 2020.

³ Richard Fry, "[The pace of Boomer retirements has accelerated in the past year](#)," Pew Research Center, November 9, 2020.

⁴ Stephanie Ferguson and Makinzi Hoover, "[Understanding America's Labor Shortage: The Most Impacted Industries](#)," U.S. Chamber of Commerce, May 13, 2024.

⁵ U.S. Bureau of Labor Statistics, "[Occupational Outlook Handbook: Accountants and Auditors](#)," accessed June 10, 2024.

⁶ Stephanie Ferguson, "[Understanding America's Labor Shortage](#)," U.S. Chamber of Commerce, June 24, 2024.

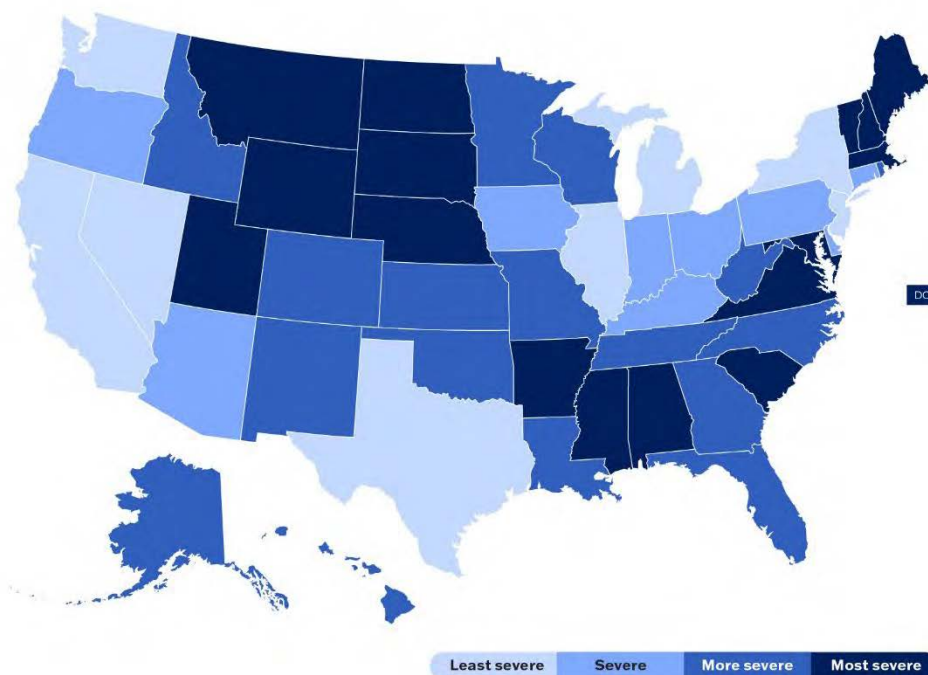
⁷ U.S. Bureau of Labor Statistics, "[Labor force and macroeconomic projections overview and highlights, 2022–32](#)," September 2023.

Paradoxically, these shortages exist amid reports of layoffs at some accounting firms, including at the partner level, and delayed start dates for new hires.⁸ Such layoffs, however, may be attributed to a lower demand for specific consulting services. Meanwhile, the accountant shortage is being acutely felt throughout the market. Several businesses have reported that the shortage is so severe they have had to delay the release of annual reports and other key filings.⁹

Regional differences

The overall talent shortage among all sectors is not being felt equally across the country. The U.S. Chamber of Commerce's Worker Shortage Index ratio, which reflects the number of available workers for each job opening, shows that the need for workers of *all types*, not solely accountants, is the least severe in states such as New York, New Jersey, Texas, California, Nevada, Washington, Michigan, and Illinois. It's worth noting that even these states still face shortages.

U.S. Chamber of Commerce Worker Shortage Index Ratio



⁸ Mark Maurer and Alexander Saeedy, "[Accounting Firms Overhired. Now Some Are Starting to Lay Off Partners,](#)" *The Wall Street Journal*, December 15, 2023.

⁹ Shubhangi Goel, "[The accountant shortage is so bad that it's delaying key reports at companies like Tupperware,](#)" *Business Insider*, April 1, 2024.

The nature of the labor shortage is more severe throughout much of the Midwest, South, and New England. The data shows a wide variance between states, with the highest worker index in California, with 92 workers per 100 open jobs, compared to the lowest worker index found in New Hampshire, with 28 workers per 100 open jobs.¹⁰

While regional and state-based pictures are important considerations, the availability of trained workers can vary greatly even within a state's borders, a factor that causes the pipeline issue to be felt much more deeply in some areas. With these stark differences between states, professional mobility becomes even more crucial as organizations may seek accounting services from providers in regions with more capacity, and accounting employers may seek to hire remote talent from more populous states.

"The vast majority [of states] have seen their labor forces shrink because of early retirements, increased savings, and less immigration, among other factors," according to a U.S. Chamber of Commerce analysis.¹¹ Remote work may offer some employers access to a larger labor pool. The Chamber estimates that approximately 20% of business and professional services positions are fully remote, and close to 40% are hybrid, offering an opportunity to ease hiring strain.¹²

Students are exploring options other than a bachelor's degree

The pressing need to fill the pipeline has come at a time of shifting demand and expectations around higher education, and consequently, there is a greater need to reevaluate the academic experience to attract and retain more students.

Students are exploring options, and one of those options is foregoing college. Total undergraduate enrollment fell by 15% between 2010 and 2021, according to the National Center for Education Statistics.¹³ The downward trend began before the pandemic. Job opportunities not requiring a degree and the rising cost of higher education are thought to be contributing factors.¹⁴

In 2019, 41% of 18- to 29-year-olds said a college education is "very important," a steep drop from 74% in 2013.¹⁵ Among parents, who are key influencers of their children's choice of education and career, nearly half envisioned something other than a four-year degree for their children. Two-year colleges, non-college training programs, and other pathways were seen as ideal for their children by 46% of parents, even when they were told to consider a scenario in which there were "no obstacles or limitations."¹⁶

¹⁰ Lindsay Cates and Stephanie Ferguson, "[Understanding America's Labor Shortage: The Most Impacted States](#)," U.S. Chamber of Commerce, July 2, 2024.

¹¹ Ibid.

¹² Stephanie Ferguson and Makinizi Hoover, "[Understanding America's Labor Shortage: The Most Impacted Industries](#)," U.S. Chamber of Commerce, June 24, 2024.

¹³ National Center for Education Statistics, [Undergraduate Enrollment](#), updated May 2023.

¹⁴ Collin Binkley, "[Jaded with education, more Americans are skipping college](#)," *The Associated Press*, March 9, 2023.

¹⁵ Stephanie Marken, "[Half in U.S. Now Consider College Education Very Important](#)," Gallup, December 30, 2019.

¹⁶ Zach Hrynowski, "[Nearly Half of U.S. Parents Want More Noncollege Paths](#)," Gallup, April 7, 2021.

The term “paper ceiling” has begun to gain traction in questioning whether a college degree is necessary for certain positions and whether requiring a degree creates unnecessary barriers for candidates who are otherwise right for a job.

Parental preferences

When asked about their ideal scenarios with no barriers or limitations, **46% of parents favored something other than a four-year college** for their children after high school.



College enrollment figures for spring 2024 showed some positives, with overall undergraduate enrollment up 2.5% over the previous year. That made for the second straight semester of year-over-year increase following years of declining enrollment during and following COVID.

“While these enrollment gains are optimistic signs for a potential recovery from pandemic losses, they remain well below pre-pandemic levels, with nearly 800,000 fewer students (–4.2%) overall and over 900,000 (–6.0%) fewer undergraduates, compared to spring 2020,” the National Student Clearinghouse Research Center reported.¹⁷

Accounting undergraduate enrollment followed a similar trend, with spring enrollment in 4-year institutions increasing 6% year over year to reach 170,000, the National Student Clearinghouse Research Center data shows. Mirroring overall undergraduate enrollment, accounting enrollments have not returned to pre-pandemic levels. Some 201,000 accounting students were enrolled in 4-year institutions in the spring semester of 2019.

¹⁷ National Student Clearinghouse Research Center, “[Postsecondary Enrollment Continues to Grow](#),” May 22, 2024.

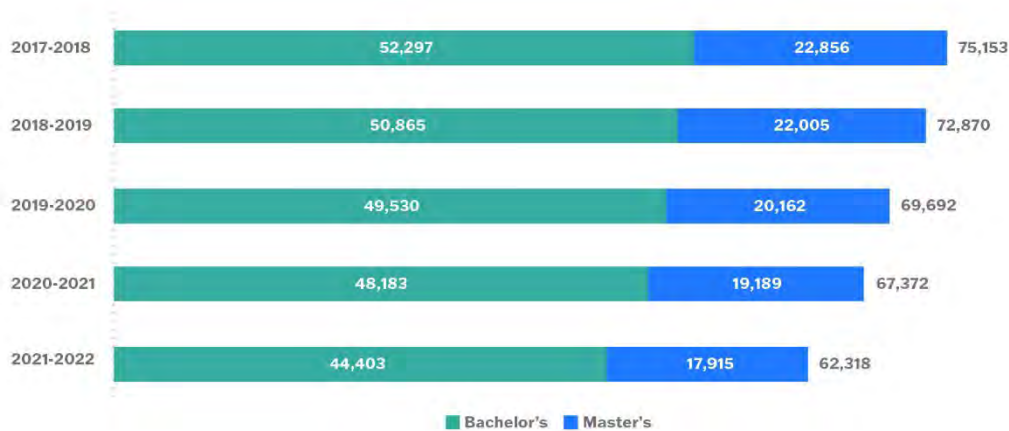
Where the pipeline is leaking

No single organization is collecting data on a student's entire journey from entering college to graduation to beginning an accounting career and possibly taking the CPA Exam. But several trends provide context for the profession's loss of talent. Among all undergraduate business students, only one in nine chooses an accounting major.¹⁸

Of students who declare an accounting major, not all will graduate with a bachelor's degree in accounting, fewer will go on to earn a graduate-level degree, even fewer sit for the CPA Exam, and even fewer will pass all four sections and become licensed. In terms of a pipeline "funnel," we can begin to see areas in need of remediation. Areas to examine include the following:

Trends in accounting degree completions: Of those students who are pursuing higher education, there are fewer completing bachelor's in accounting programs in favor of other majors. Accounting degree completions fell 17% from 75,153 in 2017–2018 to 62,318 in 2021–2022, according to IPEDS, the Integrated Postsecondary Education Data System.

Accounting degree completions 2017-2022

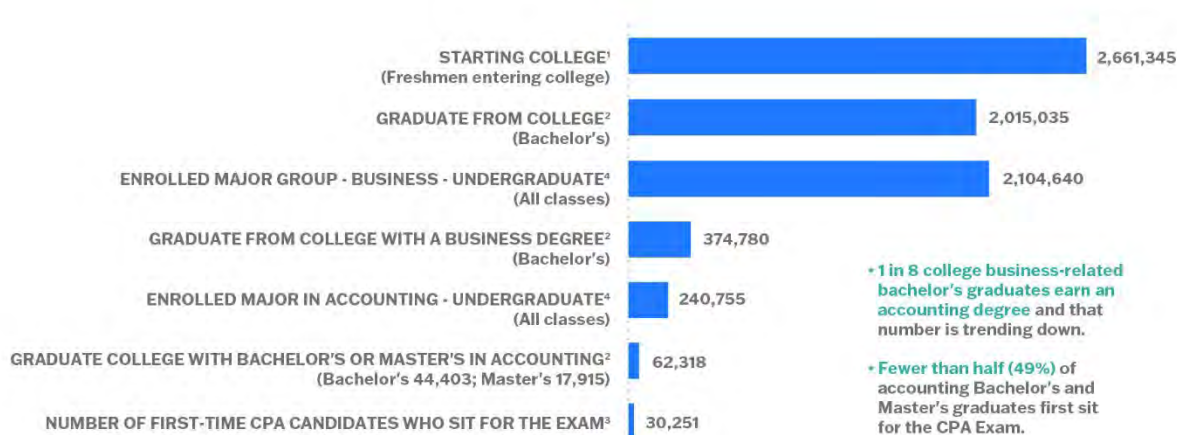


Source: [NCES/IPEDS 2021–22 Degrees/Certificates by Field of Study](#)

CPA Exam interest: The percentage of accounting graduates sitting for the CPA Exam for the first time peaked at 70% in 2010. In 2018, the percentage of exam takers fell below 50% for the first time.

¹⁸ Wiley, "State of the Education Market 2023: Trends and Insights in Key Undergraduate Disciplines," February 2023.

Examining the pipeline 2021-2022



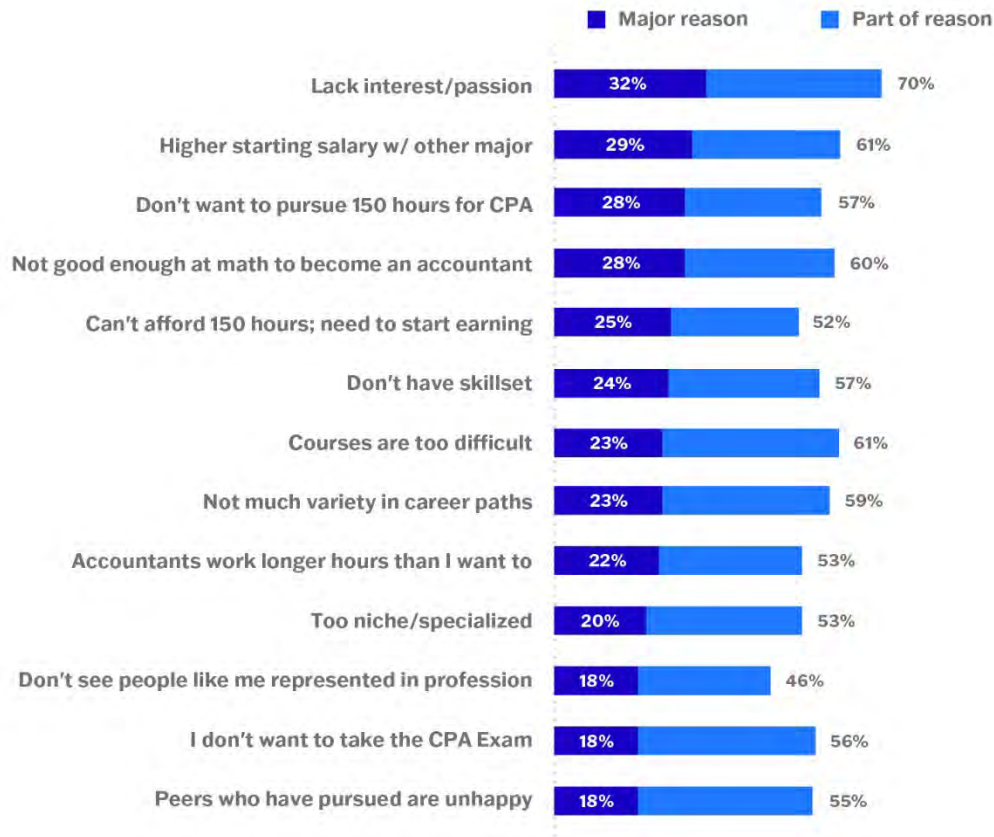
Sources: [NCES/IPEDS 2022 Table 305.10 Total Fall Enrollment of First-Time Degree Certificate Seeking Students](#);¹ [NCES/IPEDS 2021–22 Degrees/Certificates by Field of Study](#);² [AICPA 2023 Trends Report](#);³ [2023 Fall National Clearing House Current Term Enrollment Estimates Report](#).⁴

When examining the data, we can begin to pose the most relevant questions. Why are we not attracting people to a career in accounting, and where are we losing them along the way? And more to the point, what can we do about it?

The accounting major faces competition and challenges. A report from the Center for Audit Quality and Edge Research¹⁹ asked respondents to rank their major reasons and partial reasons for not choosing accounting as a major. Among business students who did not consider accounting, a lack of interest in or passion for accounting along with the belief they lacked the necessary math skills were the top reasons cited for not choosing accounting as a major. For those students that considered accounting but chose not to pursue the major, the additional 30 credit hours required post bachelor's degree to qualify for CPA licensure along with lagging salaries topped their list of reasons why.

¹⁹ Center for Audit Quality, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

Reasons for not choosing accounting as a major among non-accounting majors



Source: [Center for Audit Quality](#), July 2023.

A global issue

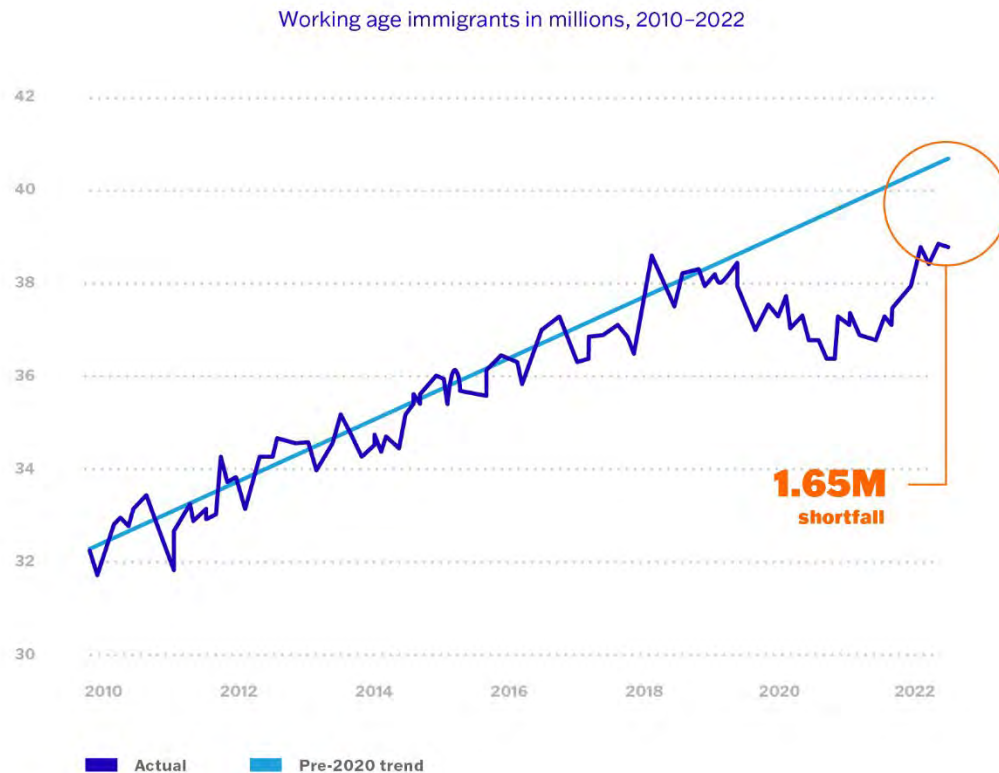
Worker shortages appear to be prevalent in the accounting profession globally as well. A 2024 poll by AICPA & CIMA, the Global Accounting Alliance (GAA), and the Confederation of Asian and Pacific Accountants (CAPA) showed that 28 out of 33 accountancy bodies around the world believe that there is a shortage of professional accountants in their jurisdiction(s).²⁰ Shortage concerns for pre-entry and entry-level roles presented the most significant challenges, while fewer concerns were noted at more experienced levels. Across the world, compensation and attractiveness of the profession were the most frequently selected causes for the shortage of professional accountants.

²⁰ AICPA & CIMA, "[Attraction and retention in the global accounting profession](#)," February 2024.

Immigration's role in the talent supply

Immigration plays a role in talent supply for U.S. employers. Although overall immigration numbers began to decline prior to the COVID-19 pandemic, the pandemic's wake created a 1.65 million shortfall in foreign working-age individuals compared to the previous growth trend, according to economists.²¹

Working age immigration levels contribute to workplace shortages



Source: Source: [U.S. Chamber of Commerce](#), August 2023.

During the 2021–2022 school year, more than 50,000 nonresident graduates earned either a bachelor's or master's degree in business, which accounting falls under. This represents a 10.5% decline from the previous academic year, according to IPEDS data.²²

²¹ Giovanni Peri and Reem Zaiour, "[Changes in international immigration and internal native mobility after COVID-19 in the USA](#)," *Journal of Population Economics*, July 27, 2023.

²² U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS), [Degrees/certificates by race/ethnicity, gender, and field of study, 2020-21](#), accessed June 20, 2024.

A global perspective has also led some firms to turn to offshoring for accounting talent, primarily to countries like India, the Philippines, South Africa, and Mexico. A potential solution could be looking to international accounting talent to fulfill some unmet capacity, either through offshoring or immigration.

The impact of technology: Artificial intelligence

Technology innovation and adoption are moving at light speed. As we consider the impact of technology on the pipeline, it's important to consider shifts in workplace expectations. Gen Z was born into an age of always-on, handheld technology. They expect their employers to be technology-forward, which creates opportunities for employers to differentiate themselves. If the salary and job description were the same, 70% of Gen Z employees would leave their job for more efficient tools and technology, according to an Adobe survey.²³

The rise of AI offers both opportunities and challenges. Several accounting educators suggest that technology can be labor saving (when it replaces job functions) or labor augmenting (when it improves a person's productivity, freeing up labor to add more value).²⁴ NPAG believes that technology in general, and AI in particular, is likely to reduce the number of repeatable processes in accounting, freeing up talent to focus on other, higher-value activities. Further, clients and companies need more advisory and planning services from their accountants than they are currently able to receive, due to capacity issues. Labor-augmenting technologies that increase efficiency and free up capacity allow those in the accounting profession to turn their attention to more difference-making work.

Understanding Gen Z

When building a pipeline strategic plan, a heavy emphasis must be placed on the motivators and concerns of next-generation talent and on anticipating trends affecting future generations. So, it is important to understand areas where the priorities of "next-gen" talent may differ from those of current leadership.

Pew Research defines Gen Z as being born between 1997 and 2012, so the oldest members are turning 27 this year. Gen Z, or post-Millennials, will be the most ethnically diverse and well-educated generation to date, according to Pew Research. This cohort is "enrolling in college at a significantly higher rate than Millennials were at a comparable age."²⁵ Gen Z is also entering the workforce later, which will almost certainly have an impact on overall labor trends and the accounting pipeline.

According to an EY study exploring Gen Z perceptions, business and STEM students are pursuing accounting because it provides:

- Career stability and a comfortable lifestyle (46%)

²³ Adobe, [The Future of Time](#), August 2021.

²⁴ Henry L. Friedman, Andrew Sutherland, and Felix Vetter, "[Technological Investment and Accounting: A Demand-Side Perspective on Accounting Enrollment Declines](#)," April 30, 2024.

²⁵ Richard Fry and Kim Parker, "[Early Benchmarks Show 'Post-Millennials' on Track to Be Most Diverse, Best-Educated Generation Yet](#)," Pew Research Center, November 15, 2018.

- The ability to find solutions within numbers and data (25%)
- An opportunity to contribute to society (23%)
- The chance to impact sustainability (21%)²⁶

Gen Z views on diversity and family makeup are similar to those of Millennials but differ from Gen X and Boomers, something that employers must understand. For instance, Pew indicates that:²⁷

- Nearly half (48%) of Gen Zers say gay and lesbian couples being allowed to marry is a good thing for our society.
- Roughly two-thirds would say that Black or African American individuals are treated less fairly than whites in this country.
- 59% of Gen Zers indicate that forms or online profiles should include additional gender options other than “man” and “woman.”

Pew suggests that Gen Z resides overwhelmingly in urban areas and in Western states. In fact, only “13% of post-Millennials are in rural areas, compared with 18% of Millennials in 2002.”

Despite the demographic and cultural shifts, minority groups are still underrepresented in accounting. During the 2021–2022 school year, 8% of accounting graduates were Black or African American, and just over 14% were Hispanic or Latino/Latina, according to IPEDS. Those percentages decline as seniority levels rise within the profession, with even fewer minorities and women represented in leadership roles.²⁸ This report aims to identify strategies to attract and retain candidates of all backgrounds, with specific ideas for engaging underrepresented minorities outlined in the section “Prioritize strategies to expand access for underrepresented groups.”

A path forward

Understanding some of the macro trends influencing the profession and our pipeline issues was a first step taken by NPAG. The deep dive into research, poll data, forums and discussion groups, and the NPAG national and student surveys has helped lay the groundwork for a path forward. By identifying the root causes, we can develop corresponding solutions to draw more people to accounting and transform the pipeline.

²⁵ Dante D'Egidio, Ginnie Carlier, Becky Burke, “[How Gen Z insights are shaping the accounting profession of the future](#),” EY, November 2, 2023.

²⁷ Kim Parker, Nikki Graf, and Ruth Igielnik, “[Generation Z Looks a Lot Like Millennials on Key Social and Political Issues](#),” Pew Research Center, January 17, 2019.

²⁸ Institute of Management Accountants and California Society of Certified Public Accountants, “[Diversifying US Accounting Talent A Critical Imperative to Achieve Transformational Outcomes](#),” October 12, 2021.

Solutions to the pipeline crisis: Transforming support, engagement, and business models

NPAG has worked to identify what it believes to be the highest-impact ideas for growing the accounting pipeline. These solutions are organized by each thematic area in the sections that follow.

The recommendations in this report are guided by the core principles that any solutions must balance rigor with flexibility and will require collaboration across the profession.

NPAG's solutions aim to preserve or elevate the profession's value. The solutions are intended to attract more people to a career in accounting and provide candidates of all backgrounds with greater clarity, accessibility, and options on the way to licensure.

No single solution will solve the problem in isolation, and stakeholders must work together to accomplish meaningful change. We must amplify and leverage each other's programs to reach new recruits and retain early-career employees. The effort to grow the pipeline must involve academia, business and industry, CPA firms and decision-makers, state societies and CPA associations, regulators and state boards of accountancy, and other advocates.

This work is ongoing and, in many respects, just beginning. These solutions and recommendations are meant to serve as the start of a broader conversation, providing a deeper understanding of the hurdles we face and meaningful, actionable ideas to address them. We owe it to the public, the profession, and future generations of accountants to move these solutions forward and show real progress, with meaningful results in growing the accounting pipeline.



Make the academic experience more engaging

Educators work on the front lines of generational change, finding themselves regularly adapting to shifts in student learning styles and expectations.

Feedback from students tells us that accounting coursework needs to continue the evolution that is already underway on many campuses. NPAG's recommendation is not to make courses easier but instead to make them more engaging and relatable to business students. The goal is for accounting curricula to reflect the dynamic nature of the profession and showcase how an accounting degree can lead to a fulfilling career that meets needs for stability, prestige, work-life balance, career path flexibility, and social relevance. Support at critical junctures in the educational path could have a positive impact on a student's interest in continuing on to a degree and, ultimately, a career in accounting.

In the 2021–22 academic year, only one in eight graduating business students received a bachelor's degree in accounting, down from one in seven in the 2015–2016 academic year.²⁹



Only **1 in 8 business majors** graduates with a bachelor's degree in accounting.

The Center for Audit Quality (CAQ) and Edge Research interviewed business majors who considered accounting but did not pursue an accounting major, and only one in three said the content was interesting or engaging.³⁰

Before students enroll in their first accounting course, they may not realize the variety of careers available to accounting graduates. They may be unaware of opportunities to work in organizations with a duty to protect the public and a need to solve complex and challenging business issues. They may not realize accounting careers can encompass their own areas of passion. They may be missing the link between an accounting degree and entrepreneurship.

²⁹ “[Digest of Education Statistics](#),” National Center for Education Statistics, accessed July 15, 2024.

³⁰ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

Accounting is truly the “language of business,” but not just because it relays financial information. Accounting represents a deeper level of communication that reveals how an entity interacts with and contributes to society. In that reality, the academic experience should go beyond credits and debits, and breathe new, ever greater relevance into the field of study.

Evolving the Principles of Accounting curriculum and its delivery

Most business bachelor’s programs require students to take introductory “Principles of Accounting” courses, which means that both accounting majors and nonaccounting business majors are introduced to accounting as part of their core classes. These principles courses, which generally introduce students to both financial and managerial accounting, are foundational to the entire program and often serve as a student’s first look at the profession. NPAG’s survey of college students showed that 41% decided their major during the first two years of four-year college. This is when most students are taking principles of accounting courses. As such, these courses — above all others — have the potential to shape a student’s perception and ignite interest in an accounting career. And many programs are working hard to do this.

Participants in a multi-stakeholder pipeline symposium convened in September 2023 by the American Accounting Association (AAA) and NABA Inc. agreed that evolving principles courses is a top priority and named it one of four areas of focus.³¹ The resulting principles courses working group outlined objectives designed to enhance the delivery of the courses by equipping educators at two- and four-year institutions with best practices, training, and partnerships (see sidebar for detailed objectives).

NPAG applauds and supports those objectives. Enhanced training for educators who perform the critical work of introducing accounting to a wide audience at a critical stage in their educational journey will likely help make the courses more successful at cultivating interest in accounting careers. NPAG’s College to Graduation working group recommendations align with the AAA and NABA symposium working group’s focus, including:

- Placing highly engaging instructors as leaders of the principles courses
- Incorporating gamification and other technology into the experience to stoke engagement and demonstrate the vital role technology plays in the accounting profession
- Exposing students to more real-life accounting practitioners in a range of career vocations during the principles courses
- Incorporating support from outside mentors and volunteers from the profession who are willing to engage with students and bring topics to life

³¹ “[Future Accounting Stakeholder Symposium: Partnering for Impact](#),” AAA and NABA Inc., accessed July 15, 2024.

NPAG discussed recommending rewards or recognition for faculty based on student advancement through accounting programs but ultimately decided to place less emphasis on such incentives. NPAG noted that many programs do this in some form, that flexibility from campus to campus is critical, and a funding source would be needed for incentivizing success. Notably, the Pathways Commission on Accounting Higher Education, an initiative created by AAA and AICPA, in its 2012 report called for increasing rewards, recognition, and support for high-quality teaching and better connecting the “faculty annual review, promotion and tenure processes to the quality of teaching” (see sidebar at the end of this section).³²

NPAG additionally recommends a review, potentially with textbook providers and technology solution providers playing a role, of the principles course materials, including structure and common topical areas. These efforts must recognize that all schools have different approaches, needs, formats, and circumstances.

Although the course itself must remain true to its name and present students with an introduction to basic accounting principles, this is also a valuable opportunity to go beyond that and address the incorrect perceptions students without prior exposure to the field may have.



“[Intro to accounting] wasn’t taught to make it more engaging or make you more interested...it’s almost like they were trying to...see who they could eliminate.”

Students may initially perceive accounting as unimaginative or mundane and the accountant’s work as filled with routine tasks. When the Pennsylvania Institute of CPAs asked students why they did not select accounting as a major, 18.3% of business administration majors responded that “other majors are more appealing,” and 6.1% said that “accounting is unappealing or boring.”³³ As one graduate respondent quoted in the 2023 Center for Audit Quality and Edge Research report on diversity and the accounting pipeline put it: “it wasn’t taught to make it more engaging or make you more interested...it’s

³² Bruce K. Behn, William F. Ezzell, Leslie A. Murphy, Judy D. Rayburn, Melvin T. Stith, and Jerry R. Strawser, “[The Pathways Commission on Accounting Higher Education: Charting a National Strategy for the Next Generation of Accountants](#),” *Issues in Accounting Education*, August 2012.

³³ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity – Evidence-Backed Action the Profession Can Take Today](#), December 2023.

almost like they were trying to...see who they could eliminate...the classrooms were so big, and it was just going slide by slide almost and it was not engaging.”³⁴

Accountants and CPAs are strategic thinkers who make vital contributions to their organizations and society in a direct and meaningful way. Principles courses must align with the reality of what an accounting career is, and what it is not.

Shifts to the coursework could involve additions/changes such as:

- Delaying the teaching of debits and credits until the later stages of the course. Again, the intent is not to make coursework easier, but rather to ensure it is relatable and compelling, particularly in the early stages.
- Demonstrating how accountants and CPAs can contribute meaningfully to their organizations and the public.
- Sharing the entrepreneurial impact of accounting as the “language of business,” the varied career opportunities (both early career and later career opportunities such as controller, CFO, and managing partner, and with employers of varying sizes), and the possibilities that come with an accounting degree.
- Using technology-driven simulations to demonstrate how accounting relates to entrepreneurship. A 2022 survey by Intelligent³⁵ found that 17% of college students already run their own business, and 16% plan to start their own business after graduation. CAQ-sponsored research confirms that accounting as a pathway to entrepreneurship is a key draw for engaging students’ interest in accounting.
- In addition to reviewing *how accounting courses are taught*, discussion should happen at the campus level about *what courses are called*. Course titles may at first seem trivial, and traditional course names have longstanding precedence. But there may be opportunities to generate new or added interest in accounting courses through more descriptive and compelling course names. In considering changes to course names, care must be taken to not impede transcript reviews for things such as transfers or CPA Exam eligibility.

In making these recommendations, NPAG notes that principles courses range greatly from auditorium settings to smaller classrooms and from in-person to hybrid or online only. That variety adds to the challenge of adapting the principles courses and requires a flexible, scalable redesign of materials and best practices that can be adapted to the setting.

³⁴ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline](#).

³⁵ “[17% of 2022 College Grads Run Their Own Businesses: Another 43% Plan to Follow Suit](#),” Intelligent, May 31, 2022.

Principles courses working group purpose statement

The September 2023 American Accounting Association (AAA) and NABA Inc. pipeline symposium, aptly called the [Future Accountant Stakeholder Symposium](#), established a working group to address the pipeline shortage by revitalizing the accounting principles courses (generally a two-course series). “Our goal is to cultivate a robust and sustainable pipeline of highly skilled accounting professionals by curating instructional resources, empowering faculty, and developing strategic partnerships.”

The working group’s foundational documents outline these goals:

- Accumulate best practices and identify gaps in resources for engaging principles of accounting materials.
- Disseminate accounting principles course best practices and resources to educators at two-year and four-year institutions through boot camps, webinars, conferences, and repositories.
- Foster strategic partnerships with accounting firms, companies, professional organizations, and other stakeholders to bring real-world examples to the students and faculty.

Evolving the principles courses to build excitement could, at least indirectly, improve the pipeline of accounting students by encouraging more students to go on to advanced courses and consider accounting as a major. An engaging introduction in college would open business students’ eyes to the more interesting, meaningful, and socially relevant work that accountants do.

Guiding and supporting students through accounting programs

Prestigious and challenging majors are sometimes known for their attritions rates, or the number of students who abandon the path, as much as they are for their success rates. When the market and public interest mandates an increase in accountants, accounting cannot afford to be one of these “weed out” majors.

We must instead guide students through by offering them enhanced support while still maintaining the integrity and rigor of accounting programs. Many accounting programs are doing innovative work in this area and are sharing best practices with their peers. Those trends can only improve the pipeline.

By helping interested students who have progressed to intermediate accounting but may face challenges and are at risk of withdrawing, we can make significant inroads into increasing the number of successful graduates.

Several distinct interventions may be considered, including:

- Diagnostics and assessments that lead to early identification of at-risk students
- Custom teachers' assistant (TA) support
- Pairing at-risk students with more senior students or mentors from the profession. (See sidebar for one program's approach.)



◀ The Lynn Pippenger School of Accountancy at University of South Florida developed diagnostic testing to boost success in the first intermediate accounting course. Photo courtesy of USF.

Mentors, champions, and real-life practitioners in the classroom

Classroom accounting instruction and textbooks help form the foundation of a solid education, but what often sparks passion is when students can make a meaningful connection with people who can give them an insider's look into what the profession is really like, especially in the Principles of Accounting courses and other introductory-level courses that undeclared students may take as they consider career options.

Although many colleges and universities have mentoring programs and speakers from the profession, a comprehensive national mentoring effort would expand this possibility and serve as an efficient funnel to match professionals who are interested in volunteering with specific colleges and universities.

Other strategies in this area may include:

- Involving and gaining the support of alumni
- Encouraging colleges and universities to assign an "accounting champion" at the faculty level and/or a "CPA ambassador" on campus

Using data to identify and help high-risk students

Targeted, custom support is already seeing success at University of South Florida Muma College of Business, where NPAG member Mark H. Taylor is director of the USF Lynn Pippenger School of Accountancy. Taylor serves as the 2023–2024 president of the AAA.

After a multi-year decline in undergraduate enrollments and an intermediate course seeing students earn grades of D, F, or completely withdraw (also known as the “DFW rate”) at a rate higher than 30%, Taylor encouraged the faculty to change the culture related to the course.

The faculty developed and administered very early in the semester a diagnostic test to identify high-risk students. Faculty were assigned a “student support” TA whose time was specifically dedicated to helping these at-risk students succeed. The TAs and faculty members also monitored identified students’ engagement with online support materials and encouraged them to attend numerous weekly tutoring and review sessions. Faculty and TAs also encouraged these students with supportive feedback.

With this culture of support and the specific strategies, USF saw success, with the DFW rate in that class decreasing from over 30% to 11% in one year, and some sections of the course achieving a zero DFW rate, all while maintaining rigor. The change was revolutionary and at the same time straight-forward, focusing on professor mindset, classroom culture, providing enhanced support to at-risk students already in the pipeline and changing student perceptions about their own capabilities. More best practices can be found on the [AAA website](#). Also find highlights in the AICPA report [Strategies for Boosting Accounting Enrollment](#).

Making an impact

NPAG has created the “[Accounting Educator Checklist](#),” which highlights several key areas for faculty consideration as they assess potential changes to enhance the talent pipeline.

By creating a more engaging college introductory experience to accounting principles, providing enhanced support to accounting faculty, shifting the on-campus culture from “weeding out” to “pulling students through,” and significantly expanding external support provided to faculty and students by “real-life” accounting practitioners, we can grow the top of our talent funnel and increase the share of business students who choose and achieve an accounting major.

Similarities between current efforts and the Pathways Commission report

The Pathways Commission examined accounting education in the United States in response to a recommendation from the U.S. Department of the Treasury's Advisory Committee on the Auditing Profession. The AAA and AICPA created the Pathways Commission "to study the future structure of higher education for the accounting profession and develop recommendations for educational pathways to engage and retain the strongest possible community of students, academics, practitioners, and other knowledgeable leaders in the practice and study of accounting. This charge is, by design, expansive in its scope and open to much interpretation," states the Commission's report, "[The Pathways Commission on Higher Education: Charting a National Strategy for the Next Generation of Accountants](#)."

In 2012, the Pathways Commission called for a host of critical changes, additional data, and the study of accounting education in high school, as well as undergraduate, master's, and doctoral degrees. The Pathways Commission also pointed to reasons why making progress on those recommended changes would be difficult without a sustained commitment from the broad profession.

NPAG's recommendations related to education and attraction to accounting careers echo many of the 2012 Pathways Commission recommendations, because those recommendations still apply to today's pipeline challenge — a relevance that stakeholders should reflect on while discussing how to move from incremental to exponential change.

In outlining its recommendations (see list below), the Pathways Commission noted that some challenges, impediments, and recommendations had been discussed in prior studies. (Read about those efforts in the [Issues in Accounting Education](#) article, "The Activities of the Pathways Commission and the Historical Context for Changes in Accounting Education," by William H. Black.) Recognizing that the challenges raised previously persisted, the Pathways Commission widened its focus to include potential barriers to change and the need for a continuous approach to progress.

The Commission's report called for important steps that remain challenging today, such as "putting in place the structures and relationships needed to overcome the limitations of periodic efforts to sustain the vitality of accounting education and practice."

"Studies in the past have surfaced effective ideas and innovations, and incremental changes have been made over time as interested parties have led individual efforts to enhance accounting education. With our history foremost in mind, the Pathways Commission recommendations place significant emphasis on the need for a sustained focus on the many areas that impact accounting education and creating approaches that foster that continuous process."

NPAG acknowledges its role as one of many prior (and current) efforts to strengthen the future of accounting by examining traditional and non-traditional education paths. NPAG is grateful for the efforts of all groups focused on meaningful progress. It is imperative to

leverage this past work and to acknowledge that the challenges identified by the Pathways Commission in the past remain today. NPAG asked similar questions about what would spark change and determined that exponential change will require collaboration, data-driven solutions, transparency, and individual actions.

As a profession, we must ask ourselves, what must change this time to ensure that we move forward together with decisive actions to truly achieve the education changes and breakthrough results needed?

Pathways Commission objectives

- Integrate professionally oriented faculty more fully into significant aspects of accounting education, programs, and research.
- Focus more academic research on relevant practice issues.
- Enhance the value of practitioner-educator exchanges.
- Integrate accounting research into accounting courses and programs.
- Allow flexible content and structure for doctoral programs.
- Develop multiple pathways to terminal degrees in accounting.
- Increase reward, recognition, and support for high-quality teaching.
- Better connect faculty annual review, promotion, and tenure processes to the quality of teaching.
- Improve how universities value the importance of teaching.
- Engage the accounting community to define the body of knowledge that is the foundation for accounting's curricula of the future.
- Implement curricular models for the future.
- Develop guiding principles and support for a range of faculty development opportunities through varied career paths and cycles.
- Enhance perceptions of the study of accounting and career opportunities in accounting.
- Transform the first course in accounting.
- Increase student access to master's programs.
- Develop financial aid literacy programs.
- Encourage a separate and more focused study of the impediments to better diversify within the profession.
- Establish a national committee on information needs.
- Project future supply, demand, and competencies for accounting graduates.
- Project future supply and demand for all accounting faculty in higher education.
- Enhance the benefits of high school accounting education.
- Initiate a process that can sustain future accounting educational change efforts.

Addressing the time and cost of education

When the AICPA Council formed NPAG, the resolution asked for “a continuous, research-driven national pipeline strategy” where the discussion “should encompass key components of licensure, including substantial equivalency.” To meet these objectives, NPAG has:

- Reviewed all available research on the pros and cons of the additional 30 hours of education required for licensure
- Engaged stakeholders in small group discussions, as well as focus groups, forums, and the national survey
- Explored substantial equivalency rules with the assistance of legal support
- Researched trends in the evolution of higher education
- Studied licensure models for professions outside of accounting

To ensure a well-rounded and unbiased picture, NPAG listened and learned before crafting any recommendations. Throughout the process, NPAG members and the many stakeholders who shared their perspectives with NPAG were encouraged to openly discuss and explore all ideas and options. In this section of the report, we’ll share our learning journey and our recommendations for addressing pipeline impacts related to the additional time and cost of education.

To begin, NPAG studied existing research related to hurdles affecting those considering a career in accounting or pursuing the CPA license. **The data illustrated how the time and cost of the additional 30 credit hours of education are contributing to the pipeline challenge and that the requirement appears to impact underrepresented minorities disproportionately.**

- **57% of business majors who did not choose to pursue accounting said they don't want to pursue 150 hours for CPA licensure,** according to data from the Center for Audit Quality (CAQ) and Edge Research.³⁶
- **52.9% of accounting majors who were not planning to become CPAs cited the additional education needed to satisfy the 150-hour credit requirement as not worth the time investment.** Additionally, 45.6% cited the additional education needed to satisfy the 150-hour credit requirement as not worth the financial investment, according to a study by the Pennsylvania Institute of CPAs.³⁷

³⁶ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

³⁷ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today](#), December 2023.

- According to a survey by the Virginia Society of CPAs, respondents cited the time and cost to earn the additional 30 hours of education as the “strongest potential barriers to the profession.”³⁸
- **CPA candidate entries declined overall after the 150-credit hour rule went into effect, but the decline is uneven**, according to an analysis by economists. “There is a 26% decline for minority CPAs versus a significantly smaller 14% decline for nonminority CPAs ... a 13% greater drop in minority than nonminority entry following enactment.”³⁹

Quick preview: NPAG licensure recommendations

Considering shifting market dynamics, NPAG is moving swiftly to frame a buildable set of concepts that adds to the existing licensure options to evolve and future-proof the CPA license:

- Two experiential learning solutions for the educational requirements needed post-bachelor’s degree — one on and one off the college transcript
- A competency-based model

The objectives of these solutions are to continue to transform the licensure system while protecting the public interest and CPA brand; provide equitable access to all potential candidates; ensure a built-in methodology for transparent and ongoing evaluation of licensure; and align licensure with how business is done now while being nimble and adaptable.

NPAG envisions that evolving the license would include a common competency framework as the foundation of the three solution concepts, and that the successful completion of the CPA Exam would be a requirement under any scenario. Before detailing the three approaches further, it is important to explore some background on mobility and substantial equivalency, as well as better understand the changing landscape of education and licensing.

Because this is an area of ongoing work being handled with a sense of urgency, there are likely to be ongoing developments that can’t be captured in this report. NPAG recommends that you visit its [news page](#) for the updates in the second half of 2024.

Mobility and substantial equivalency

In the United States today, CPA practice mobility enables a licensed CPA in good standing in one jurisdiction to provide public accounting services in other jurisdictions, including “virtually” or remotely, without notifying the other state or being required to obtain a practice permit or pay fees. Before the adoption of mobility in the late 1990s, CPAs were

³⁸ Jill Edmonds, “[Is 150 too many?](#),” Virginia Society of CPAs, May 10, 2023.

³⁹ Andrew Sutherland, Matthias Uckert, Felix Vetter, “[Occupational Licensing and Minority Participation in Professional Labor Markets](#),” *Journal of Accounting Research*, January 27, 2024.

required to obtain a license or temporary permit to practice in another jurisdiction, including remotely, which increased the complexity and cost of interstate practice for CPAs. As more employers hire people, serve clients, and engage service providers in hybrid and remote environments, practice mobility has become critically important. In NPAG's national survey (not including students), a majority of respondents (62%) indicated that mobility is very important to them.

Definitions

Below are a few definitions that may help as you explore the ideas in this chapter:

Mobility. A CPA licensed and in good standing in one jurisdiction may provide services in other jurisdictions, including remotely, without notice, permit, or fees. Before the adoption of mobility in the late 1990s, CPAs were required to obtain a license or temporary permit to practice in another jurisdiction, including remotely. This inhibited interstate and international practice for CPAs. Hawaii and the Northern Mariana Islands are exceptions to mobility.

Reciprocity/reciprocal licensing. This describes the licensing process that requires a CPA to apply for a license, pay a fee, and provide notice to a jurisdiction other than their home jurisdiction to practice public accounting. Reciprocal licensing may include evaluation of the “3 Es” (education, experience, and examination) by the National Qualification Appraisal Service (NQAS) (state dependent). This is *not the same as mobility* as a CPA does not get to “skip” the licensing and board notification steps that come with mobility.

Substantial equivalency. Substantial equivalency is the determination by a state that some or all CPAs from another state meet the threshold to practice public accounting. While there are some variations and exceptions, licensing requirements are remarkably consistent from state to state, and that has powered the unique mobility system the profession enjoys today. The most consistent and critical elements are the 3 Es, which underpin substantial equivalency and mobility.

The Uniform Accountancy Act (UAA), drafted jointly by the AICPA and NASBA, provides model language of laws and rules to states to enable mobility across jurisdictions via a concept called substantial equivalency, which has three drivers: education, examination, and experience.

The level of adoption around the three key drivers of substantial equivalency varies by jurisdiction. These nuanced differences can lead to confusion. Education course requirements can vary from state to state but generally require a bachelor's degree with specific minimums in accounting and business coursework and 150 credit hours total. Experience duration requirements can vary from state to state as well, but a majority of states require at least one year of experience. Passage of the CPA Exam is required in all jurisdictions.

Even with these variations, there is a common agreement among states, and today the profession enjoys a functional system of practice mobility. Because this system was put in place decades ago, many CPAs practicing today may not have experienced the challenges of life before CPA mobility.

As of this writing, several states are considering or are enacting law or rule changes that may affect substantial equivalency. Although the AICPA Council resolution convening NPAG aimed at preserving mobility while also addressing the pipeline challenge, NPAG members agreed they needed to explore all options to ease the time and cost of education — even those that might affect substantial equivalency and mobility. As a result, the group committed to and has practiced an “everything’s on the table” approach to its learning and solutioning.

After reading all available research, gathering focus group and forum data, and meeting with various stakeholders, NPAG then surveyed, with the assistance of with the international law firm Gibson, Dunn & Crutcher, LLP, the current U.S. accounting practice mobility model and project potential impacts if substantial equivalency were lost due to individual states enacting new rules or laws without a carefully coordinated national effort. The survey indicated, as illustrated by the map below, that final authority to make determinations about substantial equivalency varies from residing with the state board to being deferred to the National Qualification Appraisal Service (NQAS) that gives determination authority, in effect, to NASBA.

Even with NPAG’s understanding of the rule and the map depicted in the map below, it must be recognized that each state may interpret specific situations differently.

Bottom line: It’s complicated! And this research illustrates that addressing the time and cost challenge cannot be managed by any one or even two entities or governing bodies.

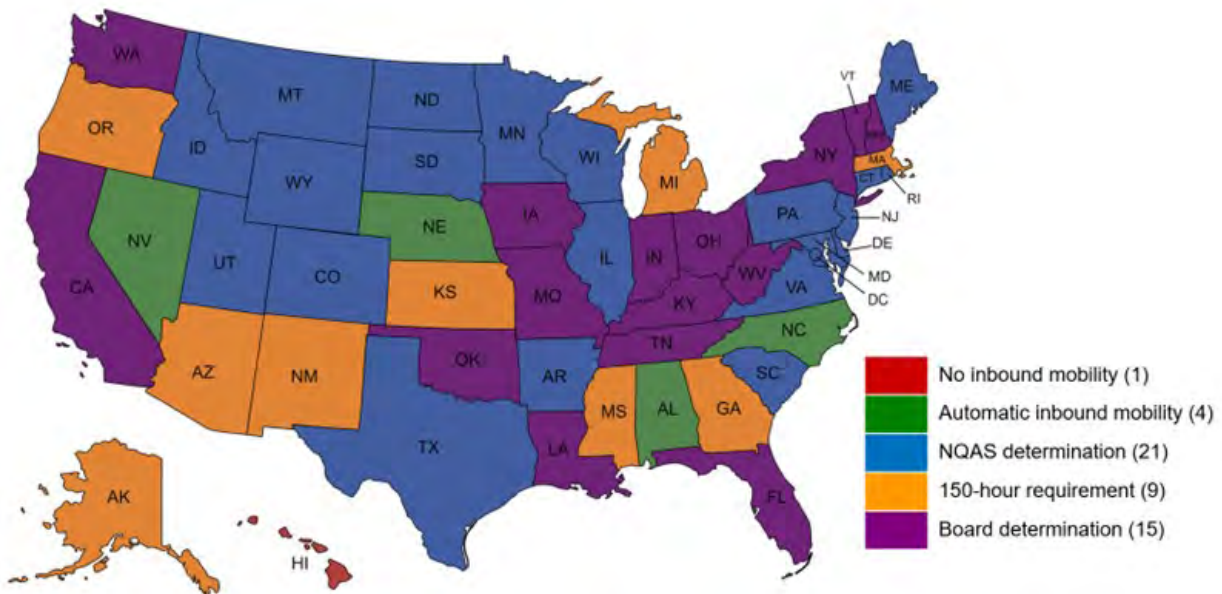
Seeing that more dedicated time was necessary for a better understanding of all options, NPAG formed the NPAG Substantial Equivalency Working Group led by Shelly Weir, President & CEO, Florida Institute of CPAs (FICPA).

The working group defined their objective as developing:

A bold and broadly accepted proposed solution to modernizing licensure while protecting substantial equivalency and mobility, addressing cost barriers, and upholding the rigor of the license. Ultimately, the proposed solution should appeal to a broader group of people and be created with input from key stakeholders. Additionally, the working group supports elevating the Uniform Accountancy Act by raising awareness and transparency of the UAA processes and model law development.

The working group continued its listening and learning, inviting leaders from state societies with varying perspectives to meet with NPAG, share their members' perspectives regarding the additional time and cost of education, and summarize what their state societies are doing to address the pipeline shortage.

State-level substantial equivalency determinations



This map is based on the text of each state's substantial equivalency provisions and public indications of state board practice with respect to mobility, not initial licensure rules. This map should not be used as a definitive interpretation of state law, which is dependent on each board of accountancy within that representative jurisdiction, and no discussion of state law in this document should be treated as legal advice. Map created using MapChart

NPAG's strategy development also considered changes affecting licensing outside the accounting profession that are in various stages of being considered, piloted, and/or enacted.

Most professional licenses have an education component, and education is seeing its share of change. In higher education, increased discussion of, and in some cases legislation on, 90-credit hour bachelor's degrees (not specific to accounting) caused NPAG to carefully consider the risks of embedding, or "hard coding," the number of hours of education into its recommendations (i.e., 150 or 120 hours), where specifying hours may require more change down the road.

NPAG suggests that requiring a specific number of hours of education measures an input, versus an output that would better point to skill, ability, or quality, like competencies, deliverables, or results. As such, NPAG recommends referring to the current minimum level of required education as a bachelor's degree, versus a specific number of hours, to allow flexibility as higher education experiments with changes in the hours themselves.

There is also an ongoing anti-licensing or license reform movement in the United States that seeks to modify or change license laws based on concerns that licensing may make it harder for people to find jobs, cause a scarcity of talent, and seem arbitrary or overly complex. While most of those opposed to licensing are concerned about its impact to jobs in the trades (i.e., those not generally requiring college education), some reformists don't distinguish between these trade licenses and professional licenses like those for engineers or CPAs.

NPAG understood that other professions were also grappling with pipeline and workforce issues and met with the head of the regulatory body for architects to better understand how another profession is tackling these issues. In addition to studying the architecture licensing model, the group studied the legal profession. A summary of the findings are presented below.

Architecture

The working group invited Michael Armstrong, CEO of the [National Council of Architectural Registration Boards](#) (NCARB), to meet with NPAG to share architecture's licensure modernization process. The architecture licensure structure is similar in some respects to CPA licensure, with a commitment to protecting the concept of rigor, maintaining the value of the license, and protecting the public. Within architecture, each jurisdiction has chosen to adopt a national exam and some version of experience and education requirements. NCARB chose to adopt alternative approaches to licensure based on varying styles of learning and recognition that a degree from an accredited college or university shouldn't be the only way to licensure, allowing experience as an alternative option.

Armstrong shared that NCARB and architecture's state boards continuously look at modernizing their license by recurring evaluation. Its [Analysis of Practice](#) is a snapshot of the profession asking what should be included for licensure and assessing expectations of what to know or learn. NCARB performs an ongoing gap assessment to examine practice area gaps and create uniformity and consensus across the states. Between the practice analysis and gap assessment, NCARB has been able to create meaningful evolution and modernization for the architectural license.

NPAG also learned that taking a data-driven approach helps identify challenges and measure solutions. For example, NCARB found that diverse, underrepresented populations, especially those for whom English as a second language, struggled disproportionately with various aspects of their exam. NCARB undertook change initiatives to address this and to remove other areas of bias.

The legal profession

As of the drafting of this report, California, Vermont, Virginia, and Washington offer an alternative license concept called the Law Office Study Program (LOSP). When a student opts for the LOSP, they can complete their legal education by attending traditional law school, or they can participate in a program of legal studies within a law office or a judge's chambers.

Under California's model, a student in the LOSP must prove competency by being examined in writing at least once a month by their supervising attorney or judge. Every six months, the LOSP applicant submits a fee, a report on the studies they completed during those six months, and copies of their graded examinations and study materials.⁴⁰

There are a handful of other states offering experiential legal learning and/or apprenticeship learning as substitutes for one or two years of law school education. In addition, several states, including Oregon⁴¹ and Washington,⁴² have enacted rules or laws to allow law students who earn a traditional law school degree to forgo taking the bar exam.

Clearly, the legal profession is experimenting with various models to provide flexible pathways based on attaining competency for potential attorneys.

Florida partnership offers tuition-free fifth year

The Florida Institute of Public Accountants (FICPA), Nova Southeastern University (NSU), and three South Florida accounting firms — Berkowitz Pollack Brant, Kaufman Rossin, and PAAST — have formed a new [Bridge to CPA program](#). Through the partnership, firm employees who have already completed 120 hours of undergraduate education can earn their remaining 30 credit hours via online classes through NSU's Master of Accountancy program. Students would also have the opportunity to earn an advanced degree.

Participants in the program will assume no tuition costs through the combined support of NSU, employer firms, and tuition awards, and various scholarships.

The pilot program participants have already been selected by their firms; 66% of the inaugural class is female, 66% are from minority backgrounds, and 33% are first-generation college students. Class curricula has been approved by the Florida Board of Accountancy, and the program is set to begin in fall 2024, with plans for expansion in 2025.

⁴⁰ "[Study in a Law Office or Judge's Chamber](#)," The State Bar of California, accessed July 8, 2024.

⁴¹ "[Supervised Practice Portfolio Examination \(SPPE\)](#)," Oregon State Bar, accessed July 8, 2024.

⁴² "[Bar-Exam Changes and Alternatives to the Bar Exam](#)," Washington State Bar Exam, updated June 11, 2024.

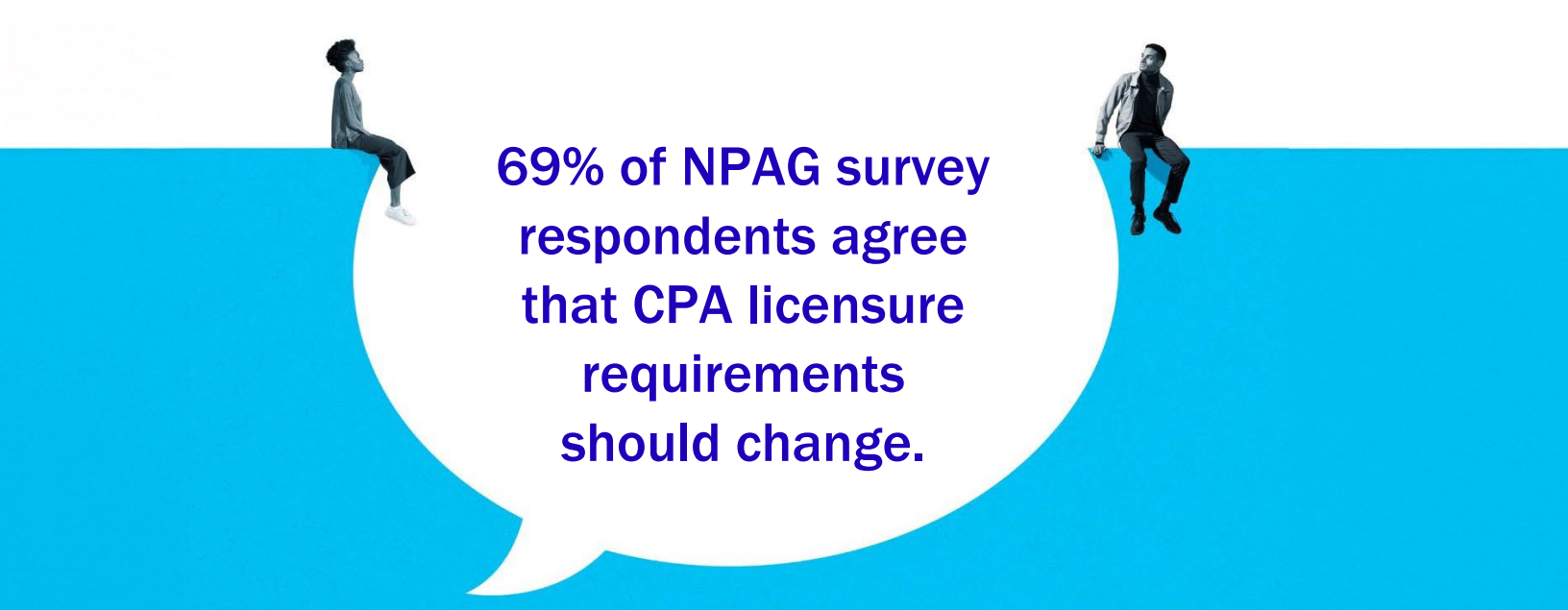
Mixed feedback from stakeholders

Throughout this process, the stakeholder community has provided mixed feedback to NPAG, seeming to both favor and oppose change. The national survey results are no different. Consider this:

- **69% of respondents said they strongly or somewhat agree that changes should occur to licensure** based on this statement: “Changes should be made to the required components for CPA licensure (i.e., education, examination, experience).”
- **62% of respondents indicated that mobility is very important to them**, and another 25% said it is somewhat important to them.
- Yet, **58% of respondents do not think that mobility currently exists**, answering “false” to this prompt: “A CPA license in one state/jurisdiction allows you to practice in person and remotely across all states/jurisdictions.”
- Only **30% would strongly agree or somewhat agree to support solutions that would impact mobility for a 5- to 10-year period of time** based on this statement: “I would support changing CPA licensure requirements even if it leads to a period of 5 to 10 years when CPAs cannot freely practice across state/jurisdiction lines (virtually or in-person).”
- **60% were concerned about changes to licensure affecting the profession’s reputation**, saying they strongly or somewhat agree with this statement: “I’m concerned that changes to CPA licensure requirements could have unintended negative effects on the reputation of the profession.”

NPAG licensure recommendations

Operating with the everything-is-on-the-table mentality, NPAG also evaluated, with Gibson, Dunn & Crutcher’s assistance, six different licensure frameworks — ranging from safe to very bold — and analyzed how each would affect mobility, and what would be possible to do today based on current law.



69% of NPAG survey respondents agree that CPA licensure requirements should change.

From that work, NPAG aims to advance a range of solutions, including amplifying “safer” current innovations that reduce the cost and/or time of education and maintain mobility (sometimes called the **now** concepts). The bolder ideas lean toward talent best practices and future proof the licensure process from further changes that may occur in higher education and the marketplace (sometimes called the **near and next** concepts).

Reduced-cost education and experiential learning on transcript

These ideas ease the cost and/or time of education **now**, without material impacts to substantial equivalency or mobility. They do not address the longer-ranging modernization issues, but they may provide more immediate relief for students.

One idea is to point students to lower-cost, on-the-transcript learning options available today like AICPA and NASBA’s [Experience Learn and Earn](#) (ELE) program or the FICPA/Nova Southeastern University partnership (see sidebar for details). These programs are intended to make the last year of education much less costly for students. There may be future opportunities with other universities, too.

Another concept involves employers working in partnership with institutes of higher education to offer on-the-transcript experiential learning programs to their employees who have earned their bachelor’s degree and need to complete the last 30 hours of education. This would enable CPA candidates to complete this experiential learning while actively employed by a firm or finance department. The cost would likely be paid by their employer, reducing both the cost and time of education for students.

Examples of this type of experiential learning program include [PwC’s program](#) with Saint Peter’s University, [Withum’s program](#) with Seton Hall University, and [WilkinGuttenplan’s collaboration](#) with Rider University’s apprenticeship program. These programs use learning rubrics, include faculty involvement and oversight, and result in college credits that show up on a transcript, meeting the current 150-hour requirement.

With some of these options that entail both lower-cost education and transcript-eligible experiential learning delivered by the employer in partnership with a college or university, candidates would still complete at least an additional year of work experience (depending on their state’s experience requirement and unless they have already completed this requirement). They would also need to sit for and pass the CPA Exam to become licensed.

Experiential learning off the transcript

This **near-term** concept in the buildable solution set involves the use of experiential learning programs delivered or facilitated by employers to their employees who seek to become licensed. These credits would not appear on a college or university transcript, so this concept could affect or disrupt substantial equivalency and mobility, even with a closely coordinated effort to orchestrate changes made in CPA licensing rules and laws, because those changes will take time to go into effect. NPAG acknowledges that in the current polarized political climate, it may be difficult to regain the level of mobility currently enjoyed once it’s lost.

The learning for the near-term concept would be earned through work experience that charts a yet-to-be-developed common rubric, with clearly defined learning objectives with measurable outcomes, following standards and guidelines that outline the competencies necessary for CPA licensure. Because it is possible that a state board would be relying on an entity other than a college or university to administer this, this option would come to life when:

- The common learning rubrics and standards or guidelines outlining the “completion” or last-year competencies that need to be achieved are developed, written into the UAA, and agreed to by stakeholders and state boards. Conceptually, these completion competencies would evolve as market needs evolve. In today’s market, examples of these finishing skills could include leadership, communication, critical thinking, data review and analysis, project management, and more.
- A simple but effective form of program administration is agreed upon to ensure state regulators are comfortable that employers are using the appropriate framework and are applying it correctly. It may make sense to partner with a third party with demonstrated experience assessing education for other occupations or professions to design and/or administrate this process (e.g., the American Council on Education or a similar entity).

For employers concerned about their ability to offer this experiential learning to their candidates, scalable “experiential learning in a box” options for smaller employers would also need to be considered. This may be an opportunity for universities, current commercial curriculum developers, or other learning providers to offer support to employers in this effort.

While some are concerned that this option could negatively affect higher education or the quality of candidates entering the workplace, there are a few things to consider. First, to ensure the experiential learning is equivalent to university-level education, partnering with organizations such as the American Council on Education or other entities would ensure these programs uphold quality and diminish the risk of decreased standards. Second, universities and colleges may find opportunities to partner with employers to develop “commercial” solutions for the delivery of the experiential learning, moving their revenue stream from student tuition to employer learning program fees. Third, this approach would allow employers to better contextualize the skills and competencies their staff develop during this last year of education, ensuring that their people have the skills that will make them most successful.

Beyond the time and cost benefits for students, this approach might bring more talent into the workplace faster, and there is the potential that graduates with nonaccounting bachelor’s degrees, especially those who have been out of school for some time, might see a way to becoming a CPA without risking income or needing to return to college full time (unless they need specific coursework to meet the accounting and business concentration requirements).

As experiential learning programs are developed, state case law must be considered regarding such program development. There is existing case law in some states that would prohibit proposed requirements for experiential learning programs from being accomplished outside of a degree-granting institution, whether on or off a transcript. Candidates pursuing experiential learning off transcript would complete an additional year of work experience (depending on their state's experience requirement and unless they have already completed this requirement) as well as passing the CPA Exam to become licensed.

Competency-based licensure

This **longer-term** and very bold concept entails building out the complete CPA competency model outlining all the skills, abilities, and experience needed by employers and necessary to protect the public interest, providing maximum flexibility and adaptability of the licensure model. In devising this concept, the working group considered that the purpose of licensure is to ensure licensees are competent to practice the profession for which they hold a license. Demonstrating and measuring competency is the most important outcome with respect to protecting both the public interest and CPA brand.

This competency-based model would measure outputs (skills mastery, abilities, knowledge, and experience) versus time (education hours). This model reimagines the education and experience together and moves the discussion away from 90, 120, or 150 hours completely. It would be the single umbrella that any and all pathways would fall under. Candidates could get licensed via any combination of education and experience because the measurement would be mastery of competencies (outputs) rather than how the competencies are achieved (inputs). Regardless of the combination, successfully passing the CPA Exam would be a required milestone.

Under this model, competencies could be gained through traditional, institutional learning, experiential learning delivered by employers, or through self-study learning options. Because of this level of learning flexibility, to maintain the rigor and quality of the license, it is critical to study the best methods for measuring or testing each candidate in each competency area.

There are many questions to answer under this model, including who would develop the shared competency framework, educational offerings, and testing at various stages to prove mastery. It is a bold new world in education, employment, and licensing that calls for our profession to think outside the box and consider something this flexible and future-proof. With this option, candidates would demonstrate mastery through some interim assessments. They would then need to sit for and pass the CPA Exam to become licensed.

NPAG envisions that many people employed within the accounting and finance professions, who may not have a four-year degree or have completed the additional 30 hours of education but possess a deep expertise through their work experience, may find a way to CPA licensure under this flexible, and for some, more affordable, competency concept.

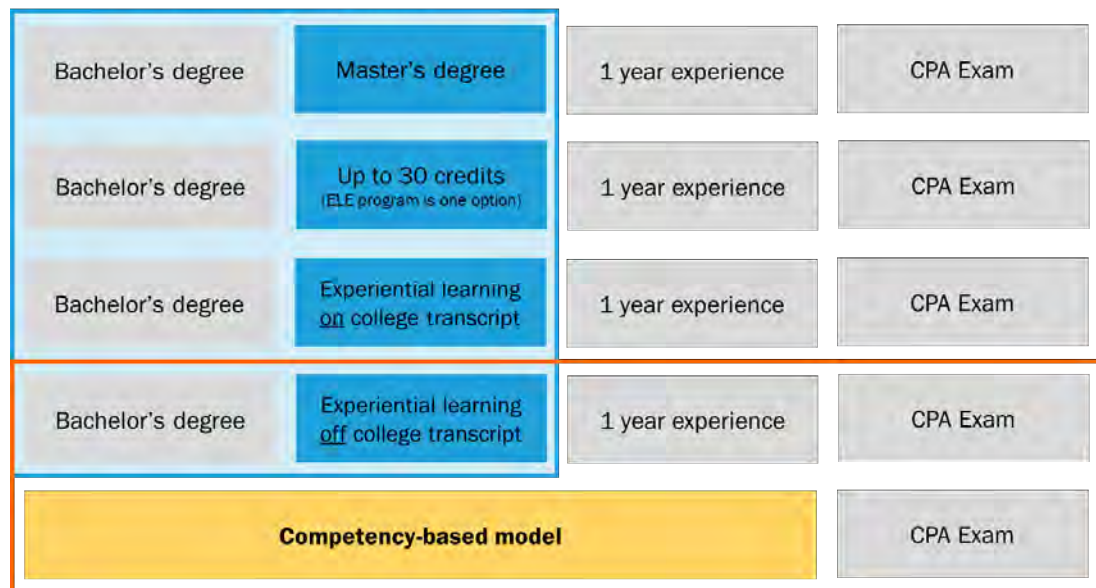
In addition, once the competencies are fully developed, they may be leveraged in many ways, including providing a framework to enrich the academic curriculum for accounting, to illuminate the way forward for those who want a career in accounting but not necessarily licensure, and a way to integrate with other certificate and licensure frameworks in accounting using a common core competency model as the basis.

With this model, the work done to build an accounting practice analysis will serve as a blueprint to develop the rest of the competencies needed, as well as the delivery and administration mechanism. In this competency-based model, the CPA license would be awarded based on mastery that can be measured, with less emphasis on how a candidate got there and more on their ability to demonstrate that they are there.

NPAG believes this model may create equitable outcomes by accommodating candidates with different life experiences and learning styles. To come to life, this flexible concept will require a collaborative, profession-wide effort to develop, test, and refine the approach with minimum standards, a practice analysis to include the necessary technical and enabling skills needed for career success in the profession, and a commitment to maintain — and even elevate — the rigor and quality the CPA designation is known for today.

NPAG's licensure recommendations

EQUIVALENT TO 150 HOURS



IMPACTS
MOBILITY

The journey from here

The best way forward on all pipeline matters is through collaboration. Because 69% of NPAG national survey respondents agreed that changes should be made to the required components for CPA licensure, the time to advance the conversation is now.

Employers can take steps to reduce the time and cost of education for their team members now by exploring lower-cost college and university programs and learning more about experiential on-the-transcript programs being offered.

NPAG also hopes to collaborate with key stakeholders including NASBA, the American Accounting Association, state societies, state boards, employers, and others to share and combine ideas for modernizing the license. This collaboration will identify the best concepts to be furthered while ensuring a highly coordinated, profession-wide effort, reducing the cost and time of education while preserving the respect and quality of the license.

Non-CPA pathways

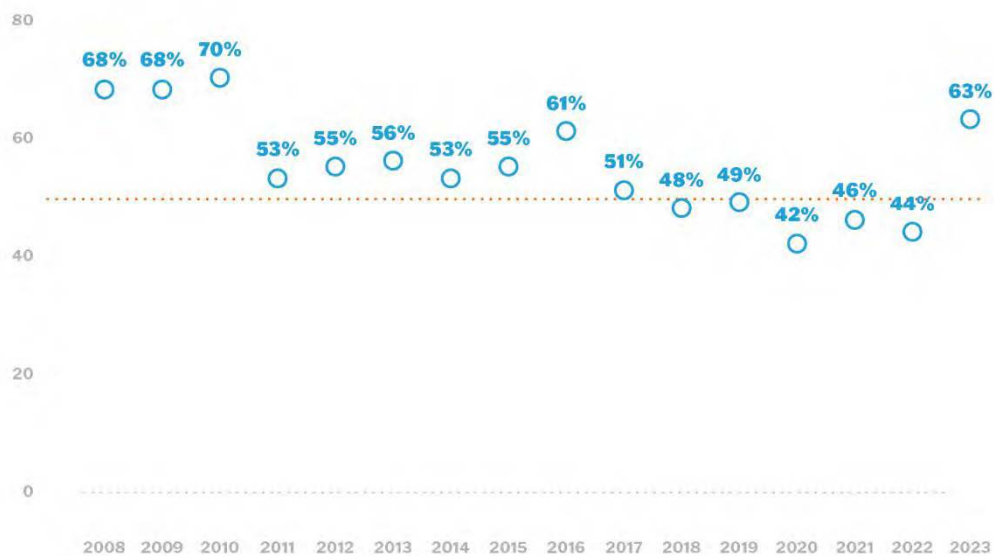
Because NPAG is committed to developing strategies to grow the accounting pipeline, it is important to note that there are many career paths available for those interested in a career in accounting that do not involve the pursuit of the CPA license. These include:

- Participating in an administrative or operational role
- Graduating with an associate degree in accounting and pursuing roles where that introductory accounting knowledge will be beneficial
- Exploring apprenticeship programs such as the AICPA & CIMA Registered Apprenticeship for Finance Business Partners
- Pursuing a wide variety of certifications available to non-CPAs, including the Chartered Global Management Accountant (CGMA) designation, Certified Management Accountant (CMA), Enrolled Agent, Certified Internal Auditor (CIA), Certified Financial Planner (CFP), the Certified Information Systems Auditor (CISA), and *many others*.

Increased support for CPA Exam candidates

A CPA license communicates professional value and a commitment to protecting the public. It shows that the holder has met specific education requirements, earned professional experience, passed a rigorous licensing exam, and adheres to a code of ethics. It signifies that an accountant has completed regular continuing education requirements and that their license is overseen by a state licensing board. In almost every survey NPAG reviewed, the CPA license was highly valued and respected, even among those who chose not to pursue it.

First-time CPA Exam candidates



In 2018, the percentage of accounting graduates (bachelor's and master's) who took their first section of the CPA Exam dropped below 50%.

The number of candidates taking the CPA Exam has continued to decline. In 2022, there were 67,336 exam candidates, a 22% drop from 2018.⁴³ This trend is tied to several demographic and market factors, although the time and cost associated with the exam are often cited. According to a national survey by the Illinois CPA Society, “workload time

⁴³ AICPA, [2023 Trends: A report on accounting education, the CPA exam, and public accounting firms' hiring of recent graduates](#), October 2023.

commitments to study for the exam” and “personal time commitments to study for the exam” were the top hurdles for accounting students and young professionals to becoming a CPA, cited by 25% and 18% of respondents, respectively. “Navigating the exam application process” and “overall cost of the exam application, review course, and exam fees” were also rated as top barriers to becoming a CPA.⁴⁴

NPAG’s mission is to increase the number of people who choose a career in accounting. Doing so will also increase the number of people who may go on to become licensed.

Any set of pipeline solutions must then consider a key component of the licensing process, the Uniform CPA Examination (CPA Exam).

It’s important to stress that just as NPAG’s education-related recommendations are not designed to make earning an accounting degree less rigorous, the exam recommendations are not about making the exam easier to pass.

Providing better support to exam candidates generally breaks down into four areas of focus:

- Addressing the cost of the exam
- Adding flexibility to the time frame in which the exam can be taken
- Simplifying the application and eligibility process end-to-end
- Reworking the content and/or format of the exam itself in ways that improve interest and access while supporting quality

Over time, changes in these four areas could increase the volume of CPA Exam candidates in the pipeline.

Taking the exam as students complete their coursework

To reduce the overall time it takes to complete the CPA Exam, NPAG recommends shifting at least some exam testing opportunities to directly after students complete relevant coursework at the college or university level. This shift to earlier testing may mean allowing candidates to test regardless of how many credit hours they have earned.

With this approach, candidates would have the opportunity to test after specific coursework when knowledge is fresh and would create a cohort of peers progressing through the exam journey. Early testing may also help students complete all or parts of the exam before life and work compete for their time. According to NPAG’s student survey, 69% of students thought this idea would be very effective at encouraging students and graduates to sit for the CPA Exam.

Objectives of this solution would include getting a higher percentage of students and accounting degree holders to sit for the exam. The approach could also help students

⁴⁴ Illinois CPA Society, [Re-Decoding the Decline: An Updated CPA Pipeline Report](#), 2024.

manage their fears about the exam by testing on recent material, helping them gain confidence in passing while still in school, and feel less daunted by the prospect of taking on CPA Exam study and testing after graduation. However, implementing this concept is complex and could create risks in several areas.

Although students would have the support of their peers, instructors, and potentially mentors, they might not have a future employer ready to help defray exam-related costs. And students completing a course may not be equipped to pass an exam section as the exam's competency assessment is set at the one- to two-years-of-experience mark. Also, the knowledge and skills assessed on the exam are often interrelated (e.g., a candidate needs to understand financial statements to audit them).

Some students may not feel prepared or even want to take the CPA Exam while in school. But providing students with the *option* to test earlier can go a long way toward shaving unnecessary time off the licensure path. **Given the strong market interest in the concept, the idea warrants consideration and study by relevant stakeholders, including NASBA and state boards of accountancy, in collaboration with the academic community and the AICPA.**

Assessing the impact of CPA Evolution

As NPAG was discussing exam-related strategies, a new version of the exam years in the making launched in January 2024. The new approach, driven by an initiative known as [CPA Evolution](#), was implemented to address the growing need for skills related to technology, data analytics, cybersecurity, and system and organization controls (SOC) engagements, and to provide additional candidate choice and flexibility.

Stakeholder groups — including students and candidates, the academic community, the AICPA, and NASBA — are still adjusting to the new exam, and it's too early to gauge the impact it will have on the pipeline.

Monitor and share employer best practices

Today, many students first sit for the CPA Exam after graduation, while employed. The additional workload can impact their ability to study, so it's important that employers take an active role in supporting their CPA Exam candidates.

NPAG student survey respondents embraced examples of employer support for exam candidates. Respondents rated the following solutions as being very effective in encouraging students and graduates to sit for the CPA Exam:

- 84% favor financial incentives like a bonus or raise after passing each section of the exam.
- 84% favor paid time off to study.

- 71% feel that reduced employee workloads for those studying for the CPA Exam would make an impact.
- 69% liked the notion of employers paying exam fees upfront versus through reimbursement or not at all. The National Commission on Diversity and Inclusion recommended this to NPAG as one strategy for increasing representation.

NPAG recommends continually evaluating, adjusting, and promoting employer best practices in CPA Exam support. Solutions include having an exam coach to demystify the process, having shepherds assist with CPA Exam project planning, advocating for adjusted workloads around exam peak times, and having mentors to help employees visualize the potential return on investment of becoming a licensed CPA.

While not tested in NPAG's survey, another idea involves a block scheduling protocol that would allow employers, schools, or review course providers to schedule exams for all their candidates at the same time. This would provide a more streamlined and convenient experience for both the candidates and the employers or schools, allowing better management of the exam journey and creating a more cohesive cohort of candidates.

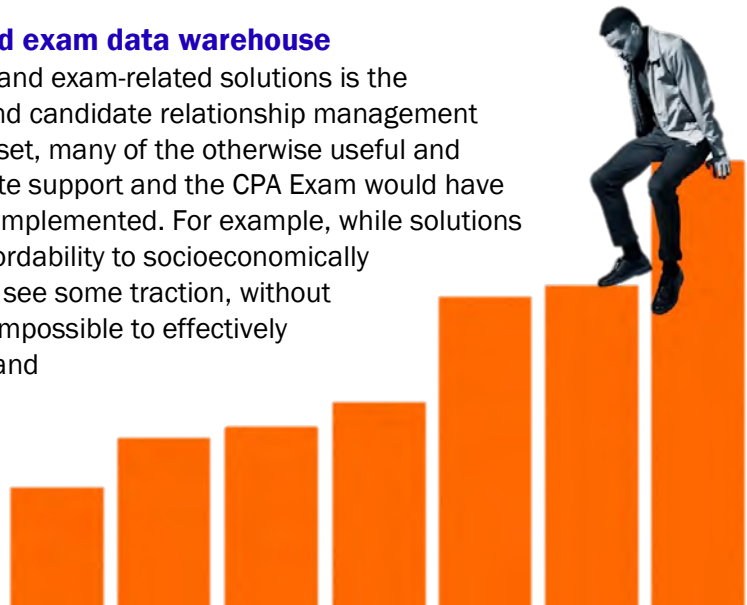
Aggregating and promoting these best practices would allow employers to tap into a set of strategies that work, encourage development for their people, and lead to enhanced retention. Providing a high level of support for CPA Exam candidates will also differentiate employers as supportive, aiding in recruiting and retention.

Count CPA Exam preparation courses toward college credit

Among NPAG student survey respondents, 62% strongly favor allowing CPA Exam prep courses to count toward college credit so candidates can obtain some of their 30 credit hours needed toward licensure in this way. Enabling this would first require answering questions about what type of preparation courses would qualify — review courses or instruction in new areas for the student — and what type of entities could offer them. It would require universities and colleges, with leadership from the American Accounting Association (AAA) and exam review course providers, to coordinate with state boards of accountancy and NASBA to align on what courses should be eligible toward licensure. Taking steps toward this strategy could increase flexibility and address concerns around the time and cost of education.

Developing a secure, cloud-based exam data warehouse

Foundational to nearly all candidate and exam-related solutions is the development of a data warehouse and candidate relationship management system. Without such a unified data set, many of the otherwise useful and productive solutions around candidate support and the CPA Exam would have only limited success or could not be implemented. For example, while solutions that involve ensuring access and affordability to socioeconomically challenged candidates may certainly see some traction, without complete data, it may be difficult or impossible to effectively identify and reach these individuals and share available resources.



The issue is not whether the data exists — much of it does — the issue is that there is no centralized repository of data, and there are differences in what data is collected from state to state. Much of the relevant data surrounding the CPA Exam is held by individual state boards of accountancy. And although that data serves its purpose well on the state level, it could serve an even greater purpose. By expanding and centralizing data collection efforts, the profession can more accurately track trends, predict challenges, and analyze the impact of various programs.

Solutions around a unified data warehouse would have to contain assurances to the owners of the individual state data sets, and potentially down to the individual candidate level, regarding proper and responsible use, data privacy, and cybersecurity.

Benefits to pipeline initiatives would include:

- The ability to develop a centralized exam portal where candidates can request eligibility to test, schedule appointments, view scores and status, manage their profile, and approve access to their profile information by the various stakeholders
- Allowing stakeholders to offer students and candidates additional support, such as financial assistance and scholarships, internship and employment offers, and membership and professional engagement support
- Allowing stakeholders involved in the administration of the CPA Exam to provide more data-informed communications, such as reminders and guides, regarding the candidate's scheduling behavior, impending expiration dates, and future sections to be passed
- Helping the profession understand trends among candidates and how to better support candidates across different socioeconomic, cultural, geographic, or educational backgrounds

Explore faster exam score release time frames

Waiting for the results of a high-stakes exam can feel like an eternity. Typically, a final score is sent to CPA Exam candidates approximately 20 days after testing. This recommendation would involve the AICPA sending an advisory score (which is estimated to be 99% accurate) to NASBA within a few days of the candidate's test date. NASBA would then pass the advisory score on to candidates. This would allow candidates to know sooner (with a high but not 100% degree of certainty) where to focus their studies, that is, whether they should study more in the same section after receiving a failing advisory score or move on to the next section after receiving a passing advisory score.

NASBA and state boards of accountancy would need to provide both the advisory and final scores instead of just one score, which would trigger some additional systems developments.

Simplify state board testing requirements

The CPA Exam is universal across all jurisdictions. Yet, state board requirements to start testing vary significantly across the country. Some states require a work portfolio, have an age requirement, or an experience requirement with either rules or state law mandating

either one or two years. The AICPA, NASBA, and state stakeholders have a priority list of requirements they are collectively working to address, as described in the [Pipeline Acceleration Plan](#).

NPAG believes this work should continue, prioritizing simplification and commonality among all the processes, procedures, and administrative requirements across jurisdictions wherever possible. Creating commonality would, however, require coordination and agreement among states and NASBA, and in cases where requirements are written into law, the cooperation of state legislators.

Simplify the eligibility process

According to a 2023 national survey by the Illinois CPA Society, 9% of respondents identified “Navigating the exam application process” as a top barrier, placing process concerns as the fourth-ranked challenge (where it tied with fear of failing the exam).⁴⁵ Before candidates can start testing, they need to request “exam eligibility” from their licensing board — a process managed by state licensing boards. Currently, candidates have a defined period during which their CPA Exam eligibility is valid. In some states, that period is six months, while in at least one state, the window is three months. Most students do not take all four sections of the exam within that window, which requires students to reapply for eligibility to take any remaining sections.

The concept of eligibility is important, as it facilitates the security of the exam and ensures that each candidate has met their jurisdiction’s requirements and standards. As a result, eligibility protects the exam process. But the practice of having candidates requalify as frequently as they do should be rethought. For example, a single national eligibility period lasting 30 months could allow candidates to complete the process without an additional layer of complexity. Alternatively, once a candidate is determined to be eligible, that determination could become permanent.

Develop and promote additional CPA Exam practice tests

Practice tests, which differ from exam preparation courses, can be a useful, potentially free tool to determine readiness to sit for an exam section. The AICPA currently offers a [sample test](#) that allows students and candidates to experience the format and functionality of the exam testing software. Developing additional basic practice tests that are not necessarily a predictor of future performance but provide exposure to practice questions could help students and candidates prepare. This solution could also help address the cost of exam prep materials.

⁴⁵ Illinois CPA Society, [Re-Decoding the Decline](#).

Several other exam-related solutions were tested in NPAG’s national and student surveys. **This chart highlights differences between how students and national survey respondents rate specific concepts.**

Students	Concepts rated as “very effective”	National stakeholders
54%	Give a bonus to managers and/or work schedulers when their direct reports pass the CPA Exam.	25%
51%	Provide opportunities to participate in a cohort of exam candidates with synchronized testing schedules and study sessions.	33%
62%	Assign a mentor or “coach” to CPA Exam candidates to advocate for and support them throughout the exam and licensure process.	36%
30%	Change the structure of the CPA Exam from four separate exam sections by subject area to a set of exams that progress in difficulty (basic, intermediate, and advanced) and are aligned to learning.	14%
25%	Start new hires at reduced pay earlier than their needed start date to encourage them to use a slower work “ramp-up” period to study for and sit for the CPA Exam.	18%

Prioritize strategies to expand access for underrepresented groups

Today, the accounting profession's demographic makeup does not mirror the U.S. population, with Black or African American, Hispanic and Latino/Latina, and American Indian or Alaska Native populations being underrepresented when compared to their proportion of the U.S. population. **A picture tells a thousand words. And this one speaks volumes.**

Accounting degree completions by racial/ethnic minorities compared to U.S. population

	Accounting degrees (BA/MA) 2012–2013 ⁴⁶	U.S. population 2010 ⁴⁷	Accounting degrees (BA/MA) 2021–2022 ¹⁹	U.S. population 2020 ²⁰
Black or African American	8.1%	12.6%	7.1%	12.4%
Hispanic or Latino/Latina	9.2%	16.3%	14.3%	18.7%
American Indian or Alaska Native	0.4%	0.9%	0.4%	1.1%
Asian or Pacific Islander/Native Hawaiian	8.5%	5%	9%	6.2%
Two or more	1.1%	2.9%	2.7%	10.2%

Note: AICPA Trends combines Asian and Pacific Islander populations.
Sources: AICPA 2023 [Trends Report](#) and [U.S. Census Bureau](#).

⁴⁶ AICPA, [2023 Trends: A report on accounting education, the CPA exam, and public accounting firms' hiring of recent graduates](#), October 2023.

⁴⁷ Nicholas Jones, Rachel Marks, Roberto Ramirez, and Merarys Ríos-Vargas, "[2020 Census Illuminates Racial and Ethnic Composition of the Country](#)," U.S. Census Bureau, August 12, 2021.

Diversity is an essential goal for any healthy pipeline — not just for appropriate representation, but also for the strength that comes from having employees and professionals who can view problems and opportunities from different perspectives. Accounting has long opened doors for first-generation graduates and professionals, many of whom are now today's leaders.⁴⁸ This is a proud legacy and one the profession should embrace as it evolves to meet the challenges of tomorrow.

To build a successful path forward, historically underrepresented minorities and groups must feel they belong in the profession. As the U.S. population becomes more diverse, the accounting profession must also reflect the population it serves.

The need to increase the number of underrepresented minorities and groups in the accounting profession is an NPAG imperative. The underlying causes for underrepresentation are multifaceted and range from access issues and a shortage of role models to economic factors such as the cost of higher education and the CPA Exam. A Center for Audit Quality (CAQ) and Edge Research report noted, "Underrepresented students do not see themselves reflected in the accounting profession," leading them to look at other careers.⁴⁹

The 2024 NPAG student survey shows that 32% of the respondents chose their current major during high school or earlier, highlighting the need to reach students sooner.

Raising awareness among potential accounting students as early as possible involves expanding programs that already exist, and these efforts are seeing results. Examples of programs the profession can amplify, include, but are not limited to:

- The highly successful NABA [Accounting Career Awareness Program](#) (ACAP, also referred to in some cases as the Accelerated Career Awareness Program), which enables high school students to explore the profession through a week-long college residency program, as well as similar business career awareness programs held at universities and colleges around the country, primarily with accounting firm support
- The Center for Audit Quality's [Accounting+ program](#), which works to bring greater awareness to and increase interest in accounting among high school and early college students

Individual firms, employers, and accounting associations have invested time and money into outreach to middle and high school programs. The value of those programs should not be understated — encouraging young people from underserved communities to pursue a career in accounting needs to start long before college.

⁴⁸ Nanette Byrnes, "[Accounting can be door to U.S. professional class](#)," Reuters, October 16, 2011.

⁴⁹ Center for Audit Quality, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), January 2022.

A business case for diversity

A strong business case exists for diversity in the profession. As mentioned, shifting U.S. demographics mean that ethnic and racial minorities now make up a larger share of the workforce. **Without embracing diversity and equity, the pipeline challenge cannot be solved.** But beyond that, companies that embrace diversity tend to outperform those that do not.

[McKinsey](#) reports a strong business case for both gender and ethnic diversity: “Each of our reports — 2015, 2018, 2020, and now 2023 — has found a steady upward trend, tracking ever greater representation of women on executive teams. At each time point we have assessed the data, the likelihood of financial outperformance gap has grown...A strong business case for ethnic diversity is also consistent over time, with a 39 percent increased likelihood of outperformance for those in the top quartile of ethnic representation versus the bottom quartile.”

Expanded programs for underrepresented minorities

Without a catalyst for change, current underrepresentation in accounting, particularly among Black and African American and Hispanic and Latino/Latina communities, will likely continue. Employers are encouraged to take an inventory of their diversity, equity, inclusion, and belonging efforts, particularly those focused on early-stage recruiting, to ensure their resources are deployed equitably. More on this can be found in the “Enhancing the employee experience” section of this report.

A key determinant of someone joining the accounting profession or becoming a CPA is personally knowing someone in the profession. Having mentors who resemble you is particularly powerful for students. Firms, finance departments, and accounting organizations should encourage their employees or members to increase their visits to middle schools, high schools, community colleges, and universities — especially minority-serving institutions (MSIs) and schools with higher underrepresented populations — to share their career stories and describe the variety of pathways that accounting provides.



In addition, all members of the profession must familiarize themselves with and then amplify the accounting immersion experiences. Existing programs, such as ACAP and various business career awareness programs (see sidebars), are scalable and are showing results in terms of participants progressing on to business and accounting programs.

Engagement with MSIs and campuses with a high population of underrepresented students

The accounting profession should build closer bonds with MSIs and schools with higher underrepresented populations, with an emphasis on awareness building, mentoring, and recruiting on campuses. MSIs include 102 historically Black colleges and universities (HBCUs), 274 Hispanic-serving institutions (HSIs), 35 tribal colleges and universities (TCUs), as well as Asian American- and Pacific Islander-serving institutions (AAPISIs).⁵⁰

NABA Inc.'s Accounting Career Awareness Program (ACAP)

Since its inception in 1980, [ACAP®](#) has been a turning point in the academic lives of thousands of high school students, motivating them to pursue higher education and reach their maximum potential. ACAP introduces high school students from underrepresented communities to accounting, finance, and business-related fields.

ACAP offers a week-long summer campus residency program and year-round programming, providing students with a comprehensive understanding of career opportunities in accounting, finance, economics, technology, and management. The program also fosters the development of interpersonal skills and financial fluency.

Promote smooth transitions between community colleges and four-year institutions

Community colleges offer an opportunity to address challenges socioeconomically disadvantaged students face around the cost of education. But the community college to four-year program pathway works best when students and counselors have a clear sense of needed, transferable credits so that no time or money is wasted.

Some states are paving the way for community college students to maximize their transferable credits through legislation. Maryland's 2021 Transfer with Success Act "created a new requirement for public institutions to jointly review courses and credits that are denied when a student transfers from between two public institutions in the state. In addition, the legislation created a new annual reporting requirement: public institutions are

⁵⁰ U.S. Department of the Interior, "[Minority Serving Institutions Program](#)," accessed June 18, 2024.

now obligated to submit to the [Maryland Higher Education] Commission a report listing the denials and the reasons for the denials.”⁵¹

According to NPAG’s pipeline survey, 47% of students felt that creating and/or amplifying programming and resources to help transition community college students successfully into four-year accounting degree programs would be a very effective pipeline solution. States and the academic community should partner to build stronger bridges between community colleges and universities.

Best practices for successful articulation agreements, which are agreements between institutions that outline transfer plans among programs, and other transfer policies should be studied and shared. Employers and community college administration can also work together to ensure that community college students have access to and are prepared for productive internships.

Business Career Awareness Program (BCAP)

Inspired by the ACAP model, BCAP is a successful high school outreach program for rising juniors and seniors. Hosted by campuses such as the [University of Arizona](#) and [Texas Tech University](#), students spend one week living in the dorms and getting exposure to accounting and business careers. The program gives students an opportunity to get a much deeper understanding of the school while raising awareness about the accounting profession and the opportunities surrounding it.

In addition to introducing students to the profession, the program also aims to increase diversity and representation. The selective program works with the college admissions office to identify students with a high chance of success.

Financial assistance for socioeconomically disadvantaged groups

The increased time and cost of accounting’s 150-hour education requirement has disproportionately affected minority candidates. Economists found that after the additional 30 hours of education was added to the CPA licensure process, there was a “26% decline for minority CPAs versus a significantly smaller 14% decline for nonminority CPAs.”⁵²

According to 2023 research from the Pennsylvania Institute of CPAs (PICPA), 43% of nonwhite students cited the cost to prepare for and take the CPA Exam as not worth the financial investment and a reason they are not planning to become CPAs.⁵³

⁵¹ Maryland Higher Education Commission, [Transfer Guidance for Public Institutions in Maryland](#), October 2022.

⁵² Andrew Sutherland, Matthias Uckert, Felix Vetter, “[Occupational Licensing and Minority Participation in Professional Labor Markets](#),” *Journal of Accounting Research*, January 27, 2024.

⁵³ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity – Evidence-Backed Action the Profession Can Take Today](#), December 2023.



▲
The Eller College of Management at the University of Arizona hosted high school students during the 2024 Business Career Awareness Program. Photo courtesy of the University of Arizona.

While solutions related to this issue are examined more fully in the “Addressing the time and cost of education” section, the cost of higher education and exam preparation pose significant hurdles to licensure. They also speak to the need to devise solutions that expand access for underrepresented and socioeconomically disadvantaged communities.

The increased education requirement for licensure is especially onerous for Black and Hispanic students who opted out of accounting in favor of another major due to the additional costs involved in completing the additional credit hours.⁵⁴ Data from the CAQ and Edge Research found that while 81% of all accounting undergraduates planned to pursue CPA licensure, a significantly lower percentage of Black (68%) and Hispanic (72%) accounting majors felt the same. “The time required to study for the CPA Exam is a top obstacle across all demographics, but the costs associated with completing the 150-credit hour requirement is the most significant hurdle identified by Black and Hispanic accounting majors.”

The high cost of education puts students at risk, especially students who are the first in their family to attend college. According to a report by Sallie Mae, 24% of current undergraduates have seriously considered leaving college or are at risk of dismissal.⁵⁵ In addition, the report notes that first-generation college students are twice as likely as all other groups to consider leaving school. At-risk students are more likely to be Hispanic or Black, and 57% percent of at-risk students grew up in low-income or low- to middle-income homes.

When PICPA asked where accounting majors could use the most help, more than 60% said financial support and scholarships.⁵⁶ Although further work must be done in this area, existing programs are helping address costs, including scholarship programs from various state societies, the AICPA, accounting organizations, firms and employers, and NASBA, to name a few.

⁵⁴ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

⁵⁵ Sallie Mae and Ipsos, [How America Completes College: Understanding what helps students graduate](#), 2024.

⁵⁶ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity](#).

In addition to the cost of higher education and the CPA Exam, exam prep and review courses are often cost-prohibitive to some candidates. More can be done to expand access to prep materials, lower candidate costs, and be more inclusive of underrepresented communities.

Review exam and course materials for bias

The CPA Exam is a leading gauge of readiness to work in the accounting profession and protect the public, and it is carefully constructed according to testing development industry standards. To ensure that the exam is fit for purpose for all candidates, its content should continue to be routinely reviewed for bias that could unintentionally weed out qualified candidates. Similar reviews could also be applied at the academic level to course materials and textbooks.

Diversity, equity, inclusion, and belonging are so much more

There are many additional dimensions to diversity, equity, inclusion, and belonging, including gender, sexual orientation, neurodiversity, age or generation, and more. This strategic plan only scratches the surface on the opportunities and challenges of inclusivity in the profession and the impact that embracing DEIB will have on the talent pipeline. NPAG encourages all members of the profession to work together to create and implement a more expansive strategic plan for this critically important area.

What does success look like?

As NPAG reviewed recommendations in this area, discussion turned to appropriate success measures. **NPAG envisions a profession where every single cohort of underrepresented minorities earning an accounting degree is in line with, or even greater than, their respective percentage of the U.S. population.**

Reaching that goal would mean a significant increase in Black and African American, Hispanic and Latino/Latina, and American Indian or Alaska Native accounting major graduates. That shift would require considerable progress on both high school and college initiatives. **NPAG is calling for regular reporting on progress toward this goal in the pipeline scorecard and an evaluation at the five-year mark in 2029 of progress toward the goal** (see the “Next steps” section).

Retention of accountants — including accountants of color — in the first five years of employment is explored in the next section of this report. But it warrants repeating here that the employment experience of minority hires must match their expectations, and be inclusive and nurturing, if the profession hopes to move the needle on representation and grow the overall talent pipeline.

Enhance the employee experience by evolving business models and cultures

With the present demographic realities, and even greater labor shortages projected in the future, today's students, graduates, and experienced talent have an almost unlimited number of career and employer choices. Accounting talent can be more selective in their career and employment choices. Employers must consider a host of cultural and business model changes to appeal to today's and tomorrow's talent motivators.

Motivators

In the 2024 BestColleges⁵⁷ survey on top work motivations and expectations among current undergraduate and graduate students:

- 76% agreed work-life balance is a top priority
- 67% wanted personal fulfillment and satisfaction from work
- 60% said that salary/pay was their top priority when considering a job

For more on what motivates the next generation, see the “Identifying the key factors behind the CPA pipeline shortage” section.

Successful recruiting and retention will depend on employers implementing changes that balance better starting salaries with more reasonable workloads. According to research by the Institute of Management Accountants (IMA) and Robert Half, key talent retention strategies include:

- Competitive compensation and benefits
- Supportive and inclusive workplace culture
- Respect and recognition
- Career growth and development
- Flexibility and work-life balance⁵⁸

Image issues

To appeal to students, graduates, and experienced talent, employers must also overcome a host of brand challenges related to work in the accounting profession. In the July 2023 Center for Audit Quality (CAQ) and Edge Research *Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities* report, business students were asked why they did not choose accounting as their major.

⁵⁷ Jane Nam, “[Work-Life Balance Tops List of College Student Priorities in Job Search: Survey](#),” BestColleges, Accessed July 26, 2024

⁵⁸ Institute of Management Accountants and Robert Half, [Talent Retention in the U.S. Accounting and Finance Profession](#), October 16, 2023.

Answers included that:

- 70% cited a lack of interest or passion for the subject.
- 61% indicated they could command a higher starting salary with another major.
- 57% said they don't want to pursue the 150 education hours required to be a CPA.⁵⁹

Solutions to address the additional cost and time of education are outlined elsewhere in this report for consideration.

In the Pennsylvania Institute of CPAs report *The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today*, when researchers asked business administration majors why they did not select accounting as their major:

- 21% said they were advised against majoring in accounting by friends, family, or classmates.
- 18% shared that other majors are more appealing.
- 15% said the day-to-day work is too difficult.
- 14% indicated starting salaries are much lower compared to other careers.⁶⁰

Employers can directly affect the level of interest, passion, or appeal that team members both perceive and share about their work. The “Tell a more compelling story” section of this paper contains ideas and points to resources for all to highlight the technology-forward, difference-making work we do as a profession. **NPAG asks employers to take ownership of the fact that we must transform the reality of the work experience to have a truly better story to tell.** Let's start with compensation.

Increase starting salaries

The issue of starting salaries in accounting is a significant barrier that is often discussed but not yet fully addressed. The research paper “Technological Investment and Accounting: A Demand-Side Perspective on Accounting Enrollment Declines”⁶¹ outlines the impact of pipeline demand on the supply of talent. The authors make the point that the higher the potential economic return to students, the more likely they are to invest in (or major) in that career field. Consider the following National Association of Colleges and Employers (NACE) mean starting salary comparatives over time for a sampling of college majors:⁶²

⁵⁹ Center for Audit Quality (CAQ) and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

⁶⁰ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity Evidence-Backed Action the Profession Can Take Today](#), December 2023.

⁶¹ Henry L. Friedman, Andrew Sutherland, Felix Vetter, “[Technological Investment and Accounting: A Demand-Side Perspective on Accounting Enrollment Declines](#),” April 30, 2024.

⁶² National Association of Colleges and Employers (NACE), [First Destinations Dashboard](#), accessed July 1, 2024.

Mean starting salaries for bachelor's degree holders

	2017	2018	2019	2020	2021	2022
Computer & information sciences	\$72,677	\$71,411	\$76,986	\$80,477	\$81,202	\$86,964
Engineering	\$65,539	\$66,638	\$70,219	\$72,115	\$71,516	\$76,249
Mathematics & statistics	\$60,631	\$61,709	\$66,942	\$67,822	\$68,929	\$76,186
Statistics	\$62,375	\$67,161	\$70,705	\$75,916	\$75,457	\$75,916
Management information systems & services	\$60,575	\$60,156	\$61,122	\$62,429	\$64,734	\$71,208
Finance & financial management services	\$56,355	\$55,138	\$58,125	\$59,627	\$62,163	\$66,650
Accounting and related services (accounting major)	\$52,343	\$51,783	\$53,652	\$54,809	\$56,103	\$60,698

If 2022 starting salaries were the primary determinant for business students choosing a major, accounting would be their last choice among this slate of options.

With the proliferation of salary information and ChatGPT at their fingertips, students and parents are savvy enough to understand and consider this as a factor. In a recent *Journal of Accountancy* interview with academic leaders, Professor Nancy Bagranoff of the University of Richmond said, “One change we have noticed is increased salary transparency. Students make use of online tools to compare salaries and are more aggressive in negotiating terms.”⁶³ As these tools and pay transparency become more common, new recruits and experienced accountants are expecting higher salaries, and employers must respond.

⁶³ Andrew Kenney, “[What top accounting academics suggest to attract talent](#),” *Journal of Accountancy*, January 25, 2024.



Raising starting salaries was the most agreed-upon solution for growing the pipeline in both NPAG studies:

84%
of stakeholders
agree

85%
of students
agree

And there's another consideration related to salary, too. In the NPAG feedback forums and focus groups, many employers spoke about making recent starting salary adjustments, and some feel like this area is no longer an issue. Those increases are positive news. And yet, more attention is needed on salaries.

Before dismissing a salary review as a potential action to take, let's look at salary growth in accounting against other professions, using the NACE data just cited, and salary growth against inflation-based increases in the Consumer Price Index (CPI). Unfortunately, we don't measure up there either. From 2017 to 2022, salaries in

- mathematics and statistics increased 26%.
- statistics increased 22%.
- computer and information sciences increased 20%.
- finance and management information systems each increased 18%.
- engineering increased 16%.
- **accounting increased 16%.**

During this same period, the CPI rose a total of 20%.⁶⁴ Professionals in accounting, engineering, finance, and management information systems all lost earning power during that period, and accountants lost the most. If your organization hasn't been increasing salaries to be competitive with other professions and keeping pace with the CPI, then compensation could become an inhibitor to both attracting and retaining talent for both your organization and for the overall accounting profession.

NPAG recommends employers study their starting salaries and make a concerted effort to raise them to at or above market rates compared to other competing business professions.

⁶⁴ [U.S. Bureau of Labor Statistics CPI Inflation Calculator](#), accessed July 24, 2024.

This may create a ripple of increases within the existing talent base, which employers could potentially mitigate with variable versus fixed increases using bonuses or other incentives. It is possible that the employer would not have to increase pay across all levels, as salary bands may be tighter in early-career positions, and mid-career team member pay may have already been propelled upward by significant margins. This would leave room to move entry-level salaries up without putting pressure to move mid-career bands. The AICPA Private Companies Practice Section (PCPS), the Rosenberg Survey, Inside Public Accounting, Robert Half, NACE, and others, including general career sources such as Payscale, offer data and resources to assist CPA firms and employers to study compensation. Employers may consider engaging an HR consultant specializing in compensation to undertake a study and recommend any adjustments needed.

Although Gen Z may be focused more on the short term, and students are likely to be reluctant to wait for their earnings to become more competitive, over the long term, a career in accounting can be very lucrative. The benefit of generous mid-career and leadership-level earnings is not often touted in accounting, and that's a shame. In fact, according to Inside Public Accounting's *2023 Practice Management Report*, the average income per equity partner in non-Big Four firms was just over \$650,000.⁶⁵ **Employers should consider increased pay transparency at higher levels in their firms and organizations so that talent can understand what's possible as they progress.**

Increasing accounting pay to boost recruitment

EY announced in June 2024 plans to invest \$1 billion in talent and technology, with a significant increase in early career compensation and other benefits. "Bigger paychecks from firms like EY that dominate the market will set the pace for higher wages across the industry, pressuring mid-tier and even smaller regional firms to step up and boost their entry-level pay," according to an analysis by [Bloomberg Tax](#).

Hopefully, this signals a move toward more employers increasing the competitiveness and ROI of a career in accounting.

Transform the employment experience

Being an "employer of choice" has become more crucial than ever due to the talent gap and the changing nature of work.

Recent years have brought new challenges and intensified existing ones, revealing the shortcomings of how we operate. While some of those gaps may have existed for years, they were brought into focus amidst a confluence of challenges, including the "great resignation," a wholesale switch to remote/hybrid work models, and a pandemic-fueled recession. This pressure has caused us to become more acutely aware that we are not

⁶⁵ Inside Public Accounting, [2023 Practice Management Report](#), 2023.

operating our firms, businesses, or organizations in a way that is attractive to next-generation talent, conducive to retention, or sustainable for the future.

To address the pipeline crisis, employers need to undergo a comprehensive transformation to both attract new team members and retain their existing ones. The current pipeline crisis is a wake-up call to realize that leaders must embrace change to thrive.

*Harvard Business Review*⁶⁶ recommends these six strategic areas to employers working to enhance employee retention:

- Incentivizing loyalty — paying at or above market and providing various financial incentives
- Providing growth opportunities — including skills development
- Elevating organizational purpose
- Prioritizing your culture and relationships
- Investing in well-being for your people and their families
- Embracing flexibility

Business transformation in the form of cultural shifts, new ownership approaches, and transformed operating models is imperative.

Reduce overload

There has always been a perception that, especially during peak periods, accountants work long hours — and, in many cases, that's true. Although accounting is certainly not the only profession with seasonal peak periods and occasional long hours, students often cite difficult work and long hours as reasons for not pursuing accounting as a major.⁶⁷ Similarly, those who are already in the profession but are considering leaving their roles cite burnout and long hours as a top reason for doing so.

In the ACCA “Global Talent Trends 2023” survey,⁶⁸ well-being and mental health were the second most significant work concern for the future. The survey showed that among 8,000 accountants in 148 countries:

- 61% reported their mental health suffers because of work pressures.
- 71% want more mental health support from their employers.
- 49% don't believe their employer considers mental health a priority.

⁶⁶ Frank Breitling, Julia Dhar, Ruth Ebeling, and Deborah Lovich, “[6 Strategies to Boost Retention Through the Great Resignation](#),” *Harvard Business Review*, November 15, 2021.

⁶⁷ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today](#), December 2023.

⁶⁸ ACCA, “[Global Talent Trends 2023](#).”

Respondents to the NPAG surveys — students and professionals alike — see greater flexibility in work hours and location and more manageable workloads as among the most highly effective strategies in encouraging young people to choose a career in accounting.

Achieving work-life balance in Pittsburgh

Maher Duessel, a firm of 110 people in Pittsburgh and other Pennsylvania cities specializes in the government and not-for-profit sectors. The firm has created an environment that offers employees work-life balance, a reasonable schedule, and minimal overtime. Chairman Betsy Krisher, a member of NPAG, says the firm is committed to flexible scheduling and balance for their people, where overtime demands are kept to a minimum and staff enjoy a hybrid work environment.

Through the hiring process, a new CPA is informed about any overtime targets, which are usually kept to 200 hours per year or less, with most people working substantially less than that. The company keeps overtime in check by monitoring workloads and hours throughout the year. When an employee is working too many hours, the strategy is to work with the employee to balance their workload.

The strategy is successful. Overtime is kept to a minimum, employees enjoy a better work-life balance, and annual turnover is between 10% and 12%, which is below average for accounting firms. More than half of the firm's employees have been employed there five years or more.

The workload balance is achieved by ensuring that client selection, retention, and fees allow for firm profitability, and by a commitment from firm leaders to prioritize rewarding employees financially and investing in technology.

Preventing “burnout” and providing employees with a better work-life balance can be accomplished in several ways:

1. **Increasing the flexibility provided.** Offering a more flexible and remote/hybrid work culture where team members have more control over where and when they complete their work provides people with a sense of trust and empowerment in their career. In a 2019 FlexJobs⁶⁹ survey, 80% of 7,500 respondents said they would be more loyal to their employers if they had flexible work options. In the NPAG student survey results, 77% of students surveyed felt that providing “greater flexibility in work hours and location for accounting and finance employees” would draw people into a career in accounting. In the 2023 IMA and Robert Half report *Talent Retention in the U.S. Accounting and Finance Profession*, 33% of those who

⁶⁹ Roy Maurer, “[Flexible Work Critical to Retention, Survey Finds](#),” Society for Human Resource Management, September 2019.

planned to leave their employer or the profession reported a lack of flexibility in determining where to work.⁷⁰

2. **Reducing client/customer loads and trimming client bases** to address areas where demand outstrips capacity. In the NPAG stakeholder and student surveys results, when asked about strategies that they believe would encourage people to choose a career in accounting, 72% of students surveyed and 70% of all other stakeholders said, “More manageable workloads for accounting and finance employees.”
3. **Investing in nontraditional talent strategies** to increase overall capacity. This includes offshoring, outsourcing, or adding nonaccounting operational team members to support service delivery.
4. **Improving scheduling and capacity functions** to better project and rebalance work overloads and attempt to ease some of the work compression experienced in peak work periods. As one draft report commenter wrote, “New candidates are not going to stand for 60 to 80-hour weeks. Firms have to retool tax season for a more consistent and manageable work frame to attract and retain candidates.”
5. **Investing in increased technology** to automate tasks, streamline processes, and free up capacity. In a Deloitte *CFO Signals* survey,⁷¹ 81% of CFOs surveyed planned to use automation/digital technologies to create capacity for people to focus their talents on higher-value activities.
6. **Increasing fees/prices to keep pace** with inflation and offset increased labor and technology costs.

Enhance career progression

In the 2023 study *Righting Retention: A Look into the Accounting Profession’s Greatest Management Challenge*, the Illinois CPA Society asked employers about their talent management offerings and asked employees about programs they value. They found a significant disconnect:

- Over 67% of employees view “career advancement paths and opportunities” as one of the most attractive benefits in an employer. However, 48% of employers don’t communicate defined advancement paths for employees (or don’t know if they do).
- 30% of employees ranked “mentors/mentorship program” as a top need. But nearly 43% of employers don’t offer a mentorship program, formal or informal, to foster employee retention (or don’t know if they do).

Where possible, employers should highlight the career pathways and options available for their people — both in the overall organization and specific to each individual. Investing in skills development and career advising will support people in advancing their careers within the organization.

⁷⁰ IMA and Robert Half, [Talent Retention in the U.S. Accounting and Finance Profession](#).

⁷¹ Deloitte, [CFO Signals 4Q 2023](#).

Define and live your culture

According to Gallup,⁷² team members who strongly agree with the statement “I feel connected to my organization’s culture” are:

- 3.7 times as likely to be engaged at work
- 5.2 times as likely to recommend their organization as a great place to work
- 68% less likely to feel burned out
- 55% less likely to seek another job

These employee retention and engagement outcomes highlight the benefits of clearly documenting organizational culture, identifying both tangible and aspirational elements. Once identified, ensure the organization is living those cultural values and commitments and that these are woven into all aspects of organizational strategies, processes, and procedures.



◀ Maher Duessel — a firm committed to work-life balance — welcomes new auditors to the firm in 2023. Photo courtesy of Maher Duessel.

One challenge affecting culture today is the uncertainty created by all the operating model changes happening within the profession. Increased activity with mergers, acquisitions, ownership changes like employee stock ownership plans, phantom stock option programs, restructuring, and the introduction of private equity ownership are all causing team members to wonder. They want to know where their organization is headed and what their leadership is planning to ensure a bright future. Employers can alleviate their team

⁷² Gallup, “[What Is Organizational Culture? And Why Does It Matter?](#),” accessed July 10, 2024.

members' uncertainty by being as transparent as possible about organizational plans related to ownership structure, especially for organizations and firms committed to remaining independent.

Building a DEIB culture

Another critical cultural consideration is your organizational commitment to diversity, equity, inclusion, and belonging (DEIB). NPAG believes that growing the overall accounting pipeline will happen when the profession increases the number of underrepresented minorities and groups who choose a career in accounting. Ultimately, NPAG would like to see the representation of minorities in the profession at least mirror their representation in the overall U.S. population. This goal is addressed in the previous section of this report.

To attract more underrepresented minorities and groups to our profession, we must take steps to better understand and improve the employment experience of those already working in accounting. That includes preparing managers to be inclusive leaders equipped to do things such as deliver performance feedback to employees from underrepresented groups.

Consider these findings from the 2021 CalCPA and IMA *Diversifying U.S. Accounting Talent: A Critical Imperative to Achieve Transformational Outcomes*, a study of more than 3,000 current and former accounting professionals and interviews with accounting, academic, human resources, and DEI professionals:⁷³

- 73% of underrepresented racial and ethnic groups feel they do not receive fair treatment in the workplace.
- 60% of persons who identify as LGBTQIA believe leaders demonstrate unfair prejudice against them.
- 43% to 55% of female, nonwhite, Hispanic, Latino/Latina, and LGBTQIA respondents have left a company due to a perceived lack of equitable treatment, and at least 30% of the respondents from each of these groups have left companies because of a lack of inclusion.
- Only 33% of females view the profession as equitable, and only 37% of females view the profession as inclusive.

Together, we must evolve to be more diverse, equitable, and inclusive employers. Some of the actions employers can take to get there include joining nearly 2,500 other business leaders in taking the [CEO Action for Diversity & Inclusion](#) pledge and learning from that collaboration's database of nearly 2,000 actionable insights shared by employers who are making real progress in this area. Some of the action insights shared by the organizations taking the pledge include:

- Identifying and deploying strategies to advance leadership at the board and senior leadership levels

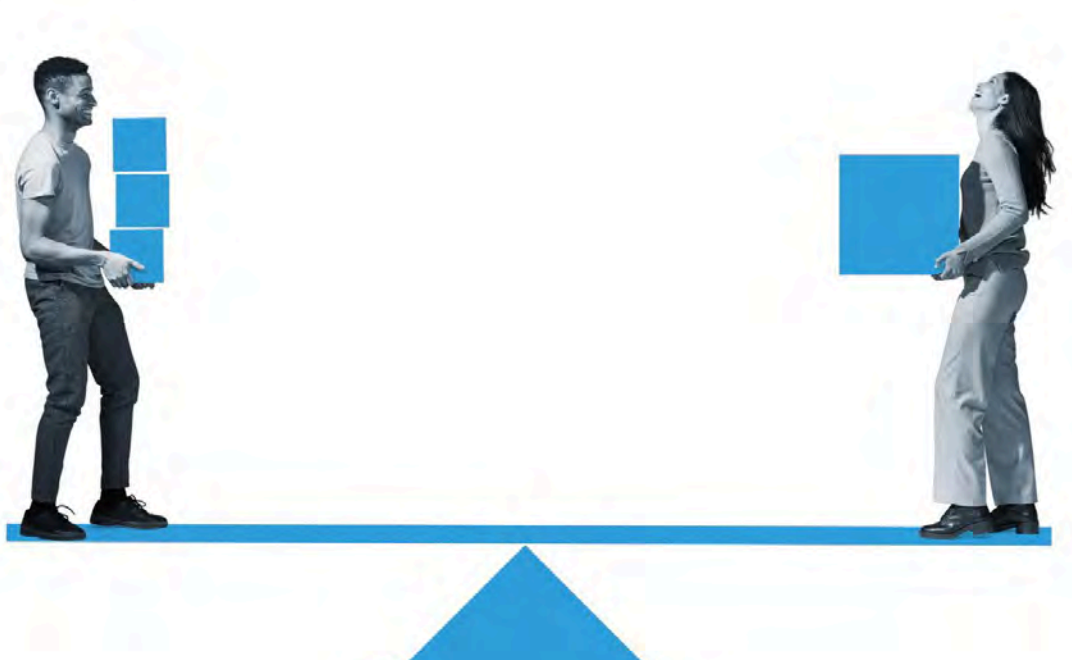
⁷³ Institute of Management Accountants and California Society of Certified Public Accountants, [Diversifying US Accounting Talent A Critical Imperative to Achieve Transformational Outcomes](#), October 12, 2021.

- Creating a racial equity plan
- Inclusion and equity learning and unconscious bias education for leaders
- Inclusion training to support LGBTQIA equality
- Compensation studies and programs to ensure pay equity for minorities and women
- Measuring and reporting on team demographics and progress against goals

The ideas contained in this report only *begin* to scratch the surface of enhancing the overall experience of underrepresented minorities and groups when considering a career in accounting and when working within our profession. Our collective opportunity to embrace underrepresented minorities and groups is significant enough to warrant its own stand-alone strategic plan.

As we conclude this section, it is fair to say that employers are critical to solving the pipeline challenge. Employers alone can maximize the value proposition of employment in accounting. But it won't be possible without investing dedicated leadership time to create and implement a talent strategy — working on the organization while also working in it. By increasing starting salaries, ensuring talent is paid at or above market, reducing overload, providing flexibility, communicating career pathway options, defining and operationalizing a clear cultural commitment to the future, and embracing diversity, equity, inclusion, and belonging, employers can provide each of us with a more compelling story to tell to students, parents, academics, CPA candidates, and recruits. NPAG has developed the [Accounting Employer Checklist](#), which outlines 10 key areas of change to share with organizational leadership for consideration.

While employers face the most change to truly engage the next generation and expand the talent pipeline, those same employers have the most to gain by transforming.



Tell a more compelling story about accounting careers

While an accounting career can lead to prestigious and financially rewarding work, misperceptions about the profession persist. It's time we join together and collectively do more to turn the tide. Pipeline research reveals the importance of early, targeted outreach to students with information that resonates with the next generation.

Accounting can open doors to limitless career paths — unlocking rewarding and in-demand jobs across every industry. Accountants have the flexibility to start their own businesses, help companies measure their environmental impact, or predict financial trends. Yet 70% of business students who chose another major cited a lack of interest or passion in accounting, according to a 2023 survey by the Center for Audit Quality (CAQ) and Edge Research. According to the report, “the research revealed what could be described as common knowledge: accounting has an image problem.”⁷⁴ When the Pennsylvania Institute of CPAs asked what information would make business students more interested in accounting, 66% said information on career growth potential, and 62% said information on compensation.⁷⁵

Stakeholders from all areas of the profession overwhelmingly agreed during NPAG's forums, focus groups, polls, and surveys on the need to communicate a more compelling and detailed story about accounting careers. They were clear — the messaging can't ignore the challenges of the career or paint a misleading picture of the day to day. But often *the challenges of the field are the only aspects getting any airtime*, and most accountants would like to see that change. That creates an opportunity for us all to make an impact.

We need to create a groundswell of conversation. Breaking through to students, parents, teachers, and potential career changers requires the concerted and persistent effort of everyone who is part of the story. **NPAG's proposed solutions will depend on everyone helping close perception gaps, reach new audiences, and spark excitement in the next generation.**

Members of the profession agree that we need to collectively tell a nuanced, dynamic, and relatable story about accounting careers. In doing so, we need to relay the meaningful work that professionals do day in and day out, the stability the profession affords its practitioners, and the opportunities for success that lie ahead.

A sustainable path to storytelling involves equipping professionals, educators, parents, and others across the board with the materials and facts they need. An extensive presence is

⁷⁴ Center for Audit Quality and Edge Research, [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), July 2023.

⁷⁵ Pennsylvania Institute of CPAs, [The CPA Pipeline: Crisis and Opportunity — Evidence-Backed Action the Profession Can Take Today](#), December 2023.

needed on college and university campuses, and it is also essential to have a presence in community colleges, high schools, and middle schools.

Student outreach programs

Awareness-building activities such as these aren't new. What's changed is the sense of urgency behind this call to action. Without a concerted effort in which each of us does something new to shift perceptions, we risk further erosion of the talent pipeline.

The [CAQ's Accounting+](#) initiative is an important effort supported broadly by the profession, with a focus on attracting diverse candidates to accounting and a track record of increasing interest among students. We also recognize that the current generation of students and future students are most influenced by social media, key influencers, and authentic information-sharing by those already in the profession, especially peers who are in the early stages of their careers. Amplifying our collective efforts via these channels will be critical.

Many employers, schools, and professional organizations already have successful volunteer programs in place. For example, the Accounting Opportunities Experience (AOE), a collaboration between state CPA societies and the AICPA, aims to raise awareness among high school students. In 2023, more than 900 accounting professionals presented at 690 schools across the country. Armed with presentations, hands-on activities, and training tools, these volunteers were able to tell their unique stories to nearly 24,000 students.⁷⁶



“Being able to share my passion for accounting and mentor future professionals is truly rewarding. Collaborating with these students not only allows us to promote the accounting profession but also fosters a sense of community and inspires the next generation of CPAs.” — Rachel Glasser, CPA, chair of the Texas Society of CPAs Branding and Community Outreach Committee

The Pipeline Pledge

Grassroot efforts to inspire students, support candidates, and engage employees can have a meaningful and measurable impact. NPAG is calling on everyone in the profession to take the Pipeline Pledge on accountingpipeline.org. The pledge is an individual commitment to take ideas from the National Pipeline Strategic Plan and further them in your organization and community to influence and grow the talent pool.

⁷⁶ AICPA, “[CPAs Inspire the Next Generation in High School Classrooms](#),” January 2024.

This is rewarding work and many in the accounting profession already participate in outreach activities such as Junior Achievement or Future Business Leaders of America (FBLA). Growing the volume of voices in middle schools, high schools, community colleges, and university campuses can have an immense impact on those considering career options.

But the Pipeline Pledge goes beyond student outreach. Ideas can include offering case studies to professors, amplifying stories of accounting careers in social media, undertaking a salary study for entry-level accounting talent at your firm or finance department, investing in unconscious bias learning for your team, finding out more about low-cost education offerings for the final 30 hours for your candidates, exploring [teaching resources](#), and so many more possibilities.

In the short term, success of the Pipeline Pledge will be measured by tracking the number of participants and, where possible, activities and students reached. A national campaign promoting the pledge in 2025 could help volunteers coalesce around specific goals, timed events, and data-driven messages, while building awareness among a wider audience.

Ready to help? Take the Pipeline Pledge.

Join a profession-wide effort to transform and grow the accounting talent pool. By [signing the Pipeline Pledge](#), you're making a commitment to participate in at least two activities that will positively impact the pipeline. Visit www.accountingpipeline.org/pledge today.



The Pipeline Pledge is intentionally broad and would encompass all stakeholders and include multiple tactics and resources. This broad approach would address several issues and misperceptions, including but not limited to:

- A career in accounting is often associated with either tax or audit. Efforts to address the image of accounting should highlight the range of options in accounting careers.
- What is the accountant's value to society? CPAs, of course, perform essential services for the entities they represent, but there is a deeper story — CPAs are

important to society as a whole and serve a role in protecting the public, for example, by protecting shareholders from fraud.

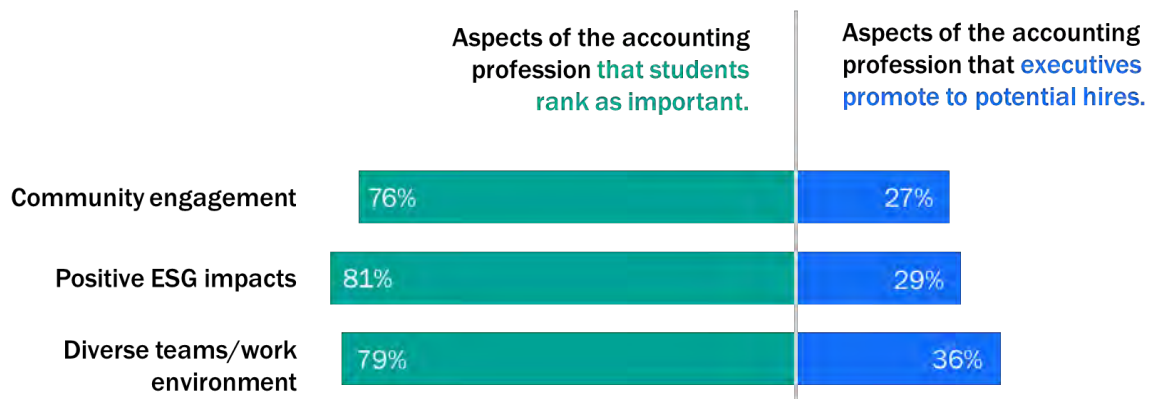
- The perception of accountants is often simplified to certain tasks, such as creating financial statements. The reality is that accountants and CPAs may be involved in exciting and fulfilling tasks, such as identifying financial crimes, supporting a company's profitability through revenue-generating opportunities, protecting taxpayers' interests, creating and executing financial plans, supporting complex business transactions, addressing sustainability measures within an entity, or even advancing the mission of not-for-profit or charitable organizations.

NPAG's hope is that this pledge will encourage more accountants to connect with their communities, reshaping perceptions about the profession one student, parent, or new accountant at a time.

Understanding disconnects

Some of the disconnects between accounting career perception and reality may stem from **outdated messages that no longer resonate with future talent**. For example, a 2023 survey by EY found that Gen Z prioritizes working for a company with positive environmental, social, and governmental (ESG) impacts, diverse teams, and community engagement opportunities. However, senior executives promote these aspects of their workplaces at much lower rates.⁷⁷

Perception gap between Gen Z and accounting executives



Source: [2023 Insights from the EY Accounting Professional of the Future survey](#)

⁷⁷ Dante D'Egidio, Ginnie Carlier, Becky Burke, "[How Gen Z insights are shaping the accounting profession of the future](#)," EY, November 2, 2023.

The timing of student outreach is as important as the message. NPAG's student survey found that 43% of students first heard about the CPA profession during their time in a four-year college or university, and only 13% of students first heard about the CPA profession before high school. Research consistently shows that middle school is the best time to start exposing students to potential careers. This is when children develop critical thinking and teamwork skills and are more receptive to exploring new interests.

Delivering the message in inclusive ways is also key. This presents another challenge. In a profession in which Black or African American and Hispanic or Latino/Latina representation among accounting graduates greatly lags their representation in the U.S. population, and the mismatch grows as accountants progress in senior roles, putting accountants of color in mentoring and awareness-building roles increases in difficulty. This highlights the need for those who represent majority groups to be active allies and advocate for underrepresented minorities and groups. It is also critical that efforts such as CAQ's Accounting+ program continue raising awareness of accounting among underrepresented communities. CAQ's research into root causes of pipeline challenges and diversity is critical to identifying needed change and effective messages.

And importantly, to tell a more compelling story, we need to build a better experience, from the classroom to the CPA Exam process to early workplace integration.

Recommendations in other areas of this report, and the work that others are doing to evolve the accounting profession, will help strengthen the value proposition accounting can offer students.

Enhance K-12 programs and funding, including gamification

When children play, they learn. Play-based learning allows students to find joy in exploring new topics, make sense of the world around them, and build essential lifelong skills.⁷⁸ That's why K-12 programs are increasingly leveraging hands-on activities to raise awareness about careers. NPAG supports gamification such as the popular Lemonade Stand (see sidebar), AICPA's Bank on It, or other games and simulations that may include competitions, awards, scholarships, and other prizes and recognition for participants and educators. A successful gamification strategy will include expanding the presence of these existing initiatives, while using them as an example and foundation of more to come.

Enhancing high school programming and the branding of accounting were two key areas identified at the 2023 American Accounting Association (AAA) and NABA Future Accountant Stakeholder Symposium.⁷⁹ Initial conversations with educators and firm leaders highlighted the success of immersive experiences, such as field trips and summer programs. After the symposium, stakeholders from across the profession formed working groups that aim to challenge outdated narratives, showcase accountants in unconventional roles, and foster partnerships that bring real-world examples into the classroom. These working groups are led by a group of sponsoring organizations that volunteered to progress this effort after the symposium.

⁷⁸ The Lego Foundation, "[Learning through play: what the science says](#)," accessed June 26, 2024.

⁷⁹ AAA and NABA, "[Future Accountant Stakeholder Symposium](#)," accessed June 26, 2024.



◀ Middle school students learn about entrepreneurship and accounting through a lemonade stand exercise, guided by Schoolcraft College and the Michigan Association of CPAs in 2024. Photo courtesy of Schoolcraft College.

The multistakeholder high school working group is conducting interviews with teachers to pinpoint their needs and help identify “impactful yet straightforward changes.” The findings may inform courses developed for high school teachers.

Successful programs, like CAQ’s Accounting+, are meeting students where they are: on social media and in classrooms. The national Accounting+ campaign and platform launched in 2022 to address diversity in the talent pipeline and raise awareness of an accounting career. In 2023, Accounting+ partnered with Everfi to launch a comprehensive, interactive digital learning experience for students nationwide. The learning resources aim to dispel myths about what a career in accounting is and is not, while revealing the many benefits that pursuing an accounting career can lead to.

This program has reached more than 110,000 high school students so far. Measurable outcomes include a 30% increase in students’ assessment scores from the beginning of the course to the end, indicating increased knowledge of the opportunities associated with accounting. By partnering with accounting organizations, media companies, and influencers, Accounting+ has increased awareness of accounting while providing students with invaluable resources and support.

Maintaining and growing effective awareness efforts requires extensive resources. **To continue enhancing these programs, professional organizations and employers must commit to securing funding for K-12 outreach.** For example, a broad collection of stakeholders is advocating for bipartisan bills that would allow existing K-12 STEM grant funding to be used for accounting education, with a focus on improving access for

underrepresented students.⁸⁰ Investing in STEM can help strengthen the talent pipeline by exposing more students to a career in accounting and finance, earlier. The same groups are exploring the feasibility of creating an online platform to consolidate and promote many of the aforementioned resources.

By working together, the profession can leverage these complementary solutions to reinforce inspiring messages across the student life cycle, spotlight diverse voices, and tell a more compelling story.

Gamifying accounting concepts and connecting to entrepreneurship

In “The Accounting Game: Basic Accounting Fresh from the Lemonade Stand,” authors Darrell Mullis and Judith Orloff have come up with a way to make the world of accounting a little more relatable.

Using a simple lemonade stand as the opening premise, the book, which can be used for hands-on classroom projects, teaches the basics of finance as students run their own lemonade stand, including raising capital and buying supplies. Over the course of the lemonade stand project, students reach their goal of creating a successful business, and along the way, learn how to track inventory, understand how to create income statements, and get a better understanding of cash flow and liquidity, while using that accounting knowledge in a real-life business with goals and rewards.

The Lemonade Stand project is highly aspirational — designed to give younger middle and high school students a solid impression of how accounting fits into the realm of business and entrepreneurship.

Schoolcraft College professor and NPAG member Michelle Randall, CPA, and the Michigan Association of CPAs have guided students, including middle school students, through lemonade stand exercises. Along the way, students discover the crucial role accountants play in business, while making positive connections with the profession.

Other potential strategies include the following:

Navigator app

Where do students find the information they need? Details about internships and scholarships, what career paths exist, and what the next step may be in obtaining licensure are all pieces of information that students need, and to find them today requires looking at multiple sources.

NPAG recommends development of a centralized “Navigator app,” to provide information from a single location in a “front door” format allowing easier access for students. The app could also provide a hub from which to communicate information to students and tell our

⁸⁰ AICPA, “[Accounting is STEM](#),” accessed June 26, 2024.

story — providing them with the information they need along the education, licensure, and exam application journey. If tied to state board of accountancy data, the app could track a candidate's progress, the remaining time they have to complete the CPA Exam before their credits expire, and advise them on the proper forms, application deadlines, requests for testing accommodations, and more. See the chapter titled “Increased support for CPA Exam candidates” for more on recommendations about simplifying exam application processes.

The app could also provide students with an online community of resources and support based on their individual situation. As part of this centralized approach to information, students looking for mentors — either from a pool of practicing accountants or other students currently navigating the same journey — could also benefit from a centralized location where they could make these connections and obtain customized support from their peers and from professionals.

In the NPAG student survey, the concept of a CPA Exam navigator app was one of the highest-ranking exam-related solution with 70% of student respondents seeing it as very effective. In an interesting show of generational differences, only 37% of national survey respondents saw this technology solution as being a very effective way to encourage students and graduates to sit for the CPA Exam.

CPA skills assessment

Skills assessments exist across many professions and across academia. They can form a starting point to give a student an idea of whether they have the skill set, or the potential, to succeed in a profession. In addition to assessing a student's fit and interest in certain accounting roles, a skills assessment could create a deeper understanding of the profession and may build interest in accounting careers.



Reigniting the spark

Working together, let's reignite the spark of excitement about careers in accounting and ensure a vibrant pipeline for years to come.

We must:

- Tell our story earlier, including reaching middle school and high school students.
- Engage with and amplify the programs already in place, such as CAQ's [Accounting+](#) and [Everfi](#) efforts, state society programs, [Junior Achievement](#), and [Future Business Leaders of America](#) (FBLA).
- Gamify student exposure to accounting in a way that illustrates the entrepreneurial nature of an accounting career and the many career pathways available.
- Reach out to underrepresented minority groups to build relationships and tell our story.
- Implement the many other recommended solutions within this report to ensure that we collectively have a better story to tell.
- Finally, take the Pipeline Pledge to make an individual or organizational commitment to drive change in your corner of the accounting profession now.

The power of parents

"Recognizing the significance of parental influence in students' career choices, the University of Scranton conducts on-campus and virtual sessions for parents. These sessions address parents' concerns regarding job stability and earning potential in the accounting field. **Additionally, they dispel misconceptions about accounting careers, such as the notion that analytics will replace accountants.**"

Source: AICPA report [Strategies for Boosting Accounting Enrollment](#)

National and student surveys: Guiding the strategy

Our pipeline strategy hinges on listening and learning from those who have a stake in the future of accounting, including working professionals and students. The national and student surveys are playing a leading role in shaping the National Pipeline Strategic Plan priorities.

The insights we have gained from these two surveys have been invaluable in giving us a deeper understanding of the expectations of students and younger accountants just entering the workforce, along with viewpoints from academics and professionals from every state and all business segments.

The response has been overwhelming, exceeding our expectations, with nearly 5,900 responses to the national survey and 2,000 to the student survey. Feedback, personal insights, anecdotes, and 1,600 poll responses gathered through dozens of forums and focus groups have likewise been essential to the development of our plan.

An independent research group, Meridian Research & Insights, designed and wrote the surveys with NPAG's objectives in mind and input throughout the process. The surveys were conducted from February 29 through May 3, 2024.

The survey tested perceived effectiveness of solutions in areas including:

- Awareness building and attraction to accounting
- Brand, image, and overall solutions
- Employer talent strategies
- The CPA Exam
- CPA licensure requirements

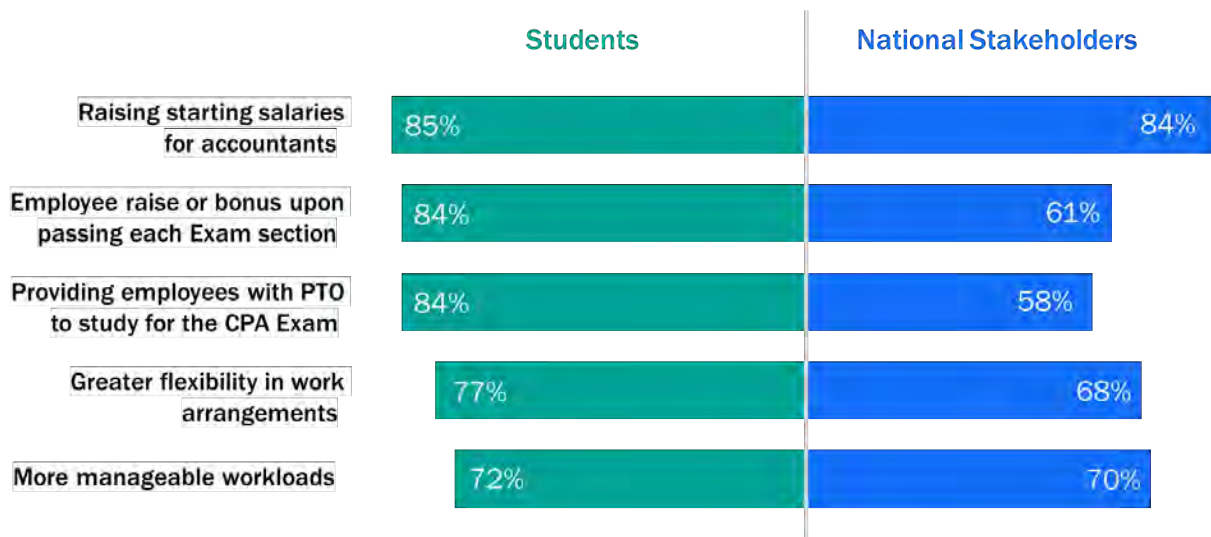
Addressing the lack of competitive starting salaries ranked as the most supported solution among students (85%) and stakeholders (84%) alike. Other top recommendations for both students and stakeholders include more manageable workloads and greater flexibility (see chart below).

Making high school students more aware of the opportunities that await them, and raising the appeal of the profession among those students, was one of the most positively rated attraction-related solutions. Several CPA Exam-related solutions also received positive responses. Among those solutions were allowing candidates to take sections of the exam after finishing relevant coursework and encouraging employers to provide paid time off to study for the exam. Educators and direct hiring managers were less enthusiastic than younger stakeholders and students were about these solutions.

NPAG discussed dozens of solutions, and the survey data has helped us prioritize those solutions. The thousands of people who completed the surveys will ultimately help NPAG, all stakeholders, and the profession develop and further refine the game plan around talent.

This side-by-side snapshot shows some differences between how students and working professionals perceive different solutions. In particular, this chart highlights solutions that 70% or more of students rated as “very effective.”

Student and professional perceptions on most effective strategies



Moving forward: Now is the time to act

In developing this strategy report, NPAG's goal has been to gain a comprehensive, data-driven understanding of the root causes of the talent shortage and propose effective and actionable solutions to grow the accounting pipeline. As much passion and commitment as NPAG members have around the solutions contained in this report, NPAG itself is not an implementing body. The intention now is for key stakeholders to take up the solutions in this plan that they can most affect and then test, build upon, and implement them.

Our hope is that the strategies and the results they produce will be transparently reported back to the profession, so we can learn and grow together. Ideally, this will be done in a closely coordinated manner, with the profession's many associations working together, in high-functioning collaboration — and not competition — to leverage each other's experience and resources to the benefit of the profession as a whole.

One thing is clear to NPAG's members: Today's — and especially tomorrow's labor market requires innovation, and what we've done in the past is unlikely to move the needle in the future.

The facts are before us. We are faced with a fundamental conflict: there are fewer students pursuing accounting as a major. At the same time, the demand for skilled accountants and CPAs is strong and projected to grow, even with technological and other efficiency innovations.

Embracing change and problem-solving are cornerstones of the accounting profession's long-term success.

Working together and moving swiftly, the profession can tackle its talent shortage. Stakeholders must choose coordination over duplication and find areas in which they can cooperate and not compete. Individuals must realize the personal impact they can make by taking the [Pipeline Pledge](#) and pursuing some of the specific activities the pledge and the NPAG strategy report call for in the next year. Each of us can truly make a difference if we take responsibility and initiate action ourselves.

How will we know if we are making progress? NPAG has identified a handful of high-level indicators that it suggests should be monitored regularly and reported in an annual public scorecard. Those potential measures include:

- Number of students selecting accounting as a major
- Number and percent change of students graduating with an accounting degree
- Number of newly licensed CPAs
- Retention rate of accounting professionals within firms and finance departments
- Percentage of accounting majors who sit for the CPA Exam

- Share of business bachelor's degrees going to accounting majors
- Proportion of CPAs from underrepresented groups, as compared to the overall U.S. population

To build momentum, the profession's leaders must come together to identify the first-year strategies on which to focus and agree on what success will look like for each strategy. Then, they should agree on which initiatives they own and which they will play a supporting or amplifying role in. Cross-profession working groups could be formed in areas that lack them to bring the collective resources and wisdom of the many accounting stakeholder groups together to implement solutions. Plans, progress, and results should be reported semiannually at key accounting profession meetings and conferences to ensure transparency, buy-in, and support.

The accounting profession offers so much — it is technology-forward, people-centric, stewardship-minded, profitable, and difference making to name just a few of its attributes. Today is the day that we must coalesce around lasting solutions and bring more people into this amazing profession.

Tell us what you think.

Share your thoughts, ideas, and questions with the National Pipeline Advisory Group through [this form](#).



Appendix

AICPA Resolution

The May 2023 AICPA governing Council resolution that sparked the creation of the National Pipeline Advisory Group read as follows:

WHEREAS, Council recognizes that the CPA profession, through its rigorous licensing requirements and unwavering commitment to quality and to protecting the public interest, is vital to the financial welfare of capital markets, communities, and businesses; and

WHEREAS, Council acknowledges that changing demographics, advancing technologies, firm structure changes and market conditions will continue to impact the profession, and therefore recognizes the need for continuing a thoughtful strategic process to engage and drive robust, forward-looking discussions with members, state society leaders and firm leaders focused on the complex pipeline challenges and proposed solutions, as well as the pathways and requirements of CPA licensure; and

WHEREAS, Council is committed to preserving mobility for licensees, a critical element of the system of state licensure allowing CPAs to practice across licensing jurisdictions; and

WHEREAS, Council acknowledges the need to provide flexibility to attract candidates from all backgrounds into accounting, including CPA licensure; and

WHEREAS, Council believes the profession is most effective when it works together to resolve challenges that the profession faces; now

BE IT RESOLVED, That Council believes the building of a strong pipeline into the CPA profession requires a range of solutions and, therefore supports the strategic direction and evolving initiatives contained in the Pipeline Acceleration Plan.

BE IT FURTHER RESOLVED, That Council believes the AICPA has the role and responsibility to continue to convene ongoing collaborative discussions among stakeholders, including state CPA societies, employers, regulators, educators and others; and

BE IT FURTHER RESOLVED, That Council believes the discussion should encompass key components of licensure, including substantial equivalency; and

BE IT FURTHER RESOLVED, That Council believes this collaborative process, convened by and through the AICPA, should result in a continuous research-driven national pipeline strategy that, among other things, addresses the image of the profession in the eyes of students as well as educational and experience requirements, and outlines short and long-term initiatives and actions that result in measurable outcomes to address the profession's ongoing and evolving human capital needs and priorities. Beginning with the October 2023 AICPA Council meeting, the national strategy and related initiatives will be reported on regularly.

How NPAG approached its work

The National Pipeline Advisory Group's (NPAG) mission is to increase the number of people who choose a career in accounting, thereby increasing the number who go on to become licensed.

NPAG comprises a diverse group of stakeholders that include academics, practitioners from firms of a variety of sizes and disciplines, finance and accounting professionals, regulators, and state society executives representing all corners of the profession. The group is facilitated by ConvergenceCoaching®, LLC.

During the planning process, the group has undertaken the following:

- **Established core values** that served as guiding principles for the group, including transparency, authenticity and openness to all options.
- **Defined the scope** as inclusive of the entire accounting profession, not solely CPAs.
- **Established that the group is independent** of the AICPA, with the AICPA having a seat on NPAG and supplying staff and funding to support the group.
- Identified seven life stages within the accounting pipeline:
 - Middle school through high school
 - College to graduation
 - Preparing for and passing the CPA Exam
 - Getting licensed as a CPA
 - Employment of one to five years
 - Employment of six plus years
 - Late-stage career to retirement
- **Narrowed the focus of the National Pipeline Strategic Plan to the first five life stages**, from middle school through the first five years of employment. Some might feel that “pipeline” ends when early candidates enter the workplace, but NPAG determined that the degree of engagement and satisfaction early-stage career accountants experience directly affects the story told in the marketplace about careers in accounting. The first years of employment can influence pipeline outcomes positively or negatively. NPAG also determined that the challenges and opportunities of mid- and late-stage career accountants were too deep to properly consider during its limited period of study.
- **The group identified a high-level planning process** to include:
 - An assessment of macro market drivers and profession-related barriers and opportunities related to the pipeline
 - Studying primary research and talking to profession stakeholder groups to identify the root cause issues driving “leakage” in the pipeline of candidates
 - Developing solutions for the most significant pipeline challenges
 - Testing those solutions with independent research and socializing the ideas with various stakeholders to get their feedback

- Refining the solutions to be included in the draft strategic plan report
 - Drafting the strategic plan
 - Presenting the draft plan at AICPA Council for feedback in May 2024
 - Incorporating Council and other feedback and finalizing the plan in July 2024.
- **As part of its current state assessment, NPAG created a list of roughly 100 stakeholder groups and associations influencing the pipeline.** Committed to be inclusive and to listen to and learn from as many stakeholder groups as possible, NPAG representatives first launched a discussion with state CPA society executives in July 2023.
- **NPAG also met with:**
 - Association leaders from state societies with various perspectives on pipeline solutions
 - Leaders from the American Accounting Association (AAA), the Center for Audit Quality (CAQ), and NABA
 - The National Commission on Diversity and Inclusion (NCDI)
 - The Major Firms Group and the G400 (roughly the 500 largest U.S. CPA firms)
 - Several AICPA senior committees representing all areas of practice
 - The leaders of various state boards of accountancy and the National Association of State Boards of Accountancy (NASBA)
 - Leadership of the National Council of Architectural Registration Boards (NCARB) to learn about architecture's licensure modernization process
- **Explored all available pipeline research, focusing on independent, primary research sources,** ultimately reviewing at least 25 studies and data sources, including studies from the Center for Audit Quality (CAQ), the Institute of Management Accountants (IMA) and California Society of CPAs (CalCPA), the AICPA, the Illinois Society of CPAs, the Pennsylvania Institute of CPAs, Wiley, MIT Sloan School of Management and more. ConvergenceCoaching summarized the research, and NPAG identified data-driven common themes that resonated from multiple research sources.
- **NPAG collaborated with state CPA societies, many of which conducted forums and focus groups on the talent pipeline.** An online poll was created in late summer 2023 to assist the state societies in testing some of NPAG's early ideas and to identify barriers to entry in the accounting profession. **The effort generated nearly 1,600 poll responses,** which helped clarify root-cause issues driving decline in the pipeline.
- **NPAG formed working groups to study and prioritize the root cause issues driving leakage** at various pipeline life stages and generate potential solutions on barriers where they might have the most impact. The working groups were:
 - Pre-college (middle school to high school) — Chaired by [Michelle Randall](#)
 - College to Graduation — Chaired by [Jeannine Birmingham](#)

- CPA Licensure, called the Substantial Equivalency Working Group — Chaired by [Shelly Weir](#)
 - National Survey Working Group to oversee the Feedback and Focus Group data gathering and spearhead the national survey effort — Chaired by [Jodi Ann Ray](#)
 - NCDI, which served as an NPAG working group to identify causes of underrepresentation in the profession and suggest potential solutions — Co-led by [Kimberly Ellison-Taylor](#) and [Ken Bouyer](#).
- **NPAG then developed a super set of more than 50 solution ideas**, some that are expected solutions and others that are bold concepts. Creating the solutions led NPAG to organize the solutions into six thematic areas that form the foundational structure of this report:
 - Telling a more compelling story about careers in accounting
 - Creating a more engaging college experience for accounting majors and potential accounting majors
 - Reducing the time and cost of education
 - Growing support for CPA Exam candidates
 - Identifying ways to attract and retain more underrepresented minorities and groups to careers in accounting
 - Transforming the cultures and business models of employers to enhance the experience of the first five years of employment
- **NPAG refined solution ideas** and chose solutions where the most feedback was needed for inclusion in the national or student surveys.
- **NPAG partnered with Meridian Research & Insights to develop two survey instruments**, the first to assess solutions with the entire profession excluding students, the second survey to test solutions among business and accounting majors in community colleges, colleges, and universities. It should be noted that the NPAG national and student surveys were unique in that they evaluated solutions rather than focusing on barriers or challenges.
- While fielding the survey, members of **NPAG socialized ideas and gathered feedback from the AICPA Regional Council** and other stakeholder groups in March and April 2024.
- NPAG used the feedback from the AICPA Regional Council and interim results from the national survey and the student survey to further refine ideas for inclusion in this report. In June and July, NPAG studied the full results from the 7,900 respondents who participated in the national and student surveys.
- After publishing a draft strategic plan report on May 14, members of NPAG spoke about the findings and recommendations with more than 14,000 people in meetings and conference sessions. Individuals and groups submitted comments and questions on the draft report through those events or a form on the NPAG website through July 1. Given the importance of inclusivity, feedback and data, responses received from all avenues were carefully reviewed, and where possible, incorporated by NPAG as it produced this final report.

The quest to reduce the time and cost of education

The NPAG Substantial Equivalency Working Group had a goal to develop a bold and broadly accepted proposed solution to evolve licensure while protecting substantial equivalency and mobility, addressing education cost and time barriers, and upholding the high standards of the license, which is a component of protecting the public interest. The group tasked itself with finding a proposed solution and establishing a more transparent process by which input can be provided to the Uniform Accountancy Act (UAA) Joint Committee, which oversees the accounting profession's model law and rules.

Against the backdrop of an increasingly polarizing and visible national debate on education requirements for licensure, the working group sought to understand options for decreasing the cost and time of the additional 30 hours of education required for CPA licensure. While the AICPA Council resolution (see appendix) called for a strategic plan of pipeline growth strategies that still preserve mobility, the working group explored all possible options, including those that would not preserve mobility as it is today.

The Substantial Equivalency Working Group process included:

- Acknowledging individual and stakeholder biases that each member held
- Diving deep into learning about CPA licensure, including substantial equivalency among states, reciprocity, and mobility. The law firm Gibson, Dunn & Crutcher assisted the Working Group in developing its understanding of state laws and rules surrounding CPA licensure, and the three Es (education, exam, and experience) for licensure.
- Learning about the national climate related to licensure of all trades and professions, as well as studying trends related to education and licensure transformation and modernization.
- Monitoring the changing environment to assess potential impacts to substantial equivalency and mobility.
- Brainstorming all possible options under which mobility would be preserved and under which mobility would be affected.
- Creating an approach to modernizing the license that would include some mobility-affecting options and some that have low to no risk to mobility.
- Socializing the approach with the Professional Licensure Task Force (PLTF) of NASBA, the AICPA Regional Council, and testing some of the concepts in the national survey.
- Working with the PLTF of NASBA to form a new joint group to study PLTF ideas and the Substantial Equivalency Working Group concepts in the hopes of identifying the best and most unified way to address the time and cost of education and modernize the license for the future.

While addressing the framework of licensure will not be a silver bullet or panacea for solving pipeline challenges, it is a critical area and NPAG has devoted significant time to its analysis and looking for ways forward for the profession. We have devoted a section of this report to the issue of future-proofing licensure and addressing the time and cost of the

education required for licensure. Work on evolving licensure will continue among key stakeholders following NPAG's final report in July.

The NPAG process was thoughtful, deliberative, data driven, and inclusive. Throughout the nearly year-long process, the group coalesced, listened carefully to each other, other stakeholders, and the feedback they gathered. Members learned and nearly every participant would say that their eyes were opened to new realities and possibilities. From this work, NPAG members are hopeful. NPAG is grateful to all who generously contributed to this intensive and instructive process.

NPAG process by the numbers:

- 22-member group hailing from 15 states
 - 5 state society chief executives
 - 5 public accounting firm members from firms of varying sizes, disciplines, and geographies
 - 3 academics, including community college, university, and adjunct educator representatives
 - 2 business and industry members
 - 2 regulatory community representatives
 - 2 governmental relations representatives
 - 1 firm diversity, equity, and inclusion leader
 - 1 consultant
 - 1 UAA committee member
 - 1 AICPA representative

Note: The number exceeds 22 due to dual roles of certain members.
- 2 AICPA Council updates and feedback gathering sessions
- 3 CPA Society of Executives Association (CPA SEA) events
- 5 working groups
- 10+ focus groups including firms / firm associations, senior AICPA committees, state board of accountancy leaders, and others
- 25+ research reports studied
- 58 initial solution ideas (strategies and tactics) created
- 100+ stakeholder groups identified
- 1,600 focus group and forum feedback inputs
- 5,900 national survey respondents
- 2,000 student survey respondents
- 60 online draft report comments with about 10 direct email and letter comments

NPAG survey demographics

National stakeholder survey

The online national stakeholder survey was open from February 29-May 3, 2024. Note: 301 respondents took an early, in-person version of this survey, which did not include a handful of demographic questions.

Age	Count	% of total sample
18-34	1,014	17.2%
35-54	2,547	43.3%
55+	2,324	39.5%
Total	5,885	100.0%

Ethnicity	Count	% of total sample
White/Caucasian	4,845	82.3%
Black/African American	171	2.9%
Hispanic/Latino/Latina	223	3.8%
Asian/Pacific Islander	241	4.1%
Other (American Indian, Other, 2+ ethnicities)	110	1.9%
Prefer not to answer	295	5.0%
Total	5,885	100.0%

Employment status	Count	% of total sample
Work full-time for an employer	3,979	67.6%
Work part-time for an employer	251	4.3%
Self-employed	947	16.1%
Retired	347	5.9%
Unemployed or not employed	60	1.0%
No data (respondents from in-person meetings)	301	5.1%
Total	5,885	100.0%

Employer	Count	% of total sample
Public accounting firm	2,941	50.0%
For-profit company (business & industry)	990	16.8%
Educational institution	498	8.5%
Government agency	217	3.7%
Not-for-profit organization	325	5.5%
Other	206	3.5%
Not employed	407	6.9%
No data (respondents from in-person meetings)	301	5.1%
Total	5,885	100.0%

Size of organization (number of employees)	Count	% of total sample
1 (just you)	268	4.6%
2 to 9	645	11.0%
10 to 19	382	6.5%
20 to 99	993	16.9%
100 to 999	1,550	26.3%
1,000 to 4,999	644	10.9%
5,000 to 9,999	233	4.0%
10,000 to 24,999	162	2.8%
25,000 to 99,999	128	2.2%
100,000 or more	129	2.2%
Don't know	43	0.7%
Not employed	407	6.9%
No data (respondents from in-person meetings)	301	5.1%
Total	5,885	100.0%

Respondents employed by public accounting firms:

Size of public accounting firm	Count	% of respondents in public accounting
1 (just you)	159	5.4%
2 to 9	479	16.3%
10 to 19	285	9.7%
20 to 99	627	21.3%
100 to 999	873	29.7%
1,000 to 4,999	263	8.9%
5,000 to 9,999	95	3.2%
10,000 to 24,999	45	1.5%
25,000 to 99,999	34	1.2%
100,000 or more	74	2.5%
Don't know	7	0.2%
Total	2,941	100.0%

Respondents employed by academic institutions:

Type of educational institution	Count	% of respondents at educational institutions
Pre-college	10	2.0%
2-year college, community college, or junior college	32	6.4%
4-year college or university	444	89.2%
Other	12	2.4%
Total	498	100.0%

Are you currently or have you ever been an actively licensed CPA?	Count	% of total sample
I currently have an active CPA license	4,338	73.7%
I used to have an active CPA license but no longer do	303	5.1%
I have never had an active CPA license	943	16.0%
No data (respondents from in-person meetings)	301	5.1%
Total	5,885	100.0%

Hiring decision-making	Count	% of total sample
I have decision-making responsibility with regard to hiring accounting professionals	2,146	36.5%
I provide input, but do not make final hiring decisions	1,604	27.3%
I am not involved in hiring accounting professionals at my organization	1,130	19.2%
Not applicable	297	5.0%
Not employed	407	6.9%
No data (respondents from in-person meetings)	301	5.1%
Total	5,885	100.0%

Regulator status	Count	% of total sample
Work or volunteer for an agency/organization that regulates or sets standards for the accounting profession	553	9.4%
Do not work or volunteer for an agency/organization that regulates or sets standards for the accounting profession	5,031	85.5%
No data (respondents from in-person meetings)	301	5.1%
Total	5,885	100.0%

Does your organization have any CPAs who work or serve clients across state lines, or who work in multiple states (virtually or in-person)?	Count	% of total sample
Yes	3,287	55.9%
No	1,676	28.5%
Don't know	214	3.6%
Not employed	407	6.9%
No data (respondents from in-person meetings)	301	5.1%
Total	5,885	100.0%

National student survey

The online student survey was open from February 29-May 3, 2024. The survey was open to all current business and accounting majors.

Age	Count	% of total sample
20 or younger	677	32.7%
21 to 24	1,002	48.4%
25 or older	393	19.0%
Total	2,072	100.0%

Gender	Count	% of total sample
Female	1,044	50.4%
Male	988	47.7%
Non-binary/non-conforming	20	1.0%
Other	1	0.0%
Prefer not to say	19	0.9%
Total	2,072	100.0%

Ethnicity	Count	% of total sample
White/Caucasian	1,297	62.6%
Black/African American	130	6.3%
Hispanic/Latino/Latina	269	13.0%
Asian/Pacific Islander	229	11.1%
Other (American Indian, Other, 2+ ethnicities)	108	5.2%
Prefer not to answer	39	1.9%
Total	2,072	100.0%

School type	Count	% of total sample
2-year college, community college, or junior college	103	5.0%
4-year college or university	1,969	95.0%
Total	2,072	100.0%

Enrollment status	Count	% of total sample
Full-time	1,888	91.1%
Part-time or half-time	184	8.9%
Total	2,072	100.0%

Degree program	Count	% of total sample
Associate's degree	108	5.2%
Bachelor's degree	1,245	60.1%
Combined bachelor's/master's degrees	356	17.2%
Master's degree only	341	16.5%
Other post-graduate degree (Ph.D., MD, JD, LL.M., etc.)	9	0.4%
Not currently working toward a degree	13	0.6%
Total	2,072	100.0%

Major (select up to 2)	Count	% of total sample
Accounting*	1,924	92.9%
Business*	340	16.4%
Data Science	16	0.8%
Economics	31	1.5%
Finance	234	11.3%
Financial Mathematics	1	0.0%
Information Systems or Management Information Systems	82	4.0%
Marketing	24	1.2%
Other	73	3.5%
Total	2,072	100.0%

*Respondents must have selected accounting or business to qualify for the study.

Accounting double majors	Count	% of accounting majors
N/A (Accounting single major)	1,325	68.9%
Business	192	10.0%
Data Science	16	0.8%
Economics	28	1.5%
Finance	216	11.2%
Financial Mathematics	1	0.1%
Information Systems or Management Information Systems	74	3.8%
Marketing	9	0.5%
Other	63	3.3%
Total	1,924	100.0%

Class year	Count	% of total sample
Freshman (2- or 4-year school)	73	3.5%
Sophomore (2- or 4-year school)	318	15.3%
Junior (4-year school)	520	25.1%
Senior (4-year school)	698	33.7%
Fifth year or above (4-year school)	100	4.8%
N/A* (graduate students or non- matriculating students at 2- or 4-year school)	363	17.5%
Total	2,072	100.0%

*Question was not asked of respondents in graduate degree-only programs or non-matriculating students.

NPAG Members



Lexy Kessler, CPA, CGMA
NPAG Chair

Mid-Atlantic regional leader, Aprio; board member, AICPA; past chair, Maryland Association of CPAs



Jeannine Birmingham, CPA, CAE, CGMA

President and CEO, Alabama Society of CPAs



Ken Bouyer, CIA

EY Americas DEI recruiting leader; AICPA National Commission on Diversity & Inclusion



Susan Coffey, CPA, CGMA

CEO of Public Accounting, AICPA



Daniel J. Dustin, CPA

President and CEO, National Association of State Boards of Accountancy (NASBA)



Joe Falbo, CPA, CGMA

Partner at Cohen & Company; past president of the New York State Society of CPAs



Jonathan Hauser, CPA

Tax partner at KPMG and immediate past chair of the Illinois CPA Society



Angela Ho, CPA, CGMA

Chief compliance officer, OceanFirst Bank



Kathy Johnson, CPA, CFF, CGMA

Vice president, J.S. Held; adjunct professor, California State University, San Bernardino; past chair, California Society of CPAs



Lori Kaiser, CPA, CGMA

Founder and CEO of Kaiser Consulting, LLC; past chair, Ohio Society of CPAs



Elizabeth (Betsy) Krisher, CPA

Chairman, Maher Duessel CPAs; immediate past president of the Pennsylvania Institute of CPAs board



Allen Lloyd, CAE

Executive director, Montana Society of CPAs

NPAG Members



Thomas Neill, CPA (retired)

Uniform Accountancy
Act committee chair



Michelle F. Randall, CPA, CGMA

Accounting professor,
Schoolcraft College; past
chair of the Michigan
Association of CPAs



Jodi Ann Ray, CAE

President and CEO,
Texas Society of CPAs



Marcus Rayner

Managing Director, U.S.
Public Policy at PwC



Rick Reisig, CPA

Principal, Pinion, LLC;
past chair, NASBA



Kimberly Scott, CAE

President and CEO,
Washington Society
of CPAs



Lindsay Stevenson, CPA, CGMA

Chief transformation
officer, BPM; board
member, AICPA



Mark Taylor, CPA

Director, University of South
Florida's Lynn Pippenger
School of Accountancy;
2023-24 president, American
Accounting Association (AAA)



Emily Walker, CAE

Vice President of advocacy
and pipeline, Virginia
Society of CPAs



Shelly Weir

President and CEO,
Florida Institute
of CPAs



Jennifer Wilson

Partner and co-founder,
ConvergenceCoaching, LLC,
NPAG third-party facilitator

**National Pipeline
Advisory Group**

National Pipeline Strategy

NASBA Eastern Regional
June 5, 2024

Lexy Kessler, CPA, CGMA, Aprio
Chair, National Pipeline Advisory Group



Putting the Council resolution into action



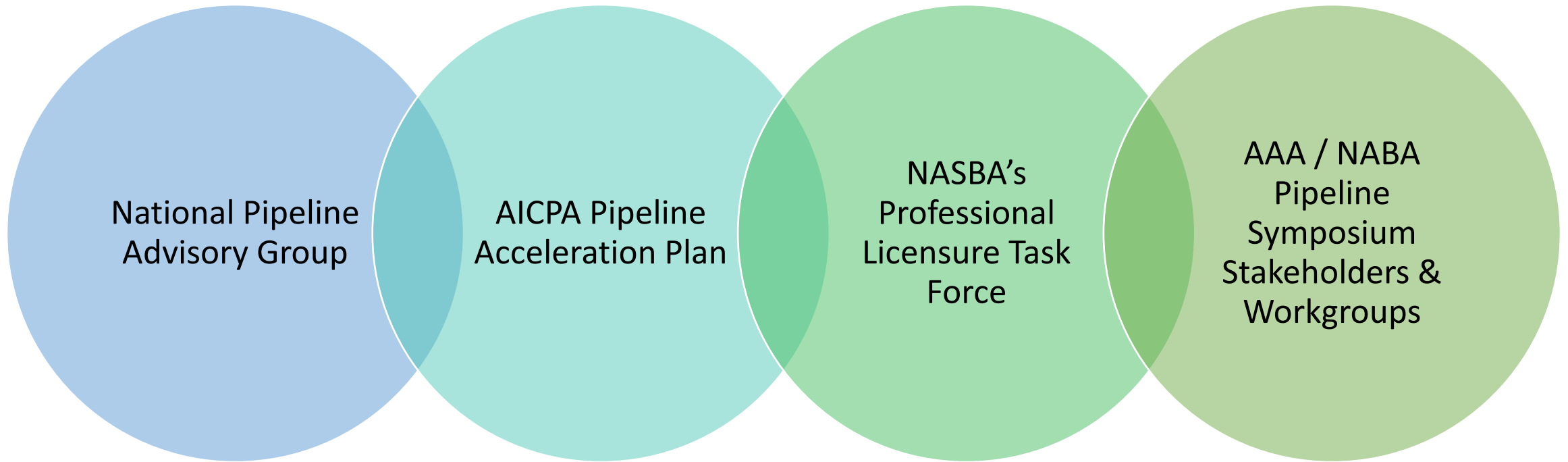
The May 2023 AICPA Council resolution called for:

- Continued implementation of the Pipeline Acceleration Plan evolving initiatives
- To convene a research-driven, highly collaborative and inclusive national pipeline initiative that includes key components of licensure, including substantial equivalency



Why was the NPAG
created?

Distinct but complementary pipeline efforts underway



Pipeline Acceleration Plan: Addressing root causes



Experience, Learn & Earn Program



Addressing firm culture and business model challenges



30-hour communication campaign



Extending 18-month exam window



Examining Uniform Accountancy Act variances



High school and college strategies



STEM recognition



AICPA Foundation and scholarships



Expansion of 529 funds to CPA Exam costs



Government audit and finance collaboration



Best practices for offshore talent



Image campaign

Resources for firm culture and business model transformation

PCPS “[Transforming Your Business Model](#)” project provides ongoing resources that support and enable changes within firms to create cultures that attract, retain, and develop talent.

Five main areas:

- Strategy
- Talent
- Service offerings
- Technology
- Governance

Resources will be continually added so check back often.



The National Pipeline Advisory Group represents:



9 13
Men Women



State
Societies



Big 4



Large Firm



Midsize Firm



Small firm



NASBA



Academics
& AAA



Semi-retiree



Diversity, equity,
& inclusion
leaders



Former board of
accountancy
member



AICPA



Leadership
Academy
graduates



Business
and
Industry



Tax
practitioners



UAA
Committee



Forensic
accountant



Consultants

NPAG members



Jeannine Birmingham, CPA,
CAE, CGMA



Ken Bouyer, CIA



Susan Coffey, CPA, CGMA



Daniel S. Dustin, CPA



Joe Falbo, CPA, CGMA



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Kathy Johnson, CPA, CFF,
CGMA



Lori Kaiser, CPA, CGMA



Lexy Kessler, CPA, CGMA



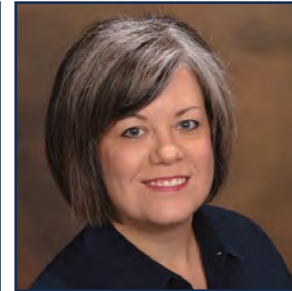
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Marcus Rayner



Rick Reisig, CPA



Kimberly Scott, CAE



Lindsay Stevenson, CPA,
CGMA



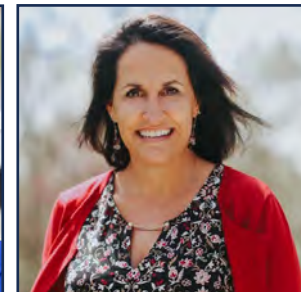
Mark Taylor, CPA



Emily Walker, CAE



Shelly Weir



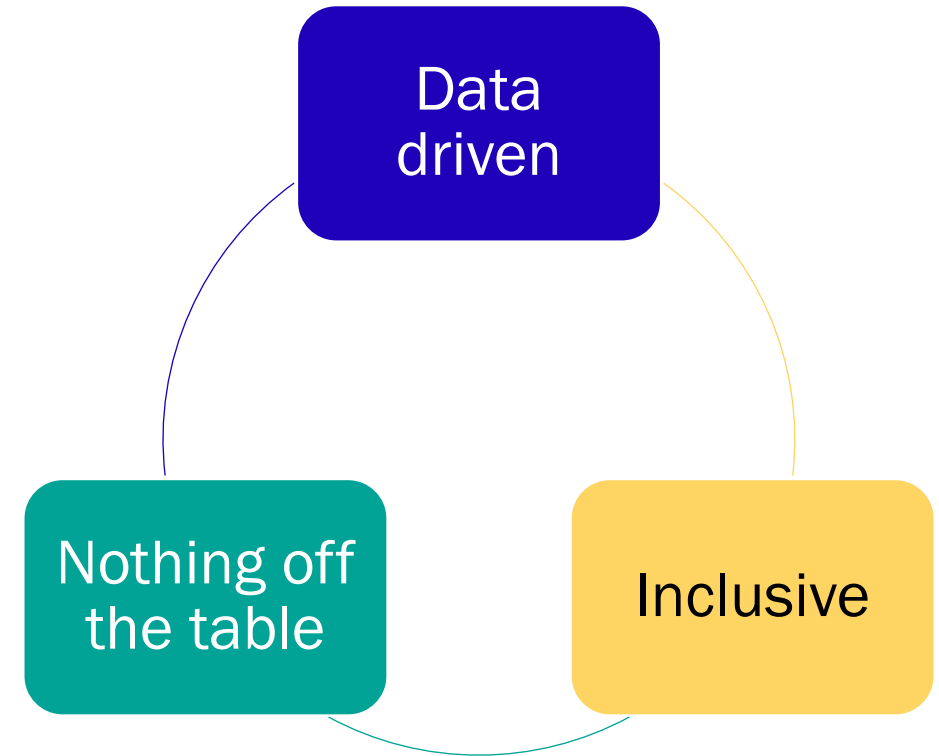
Jennifer Lee Wilson

National Pipeline Advisory Group

NPAG has:

- Developed a slate of potential strategies based on 3rd party research, polls, forums, and member discussions
- Conducted a national survey asking the entire accounting profession to weigh in
- Conducted a student survey
- Published its draft report

Key core values



NPAG by the numbers



1,600

poll responses at fall
forums



5,800

working professionals
heard in stakeholder
survey



2,000

accounting and
business students
heard in student survey



25+

research reports,
surveys reviewed

Changes in academia seem to be on the horizon



The Push for a 3-Year Bachelor's Degree

Representatives from a dozen colleges met at Georgetown University last week to discuss three-year bachelor's degree pilot programs. Their ambitions are grand, but the future is uncertain.

The Washington Post

Momentum builds behind a three-year degree to lower college costs

Skepticism about the cost and duration of a higher education drives a need for speed

Indiana CAPITAL CHRONICLE

Bill to expand Indiana college credit and degree options heads to governor's desk

The sweeping legislation – amended in the final days of the session – intends to get more Hoosiers credentialed.

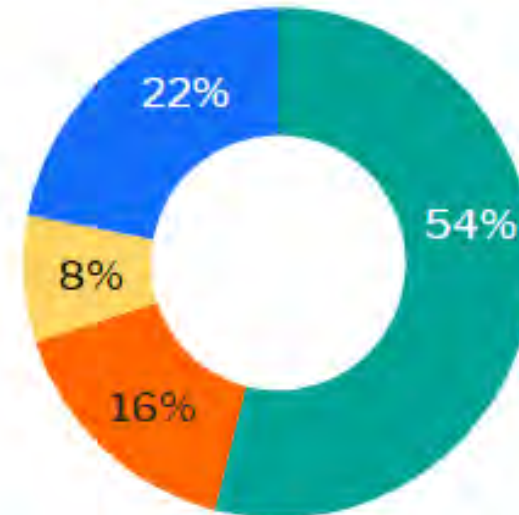
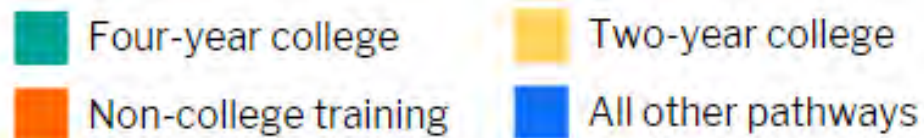
Forbes

Has The Time For Three-Year College Degrees Finally Arrived?

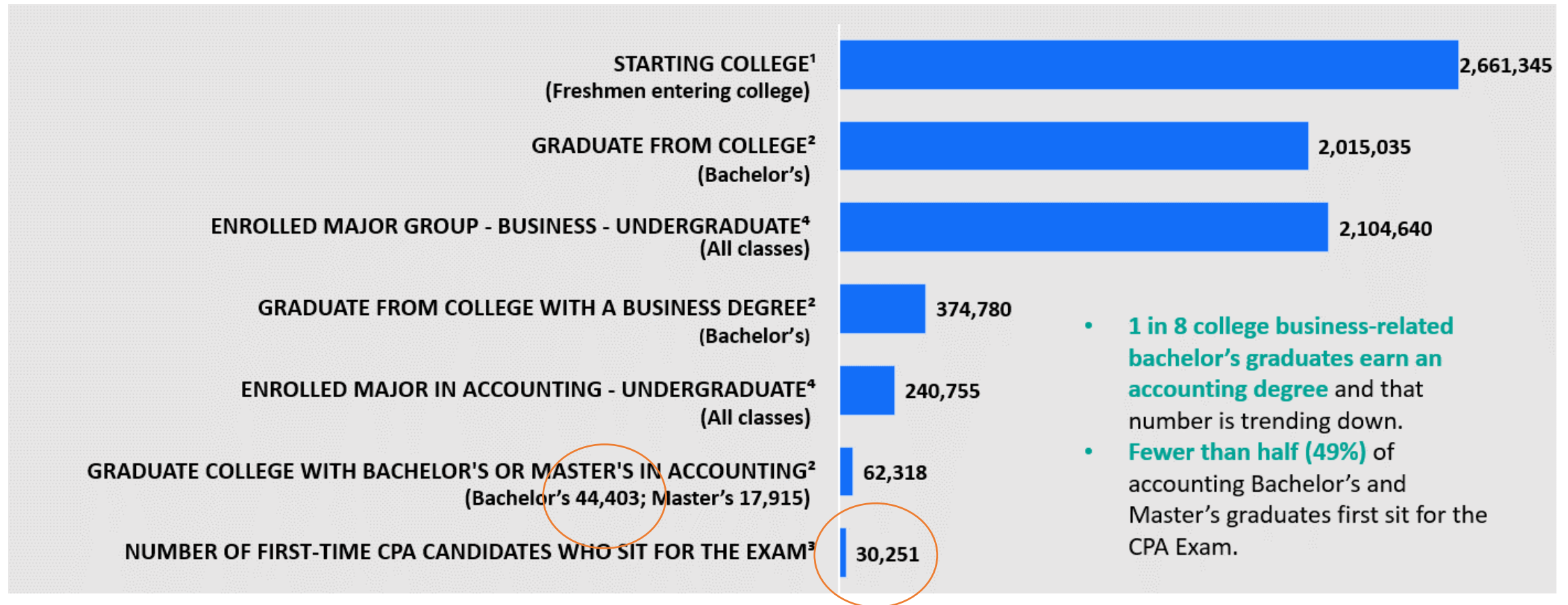
Shifts in educational preferences are happening

Parental preferences

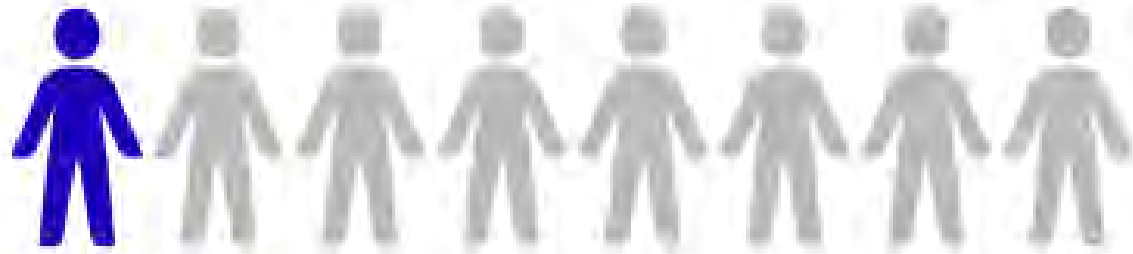
When asked about their ideal scenarios with no barriers or limitations, **46% of parents favored something other than a four-year college** for their children after high school.



Examining the pipeline funnel



Source: ¹NCES/IPEDS 2022 Table 305.10 Total Fall Enrollment of 1st Time Degree Certificate Seeking Students, ²NCES/IPEDS 2021-22 Degrees/Certificates by Field of Study; ³AICPA 2023 Trends Report; ⁴2023 Fall National Clearing House Current Term Enrollment Estimates Report



Only **1 in 8 business majors** graduates with a bachelor's degree in accounting.

A few of the strategies NPAG is recommending



Tell a more **compelling story**

Grassroots campaign to enhance the image of accounting

Gamification



Address the cost and time of **education**

Experiential learning post bachelor's

Competency-based model



Make the **academic experience** more engaging

Retool intro to accounting

Enhance support at risk students



Provide better support to CPA exam **candidates**

Allow students to take Exam sections immediately after coursework

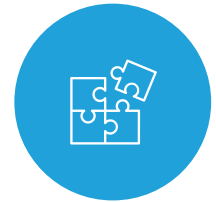
Offer paid time off to study for the Exam



Enhance employee experience

Offer competitive starting salaries

Commit to manageable workloads



Expand paths for under-represented

Help transition students from community college to 4-year

Scale up college immersion programs

Addressing the time and cost
of education

Four key ideas in the recommendations

1

Intentional,
coordinated
approach to
mitigate risk

2

Moving away
from specified
credit hours

3

Moving to
measuring
competency

4

Quality and
readiness of
new hires

Additional education concepts for licensure

GROUNDING IN A COMMON COMPETENCY FRAMEWORK

CPA Exam **is required**



MOBILITY RISK
Requires intentional, coordinated campaign to mitigate impact on interstate practice.

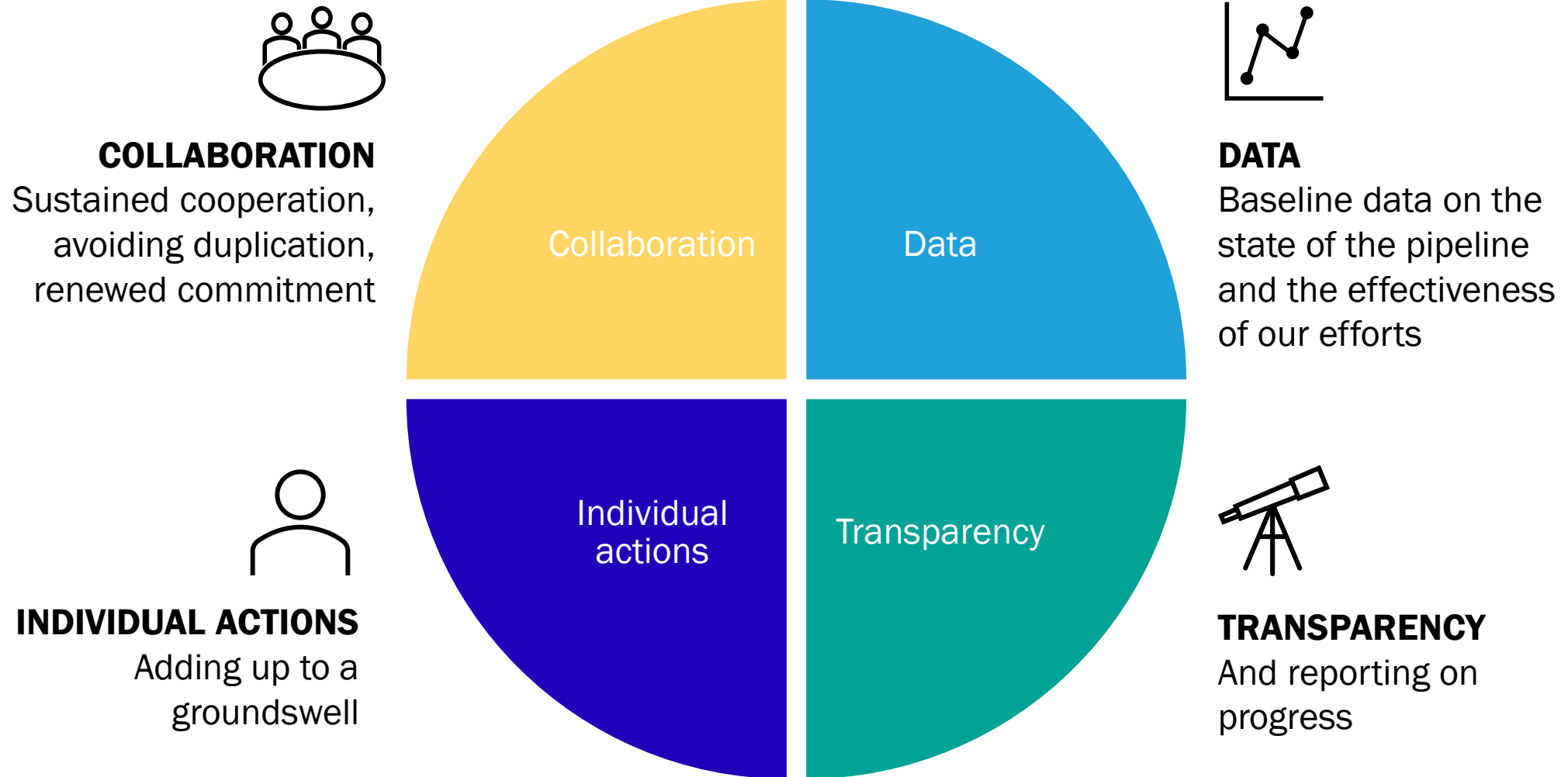
Experiential learning <u>on</u> college transcript	Experiential learning <u>off</u> college transcript	Competency-based licensure
• Available NOW • Post bachelor's degree • Paths can be amplified and expanded	• NEAR-future solution • Post bachelor's degree • Based on framework and program administration • Could include internships, Exam review courses, etc.	• NEXT evolution of CPA licensure path • Competency mastery without set credit hours requirement

Enhancing the employee
experience

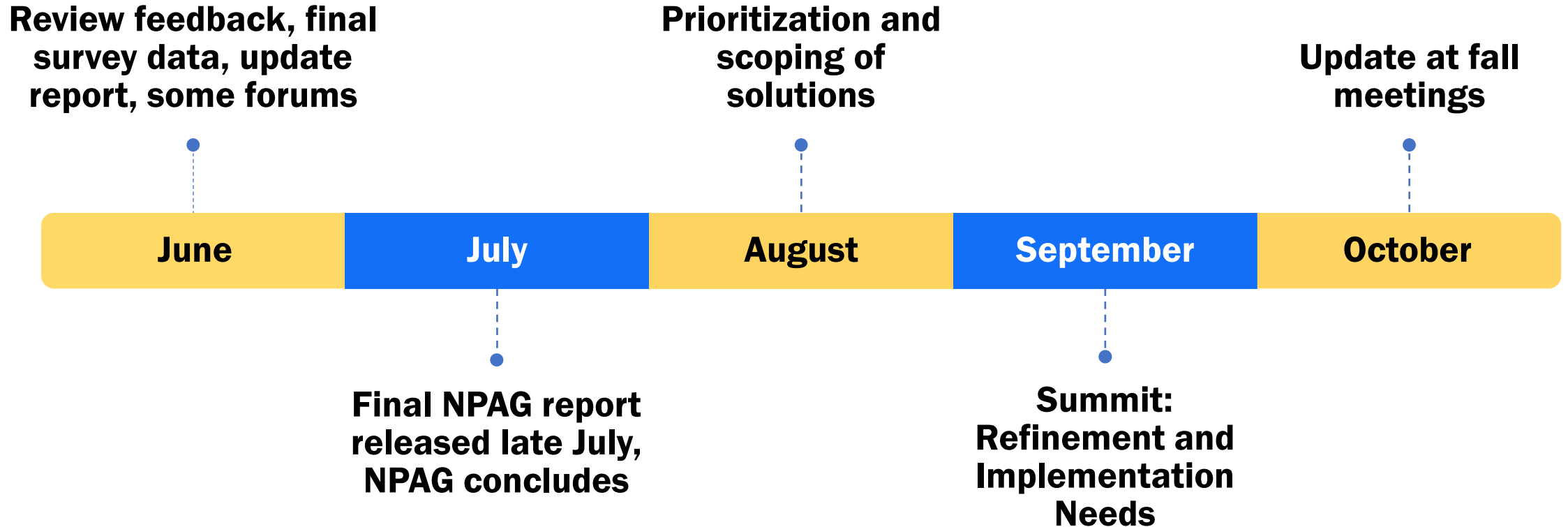
Enhancing the employee experience

- **Address starting salaries**
- **Increase pay transparency, career progression, and flexibility**
- **Address overload and burnout:**
 - Increase flexibility/reduce client/customer loads
 - Improve scheduling and project management
 - Invest in non-traditional talent strategies/technology
 - Increase fees to keep pace
- **Invest in leadership training/mentoring**
- **Address culture/diversity**

What will it take to drive success with the pipeline



National Pipeline Strategy timeline and next steps



How to access and comment on NPAG's proposed pipeline strategy

Draft report

Explore data-driven strategies to help the accounting profession attract talent, address licensure hurdles, and support all candidates.



Input/Questions

Send comments, suggestions and questions on the NPAG draft report by June 14 by completing the form at this QR code.



Visit accountingpipeline.org to learn more

Q&A

Thank you!

For more information, visit
AccountingPipeline.org

Experience, Learn and Earn Program

An integrated education and experience pathway
to help future CPAs on their road to licensure

Experience, Learn and Earn (ELE) pilot

The AICPA and NASBA launched an integrated education and experience program for students who need or want a path to the 150 credit hours of education required for CPA licensure, that allows them to earn up to 30 educational credit hours while they are in a paid accounting position. The ELE combines meaningful online academic coursework integrated with work experience.

The first cohort of student associates began courses in January 2024. All student associates in the pilot program will take online, asynchronous courses from our pilot partner Tulane University.

Participating employers will give student associates time to study and learn, allow them to apply what they learn during their client engagements, and provide mentoring on a regular basis. As the program is expanded, we expect to increase the learning offerings to address, more comprehensively, both employer and employee needs. If a student associate needs the full 30 credit hours, the total tuition cost will be under \$5,000, and less if fewer credits are needed.



For Firms and Students

The ELE program includes semester start dates in Spring, Summer and Fall. Enrollment for Fall 2024 is currently open. As the program develops, the ELE will become an increasingly dynamic and cost-effective recruitment tool for firms to leverage in new staff hiring and helping existing staff over the CPA finish line. To best equip student associates for success, firms will establish flexible work schedules including dedicated time to complete on-line coursework.

To participate in the program, a firm agrees to:

1. Commit to recruiting and employing or assigning at least one ELE student associate during the pilot program.
2. Commit to the student associate and the ELE program for the length of the student's journey in the program. Students will take varying amounts of time to complete the program depending on how many credit hours they need. For example, a student needing nine credit hours could expect to complete the program in three semesters, whereas a student needing 18 credit hours could expect to complete the program in six semesters. Time estimates are based on the university's recommendation for students to take six credit hours/semester to best balance work and school commitments. Students may choose to take additional credit hours/semester if it fits with their schedule.
3. Establish and monitor the student associates' schedules to ensure that they have dedicated time to complete coursework. These schedules may vary throughout the year depending on factors such as busy season.
4. Support the evolution of the ELE program by providing AICPA and NASBA with feedback, as requested, to improve the program.

As a participant in the program, a student will:

1. Graduate with their bachelor's degree and core accounting classes at fewer than 150 credit hours.
2. Join a firm as a paid staff member (not an intern).
3. Earn up to 30 credit hours through online courses while working a flexible schedule and getting paid work experience.
4. Complete their required credit hours and continue their journey to CPA.

If you are interested in hiring staff, committing existing staff, or putting student employees through this program in your firm to participate in the ELE program beginning in Summer 2024, Fall 2024, or beyond please reach out to us at Feedback@ExperienceLearnEarn.org (<mailto:Feedback@ExperienceLearnEarn.org>)

Download a one pager to share with your firm.

Download

(Files/ELE One Pager.pdf)

Recruitment toolkit for firms.

Program toolkit: social media posts and website copy.

Download

(Files/ELE Toolkit - Social and Web Assets.docx)

Social media asset.

Download

(Files/2310-732070 ELE Toolkit for Firms_1200x628 - Social Asset.jpg)

Customizable recruitment brochure.

Download

(Files/2310-732070 ELE Toolkit for Firms - Brochure.pdf)

FAQs

What is the ELE Program? (+) Show answer

The Experience, Learn and Earn (ELE) program is an AICPA and NASBA initiative to develop an integrated education and experience program for students who need a path to the 150 credit hours required for CPA licensure.

The ELE pilot program is intended as a recruiting tool for employers. Participating employers may use the program to attract talent interested in pursuing the CPA. Employers are also welcome to use the program to help existing staff reach their 150 hour requirement.

In order to be eligible for the program, the student must have graduated with a bachelor's degree and core accounting classes at fewer than 150 credit hours. As a participant in the program, a student will:

1. Work for a participating employer as a paid staff member (not an intern).

2. Earn up to 30 credit hours through online courses while working a flexible schedule and getting paid work experience.
3. Complete their required credit hours and continue their journey to CPA.

Why is the ELE Program needed? (+) Show answer

Some students today face certain hurdles when trying to obtain their 150 credit hours for CPA licensure including lack of resources to complete the +30 and lack of awareness of options to secure the required 150 credit hours. The ELE program provides a route for students without the means or a formalized plan such as a master's degree to earn 150 credit hours through meaningful online coursework integrated with early work experience. This program will provide additional flexibility in a student's journey to completing their education requirements, increase accessibility to accounting career opportunities and obtain qualifying academic credits for CPA licensure.

What are the principles of the ELE Program? (+) Show answer

The ELE program:

- Is cost effective for the student.
- Offers up to 30 credit hours from an accredited university.
- Is scalable by firm and organization size and type.

How can my firm or organization participate in the ELE Program? (+) Show answer

If you are an employer interested in hiring staff or committing existing staff to participate in the ELE in the pilot, please reach out to us at Feedback@ExperienceLearnEarn.org (<mailto:Feedback@ExperienceLearnEarn.org>)

Can my firm or organization offer the ELE Program to existing staff?(+) Show answer

Yes. The program is open to any staff, new or existing, employed in an accounting position with a completed bachelor's degree and core accounting courses and in need of up to 30 additional credit hours. Note that the ELE program does not offer core accounting courses required for CPA licensure, and is focused on courses critical to the work being completed in the profession of today and tomorrow.

Does the education component of the program also count towards the student's experience requirement for licensure? (+) Show answer

The AICPA and NASBA's goal for the ELE Program is to help students fulfill their education requirement for CPA licensure. It is not the intention of the program to count the education component as part of a CPA candidate's experience requirement for licensure. However, what qualifies as experience is ultimately up to each state board of accountancy and candidates should review the rules in the state they intend to apply for licensure.

How can a student join the ELE Program? (+) Show answer

Firms and organizations will recruit and hire students into the ELE program. To participate in the program, a student must have completed their bachelor's degree and core accounting courses and be hired by an employer participating in the program.

What kind of courses will be included in the ELE Program? (+) Show answer

The coursework in the ELE program will include topics based on skills and competencies needed by first year staff. The courses will be offered in an online, asynchronous format and once completed will be listed on a university transcript acceptable for CPA licensure. The ELE program does not offer the core accounting courses required for state licensure.

Are students required to take all 30 credit hours? (+) Show answer

No, students are not required to take 30 credit hours. The program is flexible and will allow students to take any number of credit hours based on individual need, up to 30 hours.

Will students earn a degree for the ELE Program? (+) Show answer

The ELE program is a non-degree earning program. Students will receive a transcript with their completed courses that can be submitted in their application for CPA licensure.

How could the ELE Program evolve in the future? (+) Show answer

The ELE program is flexible with the opportunity to evolve. We look forward to learning from the pilot and evolving the program based on feedback from the students, employers and universities. As the program grows, it could:

- Develop more courses and build different learning tracks
 - Include accounting bootcamp courses for non-traditional CPA candidates
-

Who can I reach out to with more questions?

Please reach out to us at Feedback@ExperienceLearnEarn.org
(mailto:Feedback@ExperienceLearnEarn.org).

For more information or to share your thoughts, please email Feedback@ExperienceLearnEarn.org
(mailto:Feedback@ExperienceLearnEarn.org)

UPDATE FROM THE PROFESSIONAL LICENSURE TASK FORCE

Stephanie M. Saunders, CPA, NASBA Chair

Daniel J. Dustin, CPA, VP State Board Relations

NASBA Regional Meetings
June 2024

MEET THE TASK FORCE



Stephanie Saunders
Chair



Bob Cedergren



Sue Coffey



Meghan Durst



Steve Grice



David Knoble



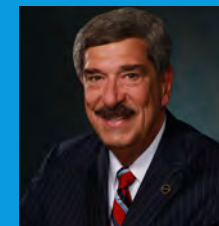
Niki Neilon



Boyd Search



Bill Treacy



Ken Bishop
Observer



Dan Dustin
Staff Liaison

Consider new concepts for CPA licensure that may be included in the UAA to update the current licensure model.

TASK FORCE ACTIVITIES

- **Concept Exposure (December 2023)**
- **BOA Webinars (January, March 2024)**
- **Executive Directors Conference (March 2024)**
- **NASBA Regional Meetings (June 2024)**
- **Outreach & Collaboration (Ongoing)**

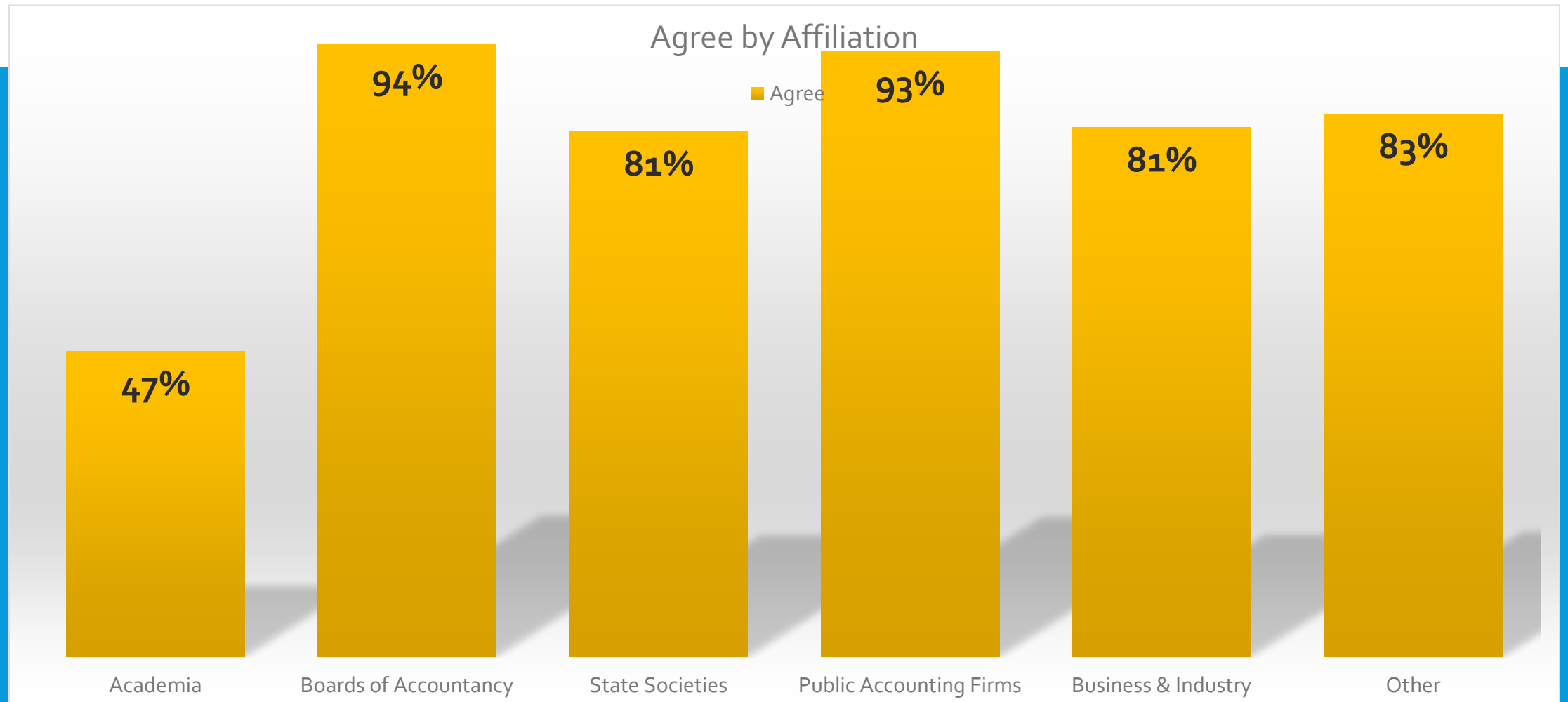
CONCEPT EXPOSURE

Question: Do you believe that the Professional Licensure Task Force should continue to focus its discussions on an equivalent path to licensure that defines a structured professional program that would qualify an individual for licensure as a CPA?



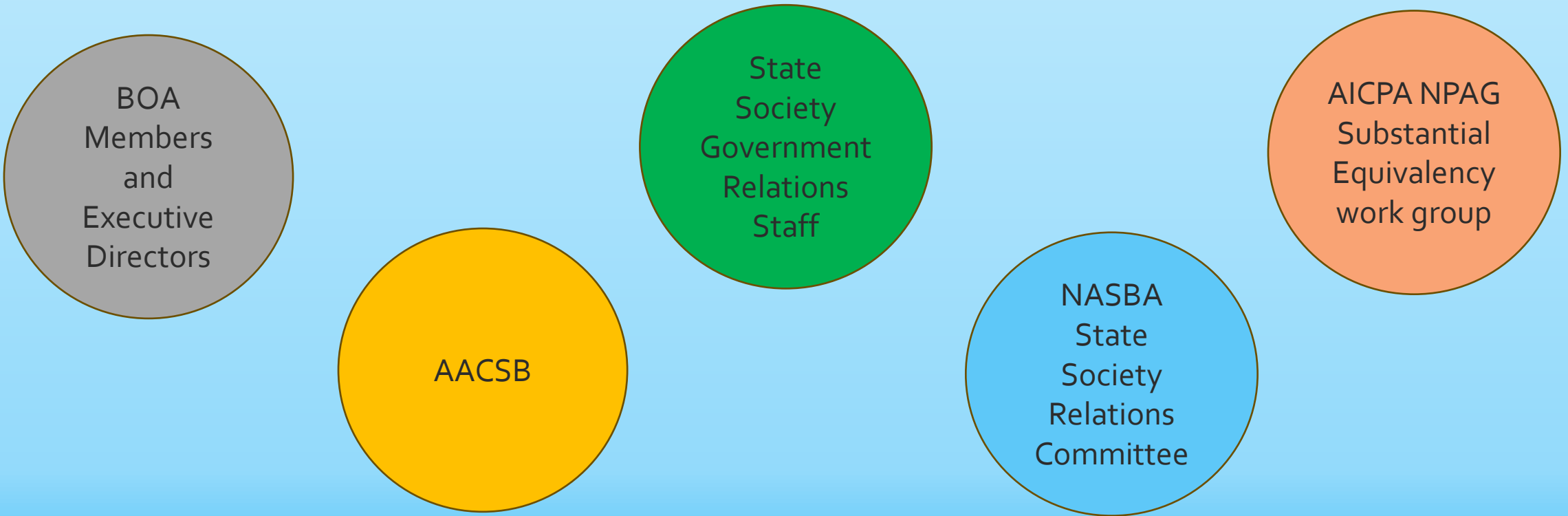
Comments requested by March 31, 2024

FEEDBACK THROUGH MARCH 31, 2024



March 31, 2024

OUTREACH AND COLLABORATION



BOA
Members
and
Executive
Directors

AACSB

State
Society
Government
Relations
Staff

NASBA
State
Society
Relations
Committee

AICPA NPAG
Substantial
Equivalency
work group

SPP PRINCIPLES & CONCEPTS

TASK FORCE PRINCIPLES

- Establish an equivalent pathway in the UAA
- Protects the public interest
- Cost effective
- Maintains rigor (minimum competencies of a newly licensed CPA)
- Available to firms and businesses of all sizes
- Defines minimum timeframe to complete
- Establishes an evaluation process to assess completion of program

SPP CONCEPTS

- Higher Order Skills
- Common Competencies
- Applicable to Public Accounting and inclusive of B&I and Government
- Considered starting points: firm training programs, CPA Evolution Model Curriculum
- Length of Program, including Hours or Years
- SPP: 2-year program counting toward education and experience
- Evidence of and measuring competencies
- Verification and sign-off by CPA Supervisor on SPP completion

A SAMPLE MODEL

A POSSIBLE SPP MODEL

- Develop common competencies as a starting point
- Update and add additional competencies as needed
- Broadly constructed to allow flexibility
- Initial self assessment by individual approved by CPA supervisor
- Periodic re-assessment by the individual and CPA supervisor
- Flexibility on time to complete of the program

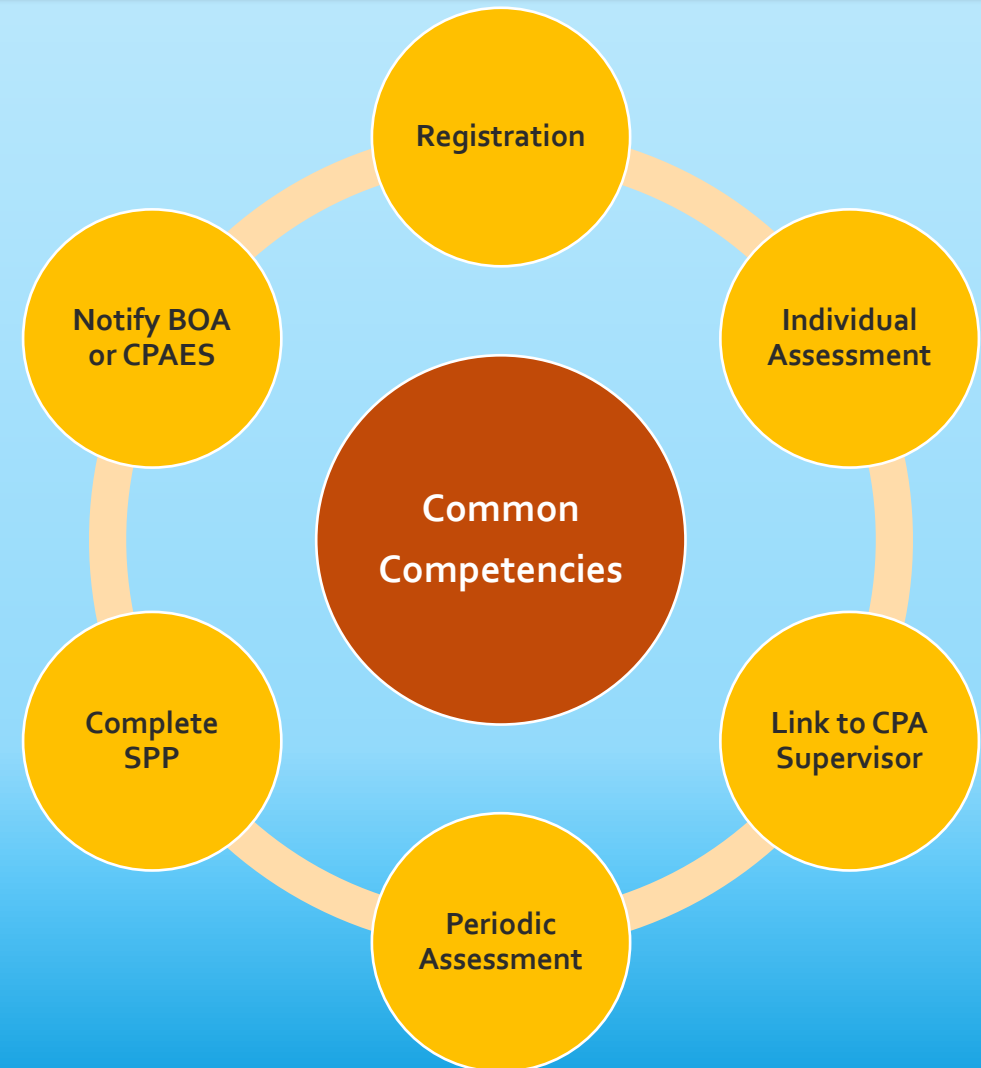
DIGGING DEEPER: A SAMPLE SPP PROCESS

- **NASBA creates Uniform Automatic Tracking System**
- **Houses the common competencies**
- **Individual has applied for CPA Exam**
- **Education is verified by BOA or CPAES**
- **Individual obtains unique Identifier through exam app.**
- **Individual uses the unique ID to register in SPP**
- **CPA supervisor registers to use Automatic Tracking System**
- **System allows CPA supervisor to link to Individual**

A HOW THE PROCESS MIGHT WORK

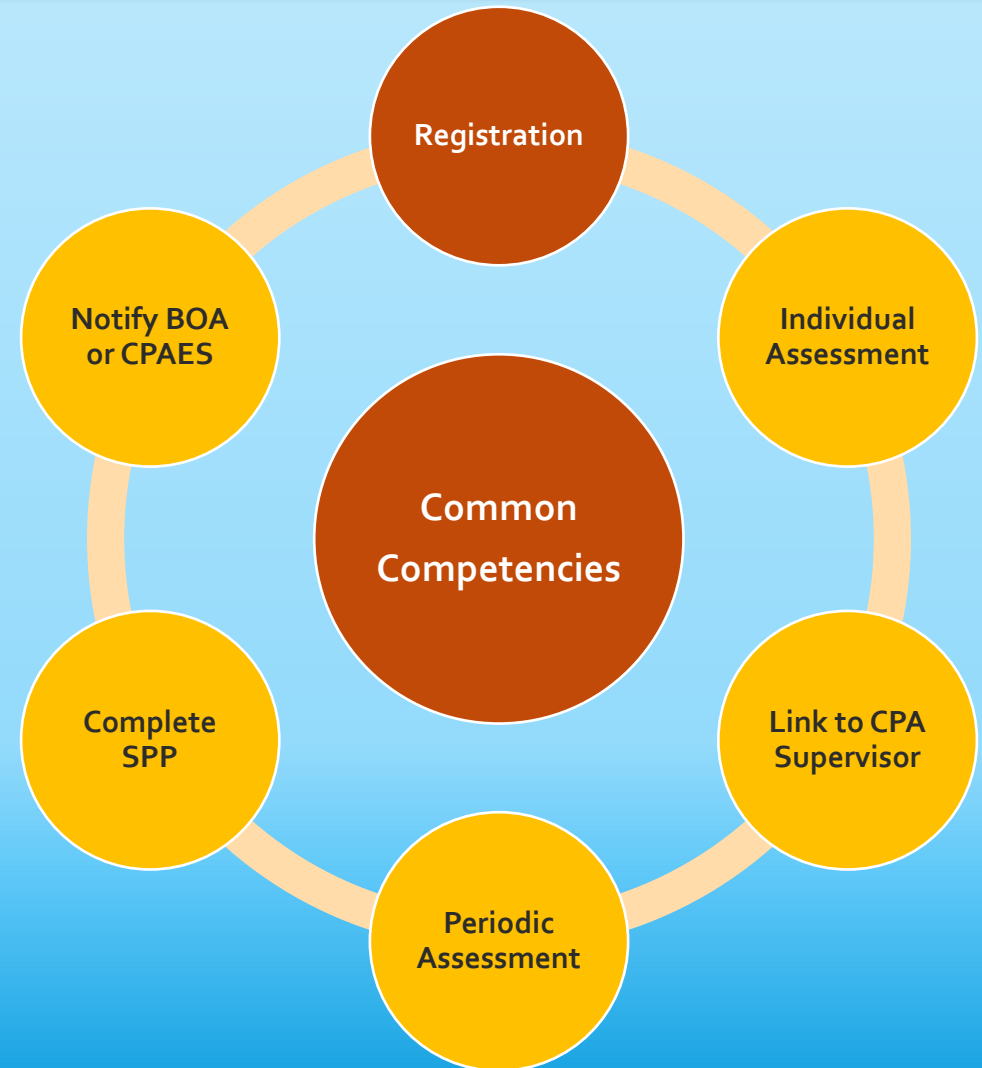
A SAMPLE SPP PROCESS OVERVIEW

- Individual registers to participate in SPP Uniform Automatic Tracking System
- Individual chooses competencies and self-assesses and supervisor approves
- CPA Supervisor registers and links to individual
- Periodic assessments by individual and CPA Supervisor until competencies are met to complete program
- BOA and/or CPAES notified of completion



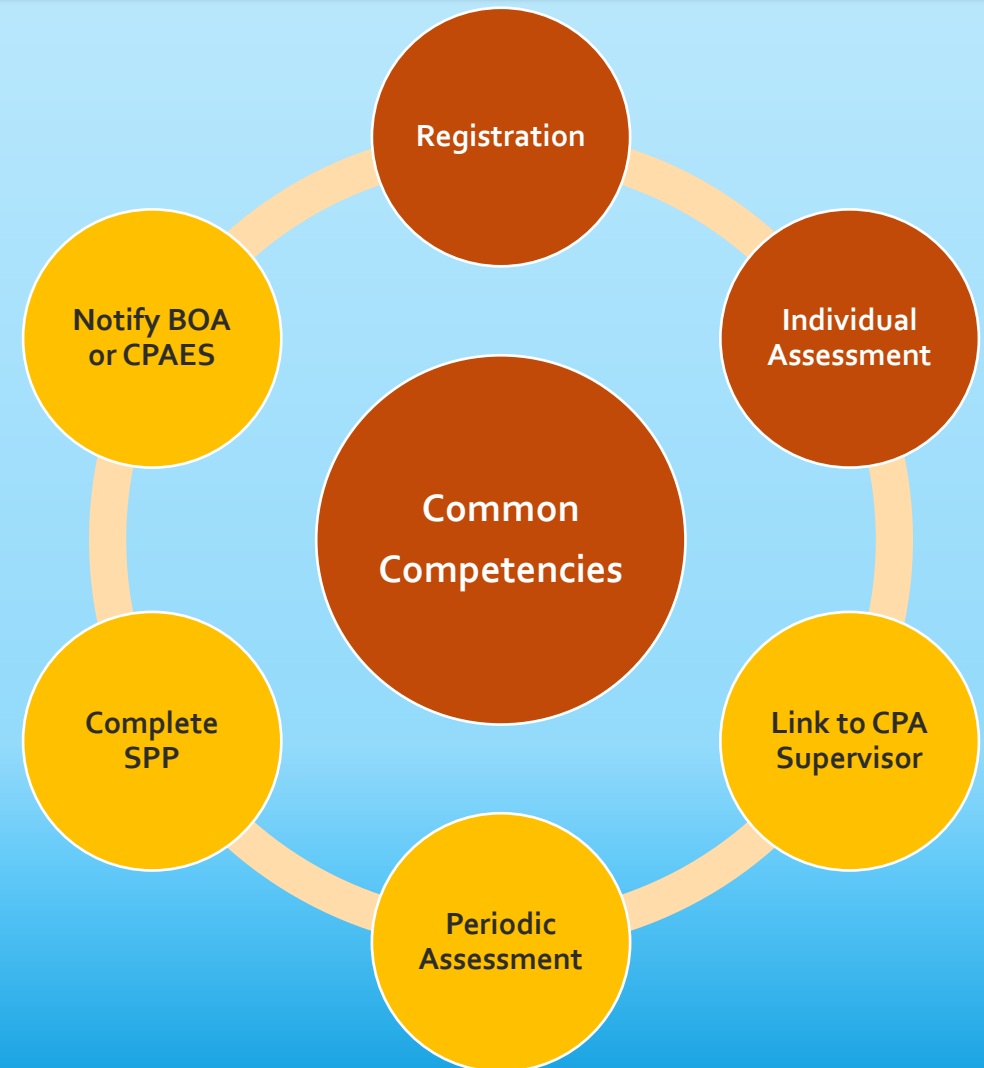
A SAMPLE SPP PROCESS

- Individual registers to participate in SPP Uniform Automatic Tracking System
 - Name
 - Address
 - Email
 - CPA Exam candidate ID
 - User defined password



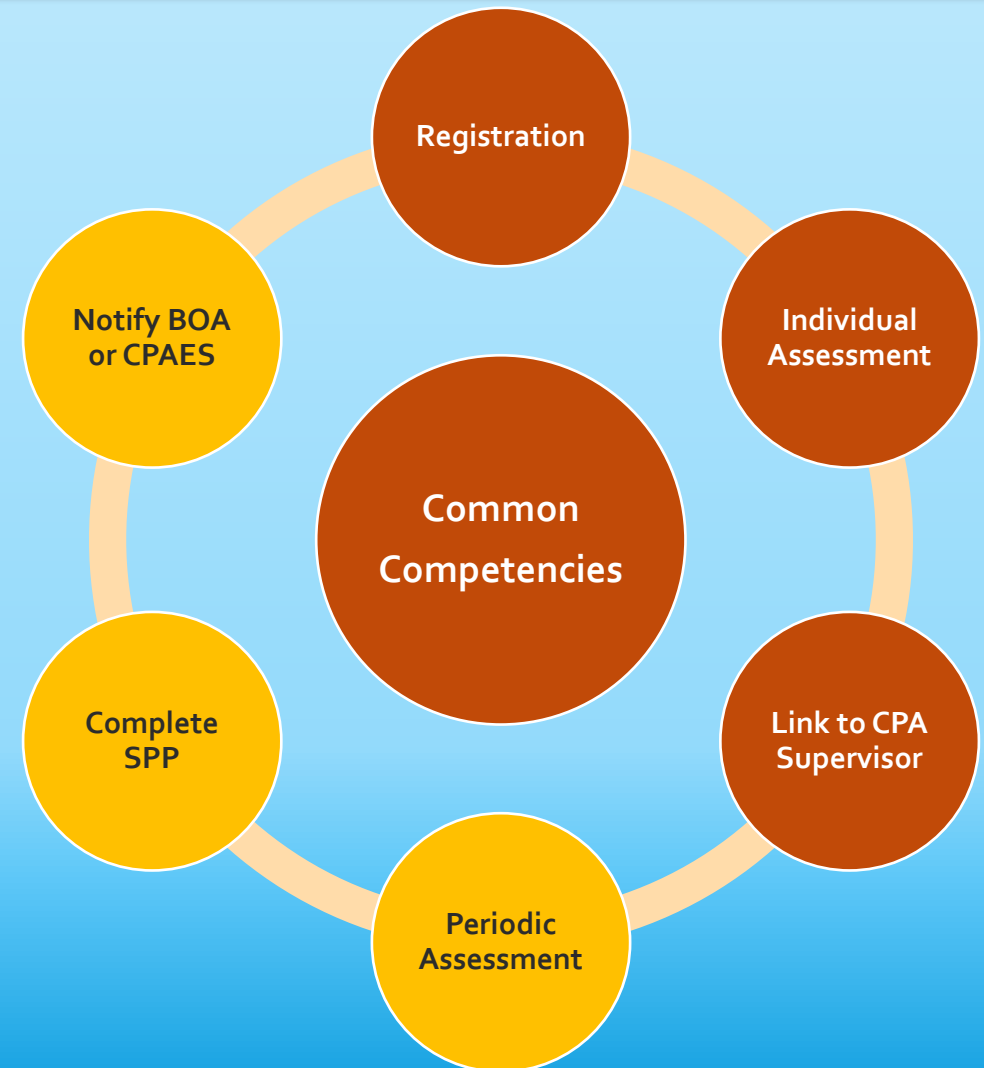
A SAMPLE SPP PROCESS

- Individual registers to participate in SPP Uniform Automatic Tracking System
- Individual chooses competencies based on type of employment (examples: attestation, tax compliance and planning, information systems and controls, financial reporting) and self-assesses and supervisor approves



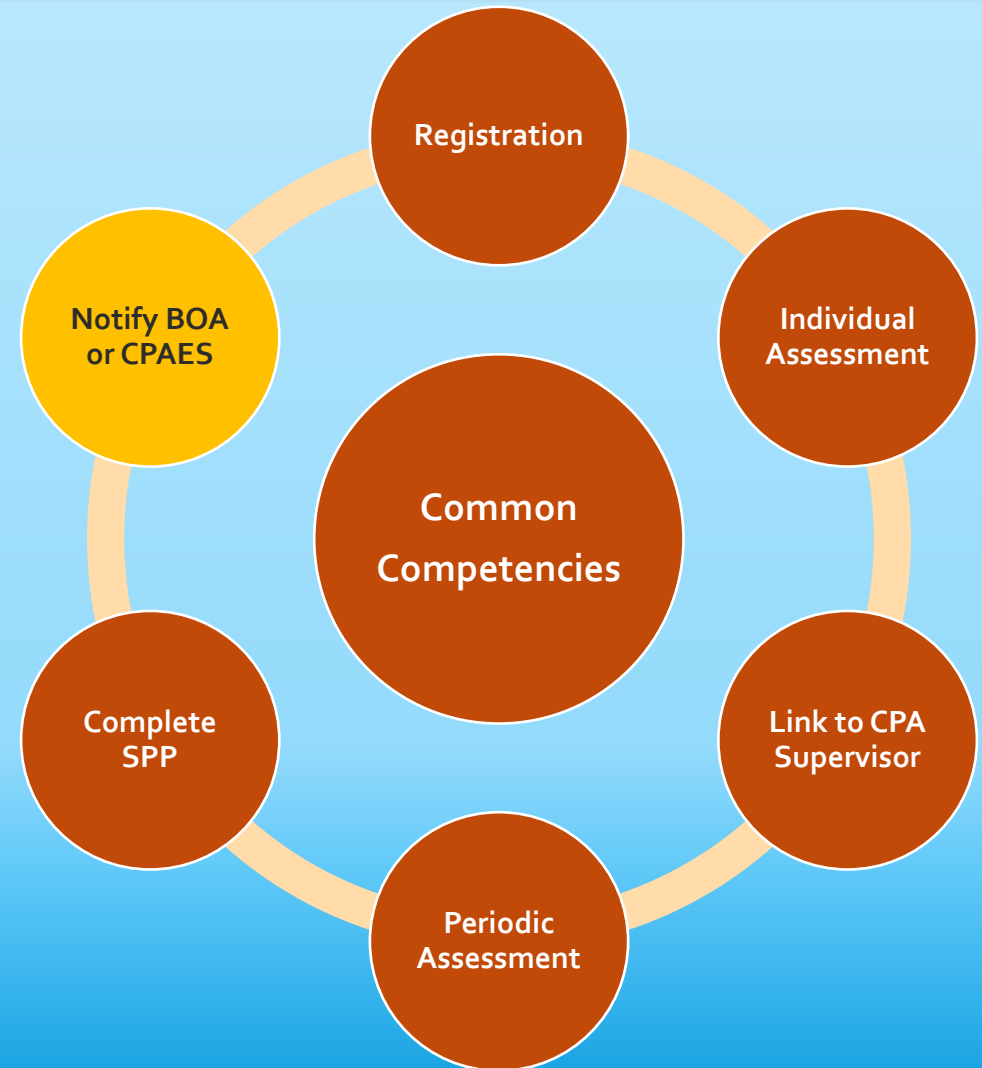
A SAMPLE SPP PROCESS

- CPA Supervisor registers and links to individual
 - Name
 - Address
 - Email
- DOB/Last 4 SSN – connects individual to ALD and automatically verifies license status
- Ability to enter individual(s)'s candidate ID number(s) to link within the system



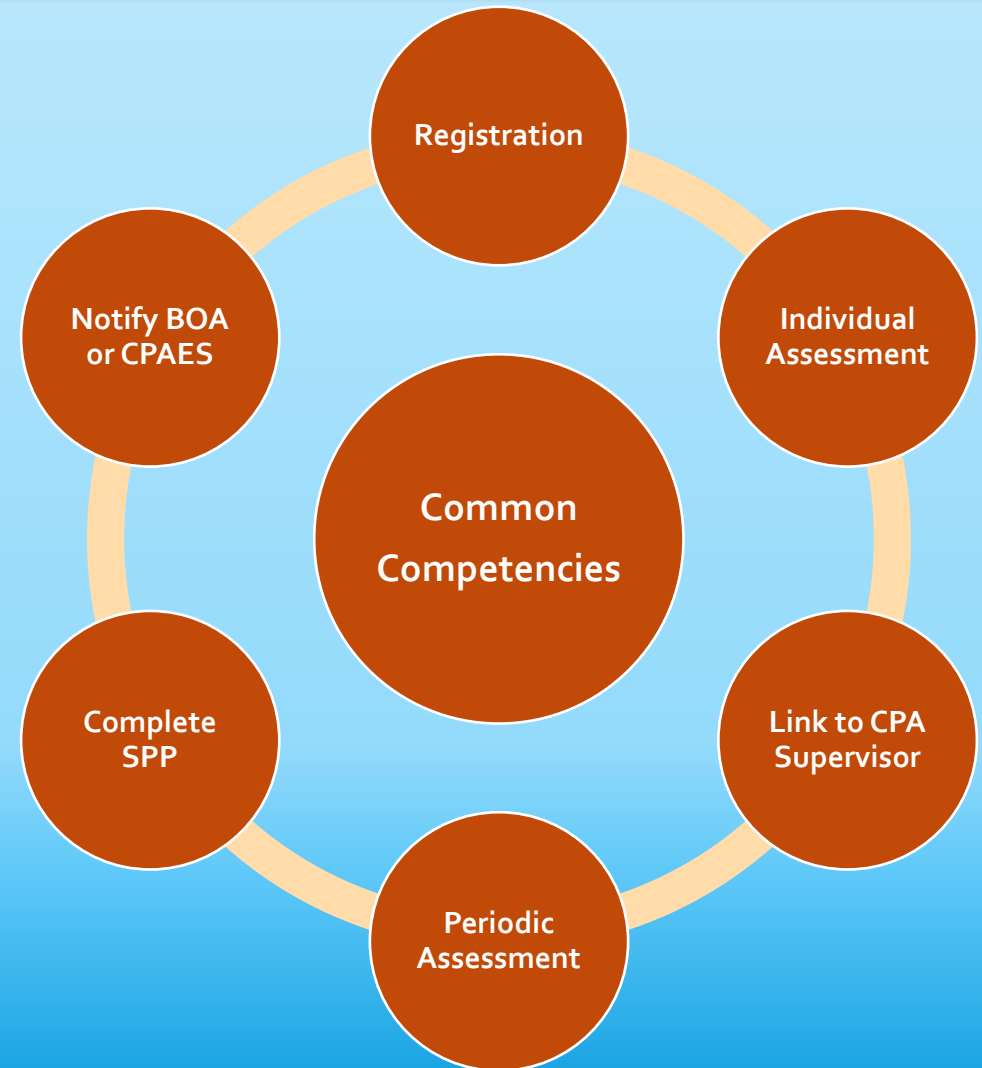
A SAMPLE SPP PROCESS

- Periodic assessments by individual and CPA Supervisor until competencies are met to complete program
 - Individual and CPA Supervisor periodically meet through the program to assess completion of common competencies
- Upon completion, individual is notified via email that s/he has successfully completed the program



A SAMPLE SPP PROCESS

- BOA and/or CPAES notified of completion
 - Upon successful completion of the program, the BOA is notified that the individual has meet the requirements of SPP.



**THE KEY IS IDENTIFYING
MINIMUM COMPETENCIES**

Possible Starting Points

The AICPA® Foundational Competencies Framework for Aspiring CPAs

Educators and accounting professionals developed the framework to define a set of skills-based competencies students entering the accounting profession need, regardless of their chosen career path (public, industry, government or not-for-profit), or for the specific accounting services they'll eventually perform. Because of the rapidly changing accounting profession, the framework focuses on critical skills instead of traditional subject-content areas or accounting services. Although knowledge requirements will change with time, the foundational competencies the framework identifies will have long-term value and will support a variety of career opportunities for future CPAs.

The competencies are arranged under the following three pillars:

Technical competencies

Competencies specific to the accounting profession that add value to business and contribute to a prosperous society

Organizational competencies

Broad, cross-disciplinary integration competencies that relate to the environment in which accounting professionals work

Leadership competencies

Skills, attitudes and behaviors of accounting professionals



How this guide can help you

Faculty

Incorporate these competencies into your curriculum to prepare your students for a career as a CPA. Find additional resources using the QR code below.

Students

Acquire the areas of knowledge through your accounting coursework that will prepare you for the accounting profession.

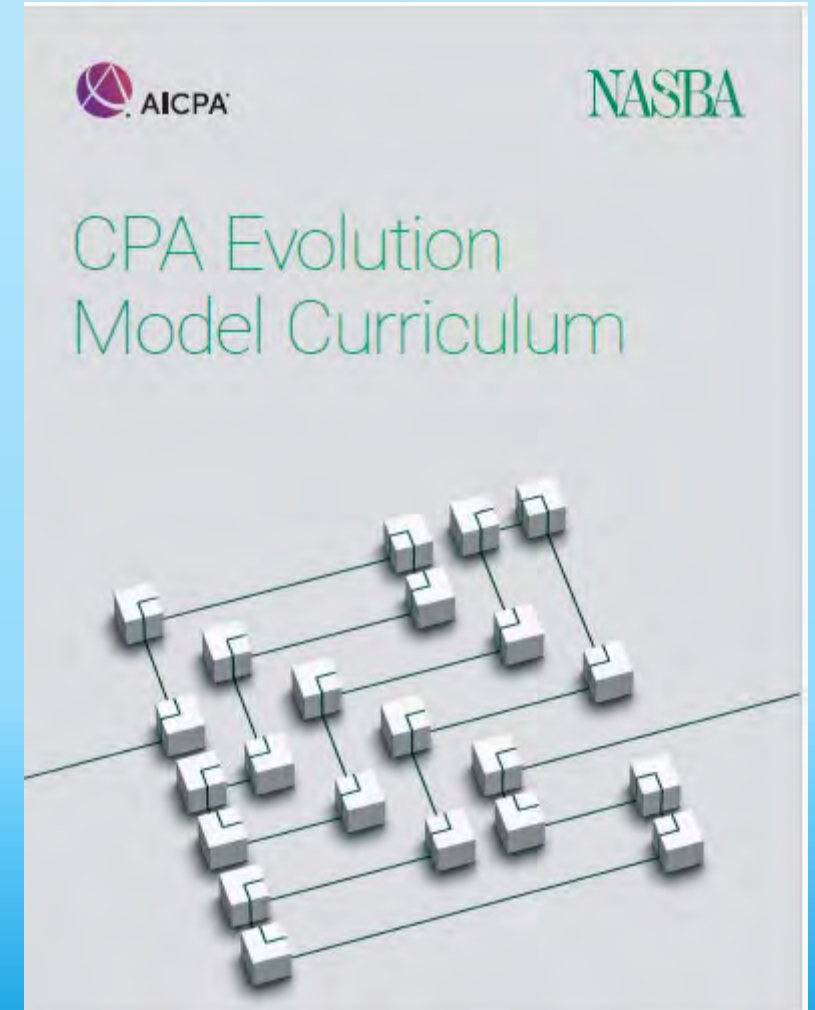
Employers

Gain insight into how we're preparing the next generation of accounting professionals based on your feedback.

AICPA FOUNDATIONAL COMPETENCIES

THE CPA EVOLUTION MODEL CURRICULUM

Section	Modules	Learning Objectives
Accounting & Data Analytics	9	172
Audit & Accounting Information Systems	15	163
Tax	12	136
Business Analysis & Reporting	10	153
Information Systems & Controls	5	61
Tax Compliance & Planning	14	181



IDENTIFY COMPETENCIES



PLTF – NPAG JOINT WORK GROUP

- Joint Work Group established and has met
- Continue to develop SPP process and common competencies
- Work on national standards for SPP
- Report back to PLTF
- Report back to BOAs and other stakeholders

UNIFORM ACCOUNTANCY ACT

FUNDAMENTAL PRINCIPLES THAT GOVERN THE LICENSURE OF CPAS

The requirements for licensing persons to perform the professional services have at least a minimum level of professional qualifications for adequate performance.

- Examination
- Education
- Experience



EDUCATION

- **Bachelorette or higher degree**
- **150 hours of education**
- **Accounting concentration**



EXAMINATION

**Pass the Uniform CPA
Examination**



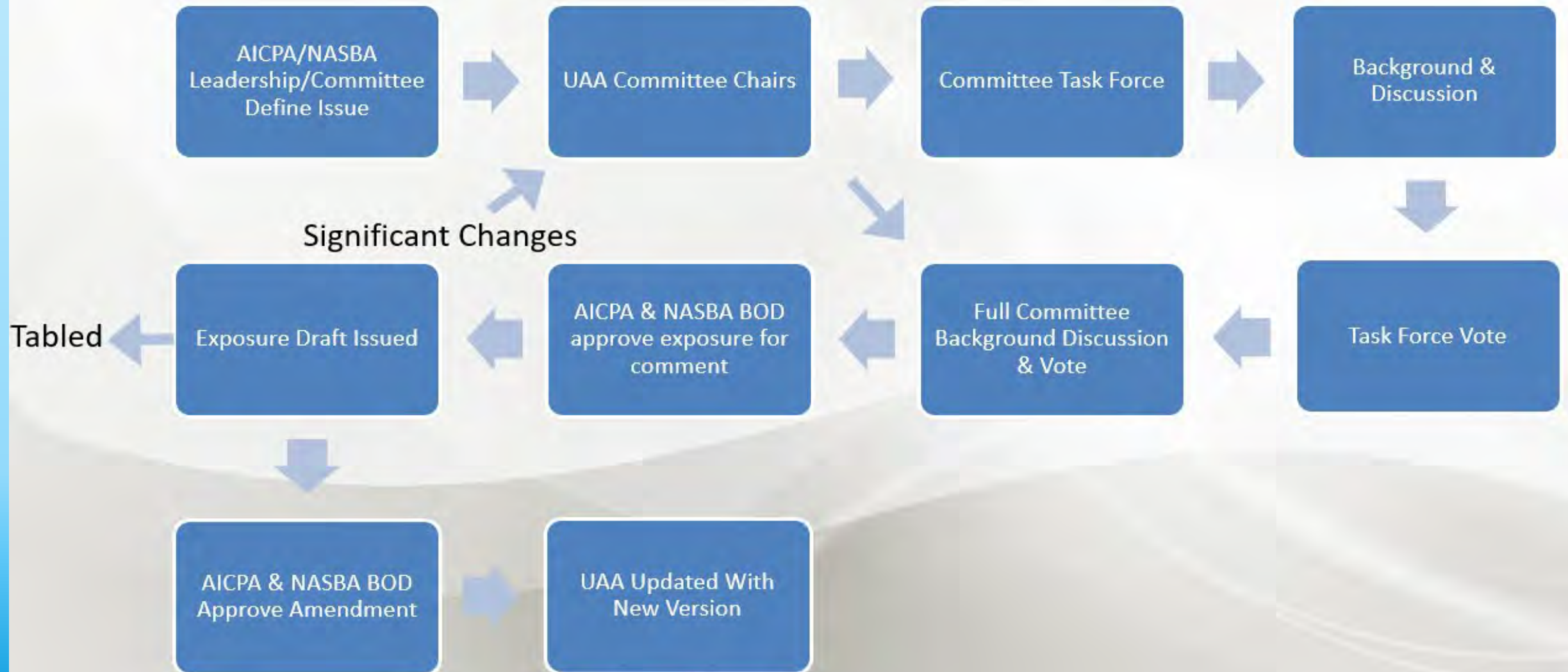
EXPERIENCE

One year of experience providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills verified by a licensee gained through employment in government, industry, academia or public practice.





UAA Process Flow



DISCUSSION

INITIAL THOUGHTS

How does this proposed experiential model differ from the prior pathways used by many boards that included a baccalaureate degree (with less than 150-semester hours) and two years' experience?

The SPP would define specific common competencies. The individual would identify and obtain the competencies within the SPP with verification attested to by a licensed CPA upon completion of competencies.

INITIAL THOUGHTS

Could an individual with a bachelor's degree and 129 semester hour complete the program in less time?

The SPP is a two-year program. An individual with more than 120-semester hours of education could participate in SPP for two years. As an alternative, Individuals with between 120 semester hours and 150 semester hours of credit could choose another pathway such as ELE to meet the 150-hour education requirement.

INITIAL THOUGHTS

What additional pathways or concepts did the Task Force consider and why were they discarded, if any?

Other models considered by NASBA staff included learning obtained through military training, staff training courses provided through third-party organizations, including CPE providers; CPA Exam preparation courses, and programs that might be assessed by third party organizations. All would be complex to implement and were deemed to not meet the core principles of being cost effective and scalable to firms of all sizes.

INITIAL THOUGHTS

How might the size of a given firm affect its ability to participate in a structured professional program (SPP)?

Participation in the program would not be limited by firm or business size. The only limitation would be that the individual has applied for the CPA Exam and has met the jurisdiction's education requirements to sit for the CPA Exam and has a CPA supervisor who will periodically assess competencies during the program.

INITIAL THOUGHTS

Will the SPP be limited to public accounting firms or include other options (e.g., military experience or private industry), and how would this work?

The SPP would not be limited to public accounting firms and would include business & industry, including employment in government provided the individual is performing work that meets the requirements of the program. Participation is based on completing a jurisdiction's minimum education requirements for sitting for the CPA Exam and having a CPA supervisor to perform periodic assessments while participating in the program.

INITIAL THOUGHTS

Would the SPPs be individualized based on the experience, education, and/or skills of the participant? For example, will the length of the of the SPP differ between a participant who has 120-semester hours and one with 140-semester hours?

A transition process is being considered by the joint task force. The SPP is designed so that the individual obtains the equivalent 30-semester hours of experiential learning over a 2-year period. If an individual is short 10-semester hours to meet the 150-semester hour requirement, the individual could choose to take additional coursework from a college or university, obtain those hours through ELE, or participate in the 2-year SPP.

INITIAL THOUGHTS

Will the focus of the competencies gained during the SPP be limited to accounting or will they include soft skills such as written and verbal skills? How will soft skills be defined, and what portion of the competencies will soft skills comprise?

The intent of the SPP is for the CPA supervisor to assess an individual's competencies in accounting and soft skills.

INITIAL THOUGHTS

How much will the SPP cost, and will firms, or applicants, or both pay?

Under the current Model, NASBA would incur the cost of creating and maintaining the automated tracking system as part of its mission spending. As defined in this proposed model, there would be no cost to the individual or the employer.

INITIAL THOUGHTS

Will participation in a SPP also qualify as experience toward the 12-month experience requirement for licensure?

The SPP is designed as a 2-year program. It is anticipated that participation in the SPP program would also qualify as experience toward the 12-month experience requirement for licensure. Upon completion of the program, the individual would have met the education and experience requirements for licensure, needing to complete the CPA Exam for licensure.

INITIAL THOUGHTS

Would each state be responsible for approving each SPP and, if so, how will equivalency be maintained?

SPP is designed as a stand-alone program that would not need approval at the individual level. Once a jurisdiction amends their statutes and/or rules, individuals could register for the program based on the admission criteria: meet the minimum education requirements to sit for the CPA Exam in their jurisdiction and be admitted to the CPA Exam.

INITIAL THOUGHTS

Would there be minimum qualifications for CPA Supervisors?

Preliminary task force discussions have centered on including in the national standards a minimum number of years post-licensure experience to qualify an individual as a CPA Supervisor. Discussions have also focused on providing training materials to CPA Supervisors who would attest to an individual having met the competencies within SPP.

INITIAL THOUGHTS

Would there be a transition period for those who are currently employed but lack the 150-semester hours for licensure?

The task force discussed developing transition language that would provide those who are currently employed with a way to participate in SPP during the transition period from adoption of SPP as an equivalent pathway in the UAA and adoption of SPP in a jurisdiction.

ADDITIONAL QUESTIONS?

CPA NEXT

Licensure Framework

Reimagining the Requirements for CPA Licensure



Focus On Degree

Shifts Education focus away from strict 150-unit requirement in favor of earning a baccalaureate degree emphasizing accounting-related coursework.



Rely On Experts

Relies on those with the greatest expertise in each area:

Education = Colleges/Universities

Examination = AICPA

Experience = CPAs



The Three E's

Maintains the reliance on Education, Examination, and Experience.

Does not modify Examination or Experience requirements.



Attachment 6

Two potential options to earn a CPA license with this Framework:

EDUCATION

EXAMINATION

EXPERIENCE

Overseen By:

Colleges/Universities

AICPA

CPAs

Pathway 1

Baccalaureate or higher degree with a concentration of accounting-related courses:

- Accounting degree, or
- Non-accounting degree plus accounting-related courses

CPA Exam

2 Years

Pathway 2

Master of Accounting, Taxation, or Laws in Taxation

CPA Exam

1 Year

Accounting Degree is defined as a degree that includes "accounting" in the title, or a business degree with a designated concentration in accounting, such as accounting minor, accounting emphasis, or accounting concentration.

The Framework incentivizes accounting degrees by deeming them to meet all educational requirements, moving away from the need to review individual coursework. This degree-centered approach aims to minimize students' stress and confusion when it comes to satisfying the educational requirements, while streamlining the entire process and maintaining the rigor of the overall licensure model.

CPA Next Licensure Framework Summary

Pathway	Examination	Experience ¹	Education
1.	CPA Exam	2 years	Baccalaureate (or higher degree) with a concentration of accounting-related courses: - Accounting degree, or - Non-accounting degree plus accounting-related courses
2.	CPA Exam	1 year	Master of Accounting, Taxation, or Laws in Taxation

Pathway 1

All applicants for certified public accountant (CPA) licensure must have a baccalaureate degree (or higher). If that baccalaureate degree is an accounting degree, applicants will be deemed to have met all educational requirements (expressway) for licensure upon conferral of the degree (and subject to a two-year experience requirement and passing the Uniform CPA Examination (CPA Exam)).

Staff proposes defining an accounting degree as:

- A degree that includes “accounting” in the title
- A business degree with a designated concentration in accounting (i.e., accounting minor, accounting emphasis, accounting concentration)

If the baccalaureate (or higher degree, exclusive of those in Pathway 2) is not an accounting degree, applicants will be subject to meeting course requirements deemed to represent a concentration of accounting-related courses in addition to two years of experience and passing the CPA Exam.

Staff proposes the following course requirements:

Accounting-Related Course Requirements²

Accounting (27 semester-units):

- Accounting
- Finance

¹ The attest experience requirement remains given the CBA’s recent determination that it is necessary and sufficient as a means of protecting the public.

² The unit requirements are based on the *Uniform Accountancy Act Model Rules* with minor differences to increase simplicity.

Business (27 semester-units):

- Accounting
- Business
- Business Law
- Communications
- Economics
- English
- Ethics
- Finance
- Information Systems or Technology
- Marketing
- Real Estate
- Statistics
- Mathematics
- Management
- Quantitative methods
- A baccalaureate (or higher degree) in Business may be used to satisfy the 27 semester-unit Business course requirement.

Accounting Ethics (3 semester-units):

- Accounting or Business course in ethics

Pathway 2

All applicants must have a master's degree in accounting, taxation, or laws in taxation. These applicants will be deemed to have met all educational requirements for licensure upon conferral of the degree and subject to a one-year experience requirement and passing the CPA Exam.

CPA NEXT

Mobility Framework

Modernizing Mobility & Rethinking Substantial Equivalency

Mobility – allows licensees from one state to practice in another state without obtaining another license.

Why Modernize:

- Allow states to implement education and experience requirements that are best for them.
- Re-focus attention back on the CPA Exam as the anchor of equivalency.
- Trust other state's licensure decisions.

Ways to Modernize:

Automatic Mobility	Rethink Substantial Equivalency	Safe Harbor
● Implement automatic mobility ("CPA equals CPA"). ● A CPA may practice in a host state without action by the CPA (e.g., notice or fee) or the host state (e.g., determination of substantial equivalency). ● Add safeguards to ensure public protection. Example: authorize the board to revoke or suspend a CPA's practice privilege and cancel automatic mobility if a state is not protecting consumers. ● The most evergreen approach to mobility.	● Add flexibility to the substantial equivalency definition. Example: bachelor's degree with a concentration in accounting + minimum of one year of experience + passage of the CPA Exam. ● Add automatic mobility pathways to increase the longevity of this approach (hybrid). Example: allow automatic mobility if worked four of the last ten years. ● The degree that this approach is evergreen depends on the definition.	● Implement a safe harbor clause that deems all states to be substantially equivalent until a specific date in the future. ● Useful if a state needs additional time to modernize mobility. ● This approach is not evergreen.

Goal of Modernization:

The goal of modernizing mobility is to produce an evergreen approach that can withstand changes in licensure requirements.

Occupational Licensing and Minority Certified Public Accountants

Racial minorities continue to be underrepresented in many high-paying occupations.

JULY 24, 2024 • RESEARCH BRIEFS IN ECONOMIC POLICY NO. 393

By Andrew G. Sutherland, Matthias Uckert, and Felix W. Vetter



RESEARCH BRIEFS
IN ECONOMIC
POLICY

Employers are increasingly including diversity, equity, and inclusion objectives in their hiring practices and overall strategies. However, racial minorities continue to be underrepresented in many high-paying occupations. Such disparities attract significant public attention, making research important to understanding the reasons for these disparities. Our research investigates one commonly mentioned reason—occupational licensing, specifically among certified public accountants (CPAs).

We studied the 150-hour rule for CPA licensure, which requires the equivalent of a fifth year of general education at an accredited college or

university. Every US state has adopted this rule at some point over the past 35 years. Our research finds an overall decline in CPA entry between 1986 and 2019, but this decline is uneven across groups. Specifically, there was a 26 percent decline for minority CPAs compared with a 14 percent decline for nonminority CPAs. Our research also compares the change in entry by minority and nonminority groups within the same state and year to account for the effects of local labor market conditions. These analyses suggest that the 150-hour rule caused minority entry to fall 13 percent more than nonminority entry.

We then investigated the explanations behind the differential entry decline. Our evidence best supports explanations rooted in socioeconomic differences between demographic groups. First, we found no entry decline for Asians, whose average income and wealth are comparatively high. Second, whenever the rule was adopted, the educational background of CPAs tended to change, and they increasingly came from universities whose students had high parental income. Third, entry declines were concentrated in states offering the least financial aid. The effects of parental income and financial aid are evident for both minority and nonminority individuals. However, given the nature of income and wealth inequality in the United States, the effects of low parental income and financial aid disproportionately reduce minority individuals' ability to afford a fifth year of higher education. Finally, our exhaustive review of media coverage of the rule and licensing restrictions in general reveals a recurring dialogue involving socioeconomic barriers and few references to other explanations for the disproportionate decline in minority entry.

We investigated the potential benefits of the 150-hour rule by examining the quality and labor market perceptions of licensed CPAs. Proponents often justify licensing on the grounds that it improves professional quality, but thorough research on this topic is scarce. Our research uses data on CPA exam performance to study how the 150-hour rule affects the quality of the CPA pool. Exam pass rates are quite low—below one-third in recent years—so we were interested in whether the rule resulted in more high-quality candidates entering the profession, as measured by the share of candidates passing the exam on their first attempt. Instead, we found that the number of CPAs who passed the certification exam on their first attempt significantly declined, and the number of CPAs who passed on a subsequent attempt significantly increased. The decline in CPAs who passed on their first attempt was driven by candidates from universities with a larger share of minority students and less financial aid. Thus, the

rule appears to have deterred many high-performing minority candidates from entering the profession.

We also studied descriptions of disciplinary actions involving CPAs to learn how the 150-hour rule affected their behavior. Our research finds no change in the frequency of administrative violations or more serious offenses, including tax fraud, negligence, and theft, after the rule's adoption.

Lastly, we examined data containing over 8 million job postings to investigate whether the 150-hour rule influenced employers' perceptions of the quality of CPAs. Our results show no association between the rule's adoption and the number of postings for accountants or employers' preference for candidates with the extra year of study. The rule's implementation may explain why the labor market perception of CPAs did not improve and why quality may have declined. Most states did not require additional accounting or business courses, leaving candidates free to choose the coursework that comprises the extra 30 credit hours. In sum, it was difficult to detect redeeming effects that would justify the sizable reduction in CPA entry that disproportionately affects minority individuals.

Overall, our research finds that the 150-hour rule significantly reduced minority entry to the CPA profession while generating, at best, no improvement in the quality of CPAs. Although we focused on the CPA profession, given the availability of licensing, exam, and discipline data, our findings are relevant to many other occupational fields with general education requirements, including law, medicine, teaching, and the trades. There is growing concern that licensing rules are often arbitrary and imposed to protect licensed individuals from competition—a possibility raised by Milton Friedman and George Stigler over a half century ago.

Note

This research brief is based on Andrew G. Sutherland, Matthias Uckert, and Felix W. Vetter, "**Occupational Licensing and Minority Participation in Professional Labor Markets**," *Journal of Accounting Research* 62, no. 2 (May 2024).

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NASBA UPDATES

NASBA Upcoming Meeting Schedule

117th Annual Meeting

Orlando, FL

October 27-30, 2024

Hanks/Hondolero – will submit request soon

43rd Annual Conference for Executive Directors

March 2025 – Location TBD

Hondolero – will submit request as soon as agenda is released

Western Regional Meeting

June 2025 – Location TBD

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

NASBA – Committee Info

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

Correspondence

- 1) NASBA – State Board Report – Spring 2024
- 2) NASBA – Quarterly Communications
- 3) AICPA – Discipline/Drop List
 - June 2024
 - May 2024
 - April 2024
- 4) Nebraska Board of Accountancy – Annual Letter
- 5) Texas State Board of Accountancy
 - August 2024
 - May 2024
- 6) North Carolina State Board of Certified Public Accountant Examiners
 - July 2024
 - June 2024
- 7) Washington Board of Accountancy – July 2024
- 8) Louisiana State Board of CPAs – Summer 2024
- 9) Tennessee State Board of Accountancy – Summer 2024
- 10) South Dakota Board of Accountancy – July 2024
- 11) Virginia Board of Accountancy – Summer 2024

NASBA STATE • BOARD • REPORT

A Digest of Current Developments Affecting State Accountancy Regulation

Spring 2024

NASBA Congratulates Dustin & Neilon



NASBA Names New President and CEO and 2024-25 Vice Chair Nominee

Read more on page 2.

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Published by the National Association of State Boards of Accountancy

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NASBA Congratulates Dustin & Neilon

In the last month, NASBA has named a new president and CEO as well as the 2024-25 vice chair nominee. Congratulations are extended to the CEO select and the vice chair select.

In April, the NASBA Board of Directors announced that Daniel Dustin had been selected to become NASBA's next president and chief executive officer. Dustin, who currently serves as NASBA's vice president of state board relations, holds extensive expertise in accounting regulation and Board of Accountancy operations. His tenure as president and CEO will begin on August 1, 2024, following the retirement of current President and CEO Ken Bishop.

As Vice President, Dustin serves as an advocate for NASBA's 55 member boards and collaborates with NASBA's executive leadership team, regional directors, and state board executive directors, to identify emerging issues for discussion during NASBA's annual conferences, including its Annual Conference for State Board Executive Directors and Staff, Regional Conferences and Annual Meeting. He is also the staff liaison to NASBA's Ethics, Executive Directors, Peer Review Compliance, Relations with Member Boards, and Uniform Accountancy Act committees. Before joining NASBA, Dustin was executive secretary of the New York State Board for Public Accountancy.

According to NASBA Chair Stephanie Saunders (VA), "Dan's long history and expertise in accounting regulation makes him uniquely qualified to assume the role as president and CEO of NASBA. I have had the distinct opportunity to collaborate with Dan over the years on key initiatives and programs including the Uniform Accountancy Act, CPA Evolution and Professional Licensure. This is an exciting time for our organization, especially as he will lead NASBA into the future to fulfill the mission of enhancing the effectiveness and advancing the common interests of the 55 U.S. Boards of Accountancy."

Currently, Dustin is a member of the AICPA's National Pipeline Advisory Group (NPAG). He also works with NASBA's Professional Licensure Task Force, which is charged with considering new concepts for CPA licensure that may be included in the Uniform Accountancy Act to update the current licensure model.

Click here to read the full release: <https://nasba.org/blog/2024/04/26/daniel-j-dustin-selected-as-next-president-and-ceo-of-nasba/>.



Daniel Dustin



Nicola Neilon

In addition to filling the role of president and CEO, NASBA named Nicola Neilon (NV) as its candidate for vice chair, 2024-2025, in early May. Selected by NASBA's Nominating Committee, it is anticipated that Neilon will be elected to the vice chair position during NASBA's 2024 Annual Business Meeting, following predecessor, 2023-24 NASBA Vice Chair Maria Caldwell (FL).

Neilon's volunteer service with NASBA began in 2013. In addition to serving as director-at-large on the NASBA Board of Directors, she chairs NASBA's Uniform Accountancy Act (UAA) Committee and is a Professional Licensure Task Force member. Her past service includes serving as Mountain regional director, chair of the Standard Setting and Professional Trends Advisory Committee, chair of the Legislative Support Committee and chair of the Relations with Member Boards Committee. A former president, secretary and treasurer of the Nevada State Board of Accountancy, she has also recently completed a three-year appointment on the AICPA Board of Examiners and was elected to the office of secretary of the NASBA Board for a second consecutive term.

To read the full release, visit: <https://nasba.org/blog/2024/05/09/nasba-selects-nicola-neilon-cpa-as-2024-25-vice-chair-nominee/>.

NASBA extends congratulations to Daniel Dustin and Nicola Neilon as they embark on their new leadership roles within NASBA. ♦



PRESIDENT'S MEMO

New Beginnings – Part 2

In my *President's Memo* in January, I ended the memo with, "More later about my 'new beginnings'!" I decided to title this memo "New Beginnings – Part 2" because I am naturally inclined to embrace change and transitions as necessary and positive, and not as endings. That being said, this will be my final *President's Memo* as the new president and CEO has been selected and will take over as my successor on August 1.

I was recently walking to a staff lunch function and one of our great NASBA employees asked me if I was excited about retirement. My response was, "no, not excited, but not regretful either." I have always been dismayed by folks who hate Mondays and look forward to Fridays, and who count the days until they can retire. I have been blessed to have enjoyed every day of my tenure with NASBA and I know that I will miss it, but the time is right to move on... but not quite yet.

NASBA, Boards of Accountancy, and the profession are at a critical juncture. For decades, CPAs, firms and their clients have enjoyed the flexibility of mobility practice privileges. The longevity of those privileges has allowed many to forget, or to have never experienced, the limitations of practice prior to the adoption of substantial equivalency and the resultant mobility. Proposed and considered legislation in several states to address pipeline issues could eliminate those privileges for tens of thousands of CPAs, creating calamity for them and their clients. I do not want that to happen on my watch as NASBA's CEO.

NASBA's Professional Licensure Task Force (PLTF) and AICPA's National Pipeline Advisory Group (NPAG) have undertaken an expedited effort to consider alternative yet equivalent educational concepts. While the two groups have been working independently and unilaterally, and have made good strides, they are now coming together to reach consensus, so that legislative language can be developed, exposed and adopted in the Uniform Accountancy Act (UAA) that satisfies the interests of state boards and state societies considering legislative changes; importantly, language that preserves substantial equivalency and mobility.

We are very appreciative of the states considering legislation that have pushed back their proposed implementation dates to allow the UAA processes to occur. Virtually every state has indicated that they don't want to lose mobility practice privileges for their CPAs and firms. On that, we all agree. We recognize that there is an expectation that we move expeditiously, and that is our intent. It takes some time to expose language, invite responses, change the UAA, and to ultimately get bills passed. Not every state can pass legislation at the same time. As we originally did when mobility was first enacted, we will explore ways to reduce disruptions.

It is my hope that, by the time of the NASBA Regional Meetings in June, NASBA and AICPA will be on the same page and that we

can expose and discuss a new but equivalent path toward CPA licensure; one that can progress through the UAA adoption process to allow states to consider language that does not disrupt mobility. I will be devoted to this outcome until the last hour of my last day.

I have always believed that it was important for all state boards to be represented at our NASBA Regional Meetings. This year, I believe it is critical. While changes in legislation impact every CPA and CPA firm, most are unaware of potential interruptions and harm. As a member of a state board, you and the leadership of state societies have the unique advantage of being in the know as to challenges and opportunities being considered. More importantly, you can have an impact on how and when these changes occur, but only if you are fully aware and educated on these matters. The Regional Meetings provide that opportunity, so please make the effort to attend.

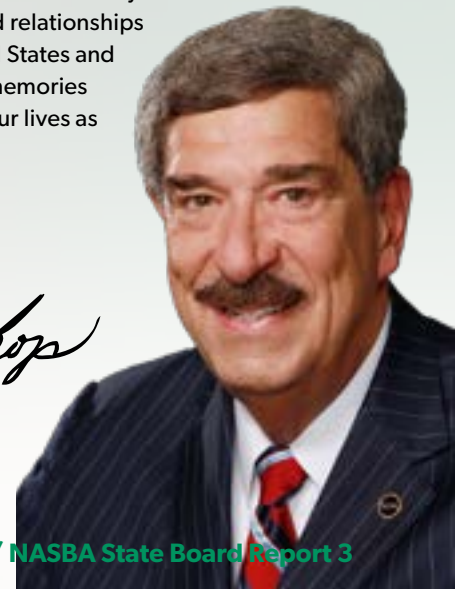
Keeping to the theme of "New Beginnings," I want to congratulate my successor, Dan Dustin. Dan was one of my first hires when he joined NASBA as vice president of state board relations in 2012. I had very high expectations for that newly developed position, and he surpassed them all. I know that he will be just as dedicated to being successful in his new role of president and CEO. Dan and I first met 25 years ago when he was the new executive for the New York State Board for Public Accountancy, and I was the new executive for the Missouri State Board of Accountancy. We have been close friends for all of those years. He's a good man and he is well known by many of you. I hope that he is shown the same level of support and respect I have enjoyed as he enters into what is a challenging but extremely rewarding position.

I hope that I have the opportunity to see many of you at the Regional Meetings in June. If I don't, this may be my last opportunity to thank you for the privilege of serving as your president and CEO of NASBA for the past 13 years. I have so much respect for the work that is done by state boards and your professional staff. I could not be prouder of my association with you. Ms. Sheilah and I have developed relationships and friendships across the United States and around the world, and we have memories that we will enjoy for the rest of our lives as we start our new beginnings.

Semper ad meliora
(Always toward better things).



-- Ken L. Bishop
President & CEO



Let the Nominations Begin!

The NASBA Awards Committee, under the leadership of Chair W. Michael Fritz (OH), has announced the opening of its annual call for nominations for NASBA's 2024 awards. Online nominations will be accepted through 11:59 p.m. (CT) on June 30, 2024.

The Committee is issuing a challenge to all Board of Accountancy members and staff to nominate a deserving member to receive one of three awards prior to the submission deadline. Award categories include:



W. Michael Fritz

William H. Van Rensselaer Award – Since 1988, recipients of this award are individuals who have earned recognition through their contributions in the development of a new program or improvement of a current program for Boards of Accountancy, or who influenced passage of rules or statutes.

NASBA Distinguished Service Award – Since 1999, recipients of this award are individuals who have demonstrated unwavering commitment and dedication to enhancing the mission of the National Association of State Boards of Accountancy.

Lorraine P. Sachs Standard of Excellence Award – Since 2008, recipients of this award are State Board executive staff leaders who have shown excellence in regulating and made a positive impact on the accounting profession.

NASBA members are encouraged to submit a nomination(s), including an explanation of why the individual(s) should receive NASBA's highest honors, using the [online nomination form](#), which can be found on nasba.org. To view the awards criteria and a listing of past award recipients, visit: <https://nasba.org/mc/awards/>. Please direct questions regarding the awards process to Awards Committee Liaison and Associate Director, Communications, Cassandra Gray, at info@nasba.org. *Let the nominations begin!* ♦



SEC Hosts Alternative Practices Webinar

Recently, the webinar entitled, "Independence Considerations for Alternative Practice Structures," took place on Tuesday, April 30, 2024. In recent years, there has been a significant amount of consolidation of public accounting firms using alternative practice structures. This activity has raised concerns about the impact such acquisitions may have on auditor independence.

Shana Wolfson, Associate Chief Accountant at the U.S. Securities and Exchange Commission, shared independence considerations for alternative practice structures with Board of Accountancy members and executive directors. Wolfson pointed out that the concept of investing in an audit firm is not new. Rule 2-01(c)(1)(iv)(A) contemplated such an instance and suggested that an accountant is not independent if its audit client has a direct investment in the audit firm or if the client officers or directors are beneficial owners of more than five percent of the equity securities of the accounting firm.

In a 2000 release of the Commission's auditor independence requirements, the Commission proposed a definition for "accounting firm" and "affiliate of the accounting firm." The proposed definition for the affiliate attempted to capture entities

that are financially tied to or otherwise associated with a firm enough to warrant being treated like the firm for purposes of independence. After comments and careful consideration, the adopting release and final rule revision of the 2000 Commission's auditor independence requirements eliminated the definition of affiliate of the firm and revised the phrasing to include associated entities, including those located outside of the United States. As business arrangements continue to develop, the release acknowledged that more flexible approaches are warranted. Wolfson highlighted that this shows as far back as 2000, when the Commission recognized that the types and nature of accounting firms' business arrangements would continue to evolve.

Skipping ahead, Wolfson discussed more recent examples of existing alternative practice structures. She then mentioned that the SEC encourages companies and their auditors to consult with the Office of the Chief Accountant on issues regarding auditor independence and encouraged participants to apply for a consultation. ♦



Music City Hosts ED-Legal

The 42nd Annual Conference for Executive Directors and Board Staff and 29th Annual Conference for Board of Accountancy Legal Counsel took place March 25-27, 2024, in none other than the location of NASBA's headquarters – Nashville, TN (Music City USA). The overwhelming consensus was it was a treat to see the NASBA office, meet some of the staff behind the calls and emails, network among state board and state society peers, and walk through the beautiful space where much of the conference planning took place.

The Renaissance Nashville Hotel, located in downtown Nashville, was home to this year's conferences and welcomed boards and state society members from across the country. In fact, there were 121 in-person attendees, 21 virtual attendees and 25 state societies represented at the Executive Directors Conference. A total of 40 registrants, nine virtual attendees and 19 jurisdictions (in-person and virtual) attended the Legal Counsel Conference.

D. Boyd Busby (AL), Chair of the NASBA Executive Directors

Committee and Executive Director of the Alabama State Board of Public Accountancy, welcomed in attendees and ushered in a dynamic three days, filled with great discussion, topical breakout sessions, and even a Nashville Songwriter Night. Busby's welcome was followed by an update from NASBA Chair Stephanie Saunders (VA), and NASBA President and CEO Ken Bishop.

The remainder of the conferences included hearing from the PCAOB, a legal and legislative update from NASBA, private legal sessions, discussions among state society CEOs, peer review enforcement related issues and much more. To top things off, NASBA hosted an office tour featuring opportunities for conference goers to learn first-hand about NASBA's products and services and meet with NASBA staff.

NASBA's Executive Directors Committee and Legal team look forward to planning two amazing conference agendas for 2025. ♦



The Executive Directors Conference hosted 121 in-person meeting attendees in Nashville, TN, with an additional 21 virtual attendees.



Michael Auerbach provides a report from the Department of Labor (DOL).



A.J. Bahou discusses artificial intelligence and its implications and benefits.



John Abell provides a report from the Public Company Accounting Oversight Board (PCAOB).



NASBA employees provided short informational presentations during the NASBA Operations Tour.



Attendees participate in the NASBA Operations Tour.



Susan Somers received recognition for her years of service as an executive director for the Kansas Board of Accountancy from D. Boyd Busby, Executive Director Liaison.

CPAES Welcomes Maryland

The client roster of NASBA's CPA Examination Services' (CPAES) has recently grown with the addition of Maryland, representing the 36th U.S. jurisdiction to outsource its services to NASBA. On January 22, 2024, CPAES began providing application processing and eligibility determination services on behalf of the Maryland Board of Public Accountancy.

NASBA's Client Services team, led by Director Patricia Hartman, partnered with the Board to ensure a smooth onboarding. The transition included outreach to Maryland candidates with outstanding payment coupons on January 1, and data transfers and system testing, which were conducted January 12-21.

"We're happy to have Maryland as a CPAES state," said Hartman.

As part of the transition, all Maryland CPA Exam candidates were notified throughout each phase of the transition. ♦

Celebrating Accountants & The CPA Exam

On April 5, 2024, NASBA, the AICPA and Prometric celebrated the 20th anniversary of the computerization of the Uniform CPA Exam! The computerization of the Exam is one of the most significant changes in its history. Take a look at some data regarding the Exam and its evolution.

In addition to celebrating the Computer Based Test, NASBA is also celebrating [National Accounting Day](#), which falls on May 19 each year. Thank you to all the CPAs and accountants in the NASBA community and throughout the profession! You are appreciated. ♦



It is estimated that more than 4,260,000 sections have been administered since 2004!

Also more than 420,000 CPA Exam candidates have completed all four sections since computerization.

CPA Exam Sections Taken for 2024-Q1

CPA Evolution is here and off to a positive start. The infographic below illustrates how the Exam is trending by sections taken in the first quarter of 2024.



26,395

Total number of sections taken during 2024-Q1

Core Sections

AUD	FAR	REG
8,174	9,286	7,168

Discipline Sections

BAR	ISC	TCP
703	379	685



22,478

Total number of sections taken during 2024-Q1 domestically

Core Sections

AUD	FAR	REG
6,954	7,899	6,215

Discipline Sections

BAR	ISC	TCP
400	359	651



3,917

Total number of sections taken during 2024-Q1 internationally

Core Sections

AUD	FAR	REG
1,220	1,387	953

Discipline Sections

BAR	ISC	TCP
303	20	34

LEGISLATIVE UPDATES



Freedom to Invest in Tomorrow's Workforce Act

Bipartisan federal legislation – **Freedom to Invest in Tomorrow's Workforce Act** (S.722 / H.R. 1477) would expand eligible uses of tax-favorable 529 savings plans to cover costs associated with workforce training and credentialing programs.



What are 529 Savings Plans?

529 savings plans are state-sponsored education savings vehicles that are exempt from federal taxes if funds are used to pay for qualified education expenses. These include: college, graduate, or professional degrees; education programs from Title IV accredited institutions; registered apprenticeship programs; up to \$10,000/year in elementary or high school tuition; and certain student loan repayments.

How Could the Accounting Profession Benefit from this Legislation?

Licensure prep courses, practice exams and study materials would be covered, as would:

- Licensure exams
- Continuing education and licensure renewal
- Other costs required to obtain and maintain a license

Congressional Members Supporting this Legislation

Senate Leads (S. 722)

Sen. Klobuchar (D-MN)
Sen. Braun (R-IN)

Senate Cosponsors

Sens. Duckworth (D-IL), Collins (R-ME), Feinstein (D-CA),
Sens. Heinrich (D-NM), Welch (D-VT), Tuberville (R-AL)

House Leads (H.R. 1477)

Rep. Whittman (R-VA)
Rep. Spanberger (D-VA)

House Cosponsors

[Cosponsor List](#) – More than 130 House Co-sponsors

The National Association of State Boards of Accountancy (NASBA), the American Institute of CPAs (AICPA), and the Alliance for Responsible Professional Licensing (ARPL) are proud to support this legislation. For more information, contact John Johnson, NASBA's Director of Legislative and Governmental Affairs, at legislative@nasba.org.

Don't Miss NASBA's Regional Meetings

NASBA's 2024 Regional Meetings are just a few weeks away! Board of Accountancy representatives and other interested parties are invited to participate in the upcoming meetings. Online registration is currently open for the Eastern Regional Meeting (June 4-6 in Louisville, KY) and the Western Regional Meeting (June 25-27 in Omaha, NE).

Spearheaded by NASBA's eight regional directors, who comprise the NASBA Relations with Member Boards Committee, this year's agenda features a New Accountancy Board Member Orientation, updates from NASBA leadership, a report from the Professional Licensure Task Force, an accounting student panel discussion, an overview of artificial intelligence legislative activity across the nation, regional breakouts and more. Don't miss an opportunity to attend! To register, visit: <https://nasba.org/meetings-events/>. ♦



Introducing the Viable Leadership Podcast

Earlier this year, the NASBA Center for the Public Trust (CPT) launched the *Viable Leadership Podcast* hosted by CPT President Alfonzo Alexander. Listen to the industry's ethical leaders share their thoughts on how to foster sustainable leadership in the professional space. The *Viable Leadership Podcast* is available for listening anywhere you can access podcasts, including Apple Podcasts, Spotify, iHeart Radio and YouTube. ♦

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting

April 26, 2024 – Las Vegas, NV

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, held on Friday, April 26, 2024, in Las Vegas, NV, the Board took the following actions:

- ☐ Unanimously approved the minutes of the January 19, 2024, Board of Directors meeting.
- ☐ Unanimously approved the February 2024 NASBA financial statements as recommended by the Administration and Finance committee and presented by Treasurer J. Andy Bonner, Jr. (TN) and Vice President and Chief Financial Officer Troy A. Walker.
- ☐ Unanimously approved changes to the Investment Policy Statement as recommended by the Administration and Finance committee.
- ☐ Unanimously approved the recommended recipients of NASBA accounting education research grants as presented by the Education committee chair Alison Houck Andrew (DE).
- ☐ Unanimously approved a resolution evidencing the authority of the Executive Vice President and Chief Operating Officer to sign agreements and other documents with the State of New Hampshire.
- ☐ Unanimously approved the selection of Daniel J. Dustin, CPA as the President and Chief Executive Officer of NASBA effective August 1, 2024.
- ☐ Heard a report from Chair Stephanie Saunders (VA) on the activities of the Executive committee and its meeting with the Relations with Member Boards committee.
- ☐ Heard a report from Vice Chair Maria Caldwell (FL) on her activities during the past quarter. She reported that planning had begun for the 2024-2025 committee year.
- ☐ Heard a report from Past Chair Richard N. Reisig (MT) on the activities of the Nominating committee.
- ☐ Heard a report from Audit committee chair Laurie A. Warwick (VA) on the activities of the Audit committee.
- ☐ Heard a report from Bylaws committee chair Jason D. Peery (ID) about possible amendments to the NASBA bylaws.
- ☐ Heard an organizational update from President and Chief Executive Officer Ken Bishop and Executive Vice President and Chief Operating Officer Colleen K. Conrad.
- ☐ Vice President, State Board Relations Daniel J. Dustin provided an update on recent state board-related activities and the activities of the AICPA National Pipeline Advisory Group. He also provided an update on legislative issues.
- ☐ Alfonzo Alexander, President, CPT, updated the Board of Directors on recent activities, including the status of Student CPT chapters and the Ethical Leadership Certification Program.

- Heard alerts from various committees including the Communications committee, the Examination Administration committee, the Executive Directors committee, and the Regulatory Response committee.

The next meeting of the NASBA Board of Directors will be held on July 19, 2024, in Anchorage, AK.

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
January 19, 2024 – St. Thomas, USVI

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. AST on Friday, January 19, 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

Absent

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
Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer

Daniel J. Dustin, CPA, Vice President – State Board Relations
Patricia Hartman, Director, Client Services
Philip A. Groves, CPA, Director, Finance and Controller *
Thomas Kenny, Chief Communications Officer
Troy A. Walker, CPA, Vice President and Chief Financial Officer
Alfonzo Alexander, Chief Ethics and Diversity Officer and President, NASBA Center for the Public Trust

President Bishop announced there was a quorum present.

* Attended virtually

Approval of Minutes

Secretary Nicola Neilon presented the minutes of the October 27, 2023, and the October 31, 2023, meetings. Ms. Neilon discussed minor revisions to the October 27 minutes. Chair Saunders asked if there were any additional revisions to the October 27 or October 31 minutes. Being none, Ms. Neilon moved that the October 27, 2023, minutes as revised and the October 31, 2023, minutes be accepted. Mr. Schmitz seconded, and the motion passed.

Report of the Chair

Chair Saunders welcomed all, particularly the newly elected regional directors. She reported that she updated the Executive committee about her activities for the last quarter during the committee's meeting on January 18. She also reported that the Executive committee had met with the Relations with Member Boards committee on January 18 and that they had reviewed three questions with the committee. She stated that Director, Client Services Patricia Hartman and Executive Vice President and Chief Operating Officer Colleen Conrad would provide an update on the Credit Relief Initiative during the meeting. She noted that different jurisdictions had adopted different time periods for the initiative. She noted that during the Executive committee meeting, members had discussed the status of the Professional Licensure Task Force (PLTF), including a webinar held with board of accountancy members and executive directors on January 8, the release of a concept exposure in late December 2023, and recent discussions with the AICPA's National Pipeline Advisory Group's (NPAG) Substantial Equivalency work group. She stated she looked forward to the board members' input later in the meeting.

She reported that Director-at-Large Barry M. Berkowitz would serve as the NASBA Board of Directors representative on the NASBA Center for Public Trust Board of Directors.

She stated that preparations were underway for the upcoming AICPA-NASBA Summit meeting and that the works of the NPAG and PLTF would be topics of discussion.

Chair Saunders closed her report by providing an update on the activities of the Selection Advisory Committee, noting that a recommendation will be brought to the Board of Directors meeting in April for discussion and approval.

Report of the Vice Chair

Vice Chair Maria E. Caldwell reported that she had attended several NASBA committee meetings, including meetings of the Diversity, Legislative Support and Uniform Accountancy Act committees. She reported that she also participated in the PLTF webinar on January 8. She closed her update by reporting that she would be participating in a planning meeting for the 2024-2025 NASBA committee year in February.

Report of the President & CEO

President Bishop welcomed all in his opening comments. He noted that the selection process was working well, and it was wonderful to see so many talented people interested in the position. He noted that the financial results were better than expected in the fall of 2023, with increased candidate volume, however, it is anticipated that there will be a decrease in candidate volume in calendar 2024.

Ms. Conrad provided an organizational update, reporting on employee activities and recent contributions made through NASBA's Community Reinvestment committee. President Bishop discussed the awarding of the 2023 Ad Astra award during the organization's holiday party. He spoke of the NASBA annual meeting and the opportunity the annual meeting provided to attendees to connect with other board members from around the country. Ms. Conrad provided an update on the Past Chair Advisory Council meeting that was held during the annual meeting.

Ms. Conrad spoke to relevance with other organizations, including meetings with the PCAOB Standard and Emerging Issues Advisory Group. President Bishop noted that Past Chair Richard N. Reisig serves on the Financial Accounting Foundation (FAF) board of directors, and he noted that NASBA has a great relationship with several standard setting organizations, including FAF, the Financial Accounting Standards Board and the Governmental Accounting Standards Board. He also reported that a meeting was recently held with members of The Accountants Coalition to discuss issues in the profession.

Ms. Conrad reported that she had attended a meeting of worldwide audit regulators where participants shared that the focus remained on audit quality and that the pipeline issue is global in nature.

President Bishop provided an update on the status of the Mutual Recognition Agreements and noted that the two Irish regulatory groups were seeking to merge.

Ms. Conrad provided an update on information technology initiatives including the successful conversion of the CPAES system and Gateway system for the new exam. She also reported on the status of current projects. Ms. Conrad next reported on operations, including providing CPAES services to additional boards of accountancy and piloting the use of artificial intelligence to enhance NASBA services. She also provided an update on the status of pipeline initiatives, including the Credit Relief Initiative and the Experience, Learn and Earn program.

President Bishop provided an update on discussions about a future licensure model and the importance of providing an equivalent pathway to licensure in the Uniform Accountancy Act. He noted that any equivalent pathway considered would need to be viable and acceptable to the boards of accountancy so that jurisdictions do not unilaterally take action that would disrupt mobility and substantial equivalency.

Ms. Conrad discussed the impact the transition to the new exam model was having on candidate volume and pass rates on the exam. The final months of testing had resulted in huge volume increases; however, exam pass rates decreased because candidates were less prepared to take the exam in their haste to take the exam in the final months of testing under the old format. She also reported on the status of individual boards of accountancy adopting the revised conditional credit rules that were approved by the NASBA board of directors in April 2023.

Ms. Conrad reported on a recently held NASBA-U for executive directors. Ms. Conrad and Vice President, State Board Relations Daniel Dustin reported on recent boards of accountancy visits. Mr. Dustin also provided an update on legislative issues, including the activities of the Alliance for Responsible Professional Licensure.

NASBA Center for Public Trust (CPT) President Alfonzo Alexander reported that the CPT annual meeting would be held later in the day and that he would report on exciting changes being made to student and professional programming.

Chief Communications Officer Thomas Kenny reported on upcoming board of directors meeting dates and locations and the upcoming regional and annual meeting locations.

Visting Director Report

Patricia Hartman, Director, Client Services, provided a summary of her background and career at NASBA. Ms. Hartman reported on the update to the National Candidate Database that serves as a common repository of candidate CPA Examination information for all boards of accountancy. She also reported that almost 6,500 emails had been sent on behalf of the boards of accountancy to candidates who are able to participate in the Credit Relief Initiative. Between 25% and 30% of those eligible to participate had submitted the necessary paperwork to participate in the initiative. Ms. Hartman discussed CPA exam volume and the impact it had on staff overtime hours. She also noted that it presented an opportunity to identify future enhancements to processes. She completed her report by discussing outreach activities, including an upcoming

candidate webinar, boards of accountancy staff training and additional programming to enhance the system.

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 had a significant impact on the November 2023 financial results. 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 November 30, 2023. He noted that total revenue was better than budget by \$2.7 million primarily due to increased candidate volume ahead of the January 2024 CPA Examination change. Mr. Walker provided an overview of examination section volume from August 2023 through November 2023. He noted that while examination volume was higher through November 2023, lower examination volume was experienced in December 2023, partially resulting from the examination period ending on December 15th. It is anticipated that examination volume will remain lower during the first part of calendar 2024. Mr. Walker also stated total expenses were \$0.5 million less than budget through the first four months of the fiscal year. Professional services and Technology expenses were the primary captions contributing to the positive variance. 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 through the first four months which was \$0.2 million. He added that investment income was \$1.7 million for the month of December which brought the year-to-date investment income to \$1.9 million through December 31, 2023.

Mr. Bonner made a motion that the November 30, 2023, financial statements, as recommended by the Administration and Finance Committee, be accepted. Mr. Berkowitz seconded, and the motion passed.

Report from the Uniform Accountancy Act Committee

Ms. Neilon provided an update on the proposed amendments to Model Rules 7-4 and 7-5 Uniform Accountancy Act Model Rules. The proposed amendments to the peer review model rules were exposed for a 60-day comment period. Ms. Neilon reported that five comment letters were received, and that the committee had met to discuss the comment letters, including a proposed change to the exposure amendments that was rejected by the committee. The committee recommended that the board of directors approve the model rule amendments as presented at the October 2023, board of directors meeting. Ms. Neilon made a motion to adopt the proposed amendments to the Uniform Accountancy Act Model Rules as recommended by the UAA Committee. Mr. Langowski seconded, and the motion passed.

Alerts from Other Committee

Mr. Weinstein reported that the Relations with Member Boards committee met the prior day and discussed feedback from the annual meeting and planning for the 2024 regional meetings, including discussion of possible agenda items. He noted that the committee will meet again in April to continue its work on the regional meetings agenda. He noted that the regional directors will be scheduling their regional conference calls in February and that no FOCUS questions will be issued this quarter given the ongoing discussions of key issues such as the CPA pipeline.

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.

Policy Discussions

The Board members exchanged views on the following topics:

NASBA Professional Licensure and AICPA NPAG discussions/plan/progress

Chair Saunders provided an overview of the possible legislative proposals that may threaten substantial equivalency and mobility. She provided a summary of the work of the Professional Licensure Task Force, including the concept exposure that was released in late December 2023, and the webinar held for boards of accountancy members and executive directors on January 8. She presented an overview of the concepts being discussed by the task force to create an equivalent path to licensure through a Structured Professional Program. Following the overview, the board members shared their input on the concept and unanimously agreed that the Professional Licensure Task Force continue to explore an equivalent pathway to licensure.

Relationships related to impact of pipeline discussion

Chair Saunders reported that several groups are discussing possible changes to the licensure model, including the NASBA Professional Licensure Task Force, the AICPA National Pipeline Advisory Group's Substantial Equivalency work group, and staff at NASBA and the AICPA. She noted that collaboration between the NASBA and AICPA groups has been discussed. One key difference between the groups is whether experiential learning earned has to be on an accredited transcript.

Status of 120/150 legislative threat/reaction

The state societies in Minnesota and South Carolina have introduced or are discussing the introduction of legislation during the 2024 legislative session that would include alternate pathways to licensure. As conceived, the proposed legislation would

negatively impact substantial equivalency and mobility. In addition, the Oregon board of accountancy has indicated that they could seek legislation in 2025 that will focus on an experiential learning pathway. An email sent by the Oregon executive director to the executive directors in the other jurisdictions indicated that the Oregon board of accountancy would consider adopting the Structured Professional Model pathway during its deliberations.

New educational accreditation concepts

The board members discussed the licensure models being considered by the various groups, including whether experience earned through a Structured Professional Program would be required to be on an accredited transcript. An important component of any model was to make the pathway uniform.

Ms. Lalvani made a motion to recess for the CPT annual meeting. Ms. Neilon seconded, and the motion passed.

CPT Annual Member Meeting

CPT President Alfonzo Alexander provided an operational update. He reported that there are currently fifty-four StudentCPT chapters, including six on Historically Black College and University campuses. He also reported that approximately 5,600 participants would complete the Ethical Leadership Certification Program during the current fiscal year and more than 14,700 participants have completed the program since its inception. The Professional Audit Integrity Conference at Baruch College was recently held. Former NASBA Chair Laurie Tish presented at the conference. He also reported on fundraising and development activities including the annual meeting fundraiser that raised a record amount of contributions.

NASBA is the sole member of the CPT and the NASBA board of directors elects the members of the CPT board of directors. Mr. Alexander presented four nominees for election to the CPT board of directors: James Alderson; Jenn Buchard; W. Michael Fritz; and Kelly Richmond Pope, PhD.

On a motion by Ms. Neilon, second by Mr. Sims, the motion to elect the four nominees to the CPT board of directors passed unanimously.

On a motion by Ms. Salazar, seconded by Lalvani, the motion to close the CPT annual meeting was unanimously approved.

Chair Saunders reconvened the NASBA board meeting.

Adjournment

On motion by Ms. Warwick, seconded by Mr. Egan, the meeting adjourned at 3:16 p.m. AST.

2023 - 2024

ANNUAL LETTER



NEBRASKA BOARD OF PUBLIC ACCOUNTANCY

The Board is responsible for licensing and regulating Certified Public Accountants (CPAs) in Nebraska



NEBRASKA

State Board of Public Accountancy



2023 - 2024 Annual Letter

A MESSAGE FROM THE BOARD CHAIR, MELISSA RUFF, CPA

As I enter my second year of being selected Chair of the Board, I can report several important items to you impacting the CPA profession in Nebraska including:

- The passage of LB 854 within the Nebraska Legislature this year that will allow a Candidate for the Uniform CPA Examination (exam) the ability to begin sitting after completion of 120 hours and a bachelor's degree beginning January 1, 2025. Currently, a Candidate must complete the required 150-hours of education before beginning to sit. This will align Nebraska with most other State Boards and especially our neighboring states that allow Candidates to sit for the exam at 120 hours. (see p. 6)
- The State Board moved forward with several rule changes within NAC Title 288 regulations mostly focused on the exam. The first would move the requirement to successfully complete all four-parts of the exam from current 18 months to 30 months as recommended by the NASBA Uniform Accountancy Act Committee. This was seen as a move to assist in CPA Pipeline efforts by allowing for additional time for Candidates to complete all four sections of the exam. Proposed regulations also focused on specifically noting when the 30-month window would begin for a Candidate and when a re-take of the exam can occur. The regulations are awaiting approval from the Governor's Policy Research Office.
- Other initiatives last year by the Board to assist in Pipeline efforts included allowing some Candidates additional time to complete all four sections of the exam based on a 30-month timeline as previously indicated and participating in the national program known as the Credit Relief Initiative (CRI).
- The Board recognized Mr. Ken Brauer for his eight years of service at our September meeting and recently welcomed our new public member Mr. Donald Neal Jr. to the Board (see p. 4).



Melissa Ruff, CPA

Never hesitate to contact our Board office at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov with any questions and/or would like to discuss these important activities of the State Board.

Melissa Ruff, CPA
Board Chairman



FROM THE EXECUTIVE DIRECTOR: BIG CHANGES AT NASBA

As many of you know, I have been very active in our national regulatory association known as the National Association of State Boards of Accountancy, or NASBA. This includes stints as chairman of the Executive Directors Committee and the Accountancy Licensing Database (ALD) Task Force and serving on various committees over the years. I count this service as one of the highlights of my long career as your State Board Executive Director. As a result, I have been able to assist and provide direct input on many important regulatory functions that directly impact the CPA profession, both in Nebraska and nationally. I have also gained a long list of colleagues and associates whom I can consult before making decisions and/or recommendations to the State Board. Many of these folks are also my friends, and I have had the chance to develop strong relationships with individuals from all over the country. It has been a great experience!

I bring this up because "Big Changes" are soon coming to NASBA, including the retirement this year of CEO/President Ken Bishop. Ken and I share a common bond based on our previous careers in law enforcement before transitioning to the accounting regulatory world. Ken has positively navigated many significant issues during his 12-year tenure with NASBA, making him a well-known figure within the accounting profession. More information will be forthcoming regarding Ken's well-deserved retirement and his excellent work over the course of his career.

In any organization, a change in leadership provides the opportunity for reflection and reassessment. Since last year, the NASBA Board of Directors has been involved in the important search for the association's new leader. The NASBA Board of Directors announced in April that Daniel J. Dustin, CPA, has been selected to become NASBA's next president and chief executive officer. Dustin holds extensive expertise in the areas of accounting regulation and Board of Accountancy operations.

Of course, many other changes are happening today in Nebraska, including the rollout of the new CPA Examination, the State Board's decision regarding the Credit Relief Program for CPA candidates, a change to the Nebraska Public Accountancy Act that will allow candidates to sit for the CPA exam with 120 semester hours of qualifying college credit and a bachelor's degree, and a few other changes to the State Board's regulations. If you would like to discuss these changes or have other questions or concerns regarding the profession, never hesitate to reach out to me directly.



Dan Sweetwood

Dan Sweetwood
Executive Director, Nebraska State Board of Public Accountancy

The Nebraska Board of Public Accountancy administers public accountancy law in Nebraska. Its mission is to protect the welfare of the citizens of the state of Nebraska by assuring the competency of persons licensed as Certified Public Accountants. more information, contact State Board Executive Director Dan Sweetwood at (402) 471-3595 or dan.sweetwood@nebraska.gov.

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ONLINE RENEWAL PORTAL WILL OPEN MAY 1

The Nebraska Board Of Public Accountancy Will Open Its Online Licensing Portals
May 1, 2024, And Will Close June 30, 2024

For Biennial Inactive Registrants And Active Permit Holders
Along With Annual Firm Permit Renewals.

Renewal reminders will be mailed out the first week in May. Our online renewal system can be accessed through our website at www.nbpa.nebraska.gov.

The permit and registration renewal process are very important to the State Board and allows for updating personal and firm information including addresses, employment, office locations, and other information. The goal of the online portals is to provide convenience and a relatively short timeframe to renew a registration or a permit to practice. It also streamlines the

ability of State Board staff to process the renewals with less paper and checks to process. Although paper applications can still be submitted, permit holders are encouraged to submit renewals online.

If you have any questions concerning submitting your renewal documents, please contact the State Board office at (402) 471-3595 or email kristen.vanwinkle@nebraska.gov or heather.myers@nebraska.gov.

THANK YOU KEN BRAUER, FOR YOUR EIGHT YEARS OF SERVICE ON THE STATE BOARD

During Ken Brauer's term as Member of the Board, he was a steady influence who always asked good questions and brought up good points. He came to the Board as a public member whereas he was already familiar with the Board due to attending many meetings over the years while representing the Nebraska Society of Independent Accountants. He was able to blend these interests and provide a keen interest in protecting the public. He served his two terms as a member of the Licensing Committee and Chaired the committee for four years. This required that he led the efforts on alternate forms of experience and approval of unique firm names, which was challenging at times but he rose to the occasion. He was also a member of the Education & Examination Committee. The Nebraska State Board of Public Accountancy extend their sincere appreciation to Ken for his service as a Member of the Nebraska State Board of Public Accountancy.



Pictured: Executive Director Dan Sweetwood, Ken Brauer, and Chair Melissa Ruff, CPA



EVER INTERESTED IN BOARD SPENDING AND BUDGETING?

Go to the State Budgeting Website at <https://das.nebraska.gov/budget/> to access the Board budget and never hesitate to contact Executive Director Dan Sweetwood at Dan.Sweetwood@Nebraska.gov or (402) 471-3595 with any questions and/or concerns regarding Board spending.



CONGRATULATIONS TO OUR NEWLY APPOINTED BOARD MEMBER DONALD NEAL JR.



Donald Neal, Jr.

Donald is the Chief Financial Strategist for University of Nebraska at Omaha. He is also the Senior Tax Director for the University of Nebraska System (System) and Nebraska Medicine. As the Chief Financial Strategist, he oversees all Auxiliary Operations (childcare, bookstore, food services, parking, etc.) for UNO and act as a liaison with UNO Athletics, Housing, and Micro-Credentialing. He partners with the Vice Chancellor for Business and Finance at UNO to provide strategic direction and leadership in developing budgets, business plans, and financial strategies to maximize the impact of UNO's revenue-generating units. In the System role, he oversees all tax compliance (domestic and international) and consulting items across all campuses, related entities, and Nebraska Medicine. He provides advice to Executive leadership of the University and Nebraska Medicine on all significant strategic domestic and international business opportunities/initiatives and provide comprehensive tax planning, analysis, and advice to constituents regarding operational tax issues/resolutions.

Prior to joining the System, Donald was a Senior Tax Manager and the Nebraska business unit lead for KPMG's Development and Exempt Organization tax practice. During his time at KPMG, he managed a diverse client list in Nebraska, Iowa, Colorado, Florida, Alaska, and Missouri and provided tax compliance, consulting, and advisory services to tax exempt, governmental, and non-governmental organizations. He provided strategic leadership and



Chair Ms. Melissa Ruff swearing in the Board's new public member, Mr. Donald Neal, at the March 15, 2024, board meeting.

operational oversight of KPMG's Development and Exempt Organizations tax practice for Nebraska and oversaw 40 clients in higher education, healthcare, corporate and family foundations, governmental, and non-governmental organizations. Donald has over 20 years of experience in tax compliance, auditing, internal controls, advisory, and financial accounting.

Donald holds an MBA from Bellevue University, BS from the University of Nebraska-Lincoln, and is licensed as an Enrolled Agent with the Internal Revenue Service. He is currently a board member of Children's Scholarship Fund, DREAM, Inc., and Husker Football Letterman's Association. Donald was a letter winner for the University of Nebraska-Lincoln Men's Track and Field team and former walk-on for the Football team.

Donald and his wife LaKisha have one daughter.



The Nebraska Board staff participated in NASBA's 2024 Executive Directors Conference in March 2024.

Pictured: Director Dan Sweetwood, Heather Myers, Business Manager, Kristen VanWinkle, Administrator and Joni Sundquist, President of the NESCPAs.



STATE BOARD MEETS ON UNK CAMPUS

The Nebraska State Board of Public Accountancy (Board) conducted their May 9th Board meeting on the campus of the University of Nebraska at Kearney (UNK). After conducting their regular business meeting during the morning, the Board welcomed over 40 UNK business & accounting students to an informal breakout discussion. Board members introduced themselves and provided an overview of their careers including positive aspects of choosing a career in accounting and completing the requirements to obtain their CPA credentials. From being part of the "Big Four" to opening up their own offices, members provided the students examples on how an accounting education and becoming a CPA can lead to various career choices.

Vice Chair and a public member of the Board, Mr. Jeff Kanger, President of First State Bank told the students the importance of CPAs within the banking industry and his personal experience on observing the opportunities a young CPA can experience in today's business world.

The students also received an overview of how to prepare to sit for the Uniform CPA Examination and the application process

in Nebraska by Ms. Pat Hartman, the Director of Client Services/ NASBA- CPA Exam Services (CPAES) based in Nashville, TN. CPAES receives and processes exam applications for 36 State Boards of Accountancy including Nebraska. She also answered several questions from students interested in the exam.

Board Secretary Ms. Christi Olsen, CPA, of Circle CPA based in Omaha, commented "This was a great opportunity for the Board to visit a campus and interact with accounting educators and students. It is so important that students understand the benefits of becoming a CPA and the possibilities of the many career choices available as they learned of today..."

At the conclusion of the breakout, Board Executive Director Dan Sweetwood acknowledged and thanked Board member and Assistant Accounting Professor Ms. Sarah Borchers, DBA, CPA at UNK for hosting the Board and developing the student event. He pointed out to students how fortunate they were to hear directly from Board members, receive information from the Nebraska Society of CPAs, learn about the CPA Examination from CPAES, and the advantages of becoming a CPA.



Vice Chair Kanger addresses the students.



Board Member Manning explains his decision to start his own firm.



Nebraska Society President Joni Sundquist provides details regarding the Society's student chapter.



CPA CANDIDATES APPROVED TO SIT AT 120 HOURS STARTING 1/1/25

On March 11, 2024, Governor Jim Pillen signed LB 854 into law amending the Nebraska Public Accountancy Act after the bill passed in the Nebraska Legislature on a 44-0-5 vote. Commencing on Jan. 1, 2025, Nebraska CPA candidates will be able to sit for the Uniform CPA Examination after completing 120 semester hours (or 180 quarter hours) of qualifying college credit and a bachelor's degree. Right now, Nebraska requires that a candidate be within 120 days of completing 150 hours of college education before being eligible to take the CPA exam.

The Nebraska Board of Public Accountancy (State Board) will commence its rulemaking authority within Nebraska Administrative Code (NAC) Title 288, Chapter 9 to review and amend educational requirements for those candidates who wish to begin testing for the exam with 120 hours of college education. The State Board's Education Advisory Committee (EAC) will meet soon to review and make recommendations to the Board for consideration. Changes made to Chapter 9 will require the Board to engage in the rulemaking process, which includes a public hearing followed by review and approval by the State Attorney General's Office and the Governor's Policy Research Office. The goal is to have the regulations in place before the law takes effect on Jan. 1, 2025.

The initiative to make this change to Nebraska law began during the review and subsequent recommendations of the 2023 CPA Exam Task Force led by State Board Chairman Melissa Ruff, CPA, who served as chairman of the task force, and Nebraska Society of CPAs 2023 Chairman Lorraine Egger, CPA, who served as the task force's vice chairman. Other members of the task force included State Board Vice Chairman Jeff Kanger, State Board Education & Examination Chairman Sarah Borchers, CPA, Nebraska Society of CPAs 2024 Chairman Kelly Martinson, CPA, and Society Board member Dr. Thomas Purcell, CPA.

"Through the information presented to the task force, we learned that the vast majority of jurisdictions are already allowing candidates to sit for the exam at 120 hours. This includes our neighboring states, where several Nebraska candidates are sitting," said State Board Chairman Ruff. "The change to 120 hours gives candidates the flexibility to decide when it's best for them to complete the exam. Although some concern was expressed about candidates' ability to successfully pass the exam without completing the required 150 hours of education, no strong evidence was found to support this assertion, so the task force decided to move forward with a bill."

"The Nebraska Society of CPAs conducted a survey of our members in November 2023," noted Society Chairman Martinson. "The survey results reflected a mix of concerns about the educational and experience requirements to become a CPA, with a call to reduce barriers to entry and to consider a new approach to education and the 150-hour requirement. LB 854 is a step in the right direction, allowing candidates to accelerate their goal of becoming a CPA. It also ensures that Nebraska remains competitive within the U.S. accounting landscape while maintaining the integrity and excellence of our profession."

LB 854 was submitted before the 108th Legislature on behalf of the Nebraska Society of CPAs by Sen. Mike Jacobson, District 42, of North Platte. The State Board and Nebraska Society extend our gratitude to Sen. Jacobson, his office, the members of the Banking, Commerce, and Insurance Committee, and Banking Committee Legal Counsel Joshua Christolear, for their pivotal support in securing the passage of LB 854.

RECENTLY RETIRED?

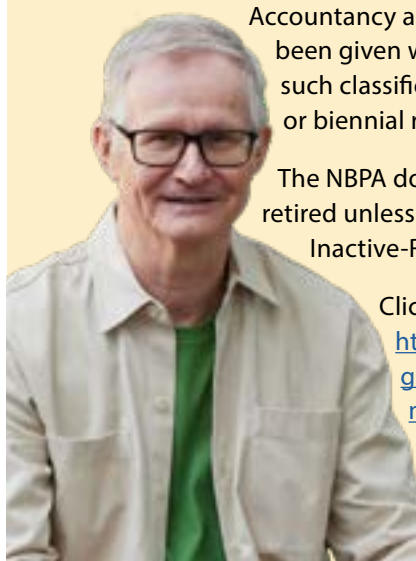
Are you a recently retired CPA or plan to retire in the next year and at least 60 years of age?

The classification of "Inactive-Retired" Nebraska CPA certificate means that you cannot hold yourself out to the Nebraska public as a CPA. If you plan to re-enter public accounting, you must meet all the requirements for a permit to practice, including active permit fees and Continuing Professional Education (CPE). This classification will not be valid until formally approved by the Nebraska Board of Public

Accountancy and until you have been given written notification of such classification. There is no fee or biennial registration.

The NBPA does not know you are retired unless you apply for the Inactive-Retired status.

Click here for the form:
https://nbpa.nebraska.gov/sites/nbpa.nebraska.gov/files/doc/individuals/inact_retired_e.pdf





NEVADA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS: PEER REVIEW PROGRAM

WHAT DO WE DO?

The Nevada Society of CPAs administers peer review for the state of Nebraska. We appreciate the opportunity to serve your state and are available to assist you at 775-826-6800 or nvcpa@nevadacpa.org.

A firm that provides attest services to a client is required to undergo peer review. It is important you are aware of the Nebraska requirements. Please visit <https://nbpa-nebraska.gov/firms/peer-review-enrollment-information> to confirm your enrollment requirements.

SINGLE AUDITS

Remember that if a non-federal entity spends \$750,000 or more of federal awards in a fiscal year, a single audit is required. Many recipients of pandemic funding have never had a single audit before and may not know what is required. Please visit <https://www.aicpa-cima.com/topic/government> for more information.

NEW QM STANDARDS

The AICPA is requiring firms to implement the new QM standards effective December 15, 2025. But do not wait to get started with your plan. Visit <https://www.aicpa-cima.com/resources/download/free-practice-aid-set-up-your-a-and-a-quality-management-system> for tools and resources to get started.

HAVE A VOICE IN THE PEER REVIEW PROCESS!

The NVCPA is always looking for Review Acceptance Body (RAB) participants. The RAB meets via video meeting once per month for 60-90 minutes to complete the peer review process. CPE is issued for the meetings and a stipend is provided to attend the AICPA's annual peer review conference each year. This is a great opportunity to improve your own peer review program as you participate in the process.

Generally, RAB members are peer reviewers. If you are interested in joining our RAB, please contact us at the number or email listed above. Not a reviewer? Read the information on the following page for additional information.



When reporting your CPE online, please remember to record Ethics courses under the "E" category to make sure that you have met the four-hour Ethics requirement.

Peer Review Program



Are you ready to leverage your expertise and welcome a whole new source of revenue for your accounting and auditing practice?

The peer review landscape has changed over the last several years, and having a quality peer review is more important than ever. By becoming a peer reviewer, you'll be in high demand - and you can help grow your business and build your reputation as a firm that stands behind its commitment to providing high-quality services.

Firms want value.

As a provider of audit and accounting services, you understand clients' demand for high-quality services. The same goes for businesses looking for peer reviewers, who want a quality peer review to help them:

- Improve processes.
- Obtain education or recommendations to correct findings or deficiencies.
- Establish and maintain a system of quality control to comply with Statements on Quality Control Standards (SQCS) No. 8.
- Convey honesty, professionalism and trustworthiness to their clients.

You have a unique vantage point.

With your experience in the profession, you can help firms achieve the results they want while bolstering your own practice. Here are some of the tangible benefits that you'll get as a peer reviewer:

- Greater confidence in your own practices and procedures
- Exposure to new best practices that boosts efficiencies
- Insight to perform more effective audit procedures
- Expertise in understanding common areas of professional standard noncompliance

HERE'S WHAT OTHER CPAS THINK ABOUT PERFORMING PEER REVIEWS:

"I enjoy being a peer reviewer because I love working with my peers to help them improve the quality of their services, including insight from my own experience and other peer reviews, whether it's audit and accounting processes, or sharing of workpapers that we've developed."

"Being a peer reviewer is a great way to keep up with the standards - continuously going through checklists certainly has helped improve our own firm's quality. Several issues I encounter often require research, which continues to provide that challenge."

"I enjoy performing peer reviews because it gives me an opportunity to see how other CPA firms run their practice and have met a lot of nice people along the way."

"Peer reviews provide another source of revenue for our firm, in addition to the audit and accounting or tax-related services."

Become an expert in practice management.

As a peer reviewer, you'll gain additional opportunities to network with your peers, which provides insight to tackle challenging practice management issues outside of regular services you provide to your clients, such as:

- Staffing and employee retention
- Partner or shareholder challenges
- Firm mergers and acquisitions
- Succession planning

Ready to get started?

Visit aicpa.org/BeAReviewer for requirements and training options.



RETURNING CLIENT RECORDS

Be advised the article below appeared in the “Activity Review” of the North Carolina State Board of Certified Public Accountant Examiners/ No. #2, 2024. This is general information only and N.C. requirements might not be directly tied to Nebraska requirements.

Specific regulations regarding client records within Nebraska are promulgated within Title 288/ Chapter 5 located at [Nebraska Rules and Regulations](#). Contact the Board office at (402) 471-3595 or at Dan.Sweetwood@Nebraska.gov with any questions regarding Nebraska requirements.

FAQs: Returning Client Records The information in this article is general guidance about the return of client records. It is not legal advice and is not binding on the Board. CPAs are encouraged to review 21 NCAC 08N .0305, “Retention of Client Records,” and other applicable resources such as Treasury Circular 230 or the AICPA Code of Professional Conduct before returning client records. The Board receives numerous calls and emails about client records. As tax season is upon us, make sure you know the Board’s rule on the retention and return of client records. If there is a discrepancy between the Board’s regulations and the AICPA Code of Conduct, the Board’s rules take precedence. Below are the Board staff’s answers to several of the most frequently asked client record questions.

Q. How do I know if I should give a person or company a copy of client records? A. You are required only to provide the records to the client (current or former) or, in some instances, to a successor CPA or an entity (e.g., partner or shareholder) associated with the client. If the client is a business entity, you can provide the records to an individual designated or held out as the business entity’s representative. That designation should be in your engagement letter or other written document to avoid confusion. The Board’s specific rule states that a CPA who has provided records to an individual designated or held out as the client’s representative, such as the general partner



or majority shareholder, is not obligated to provide such records to other individuals associated with the client. If you receive a subpoena for client records, contact the Board, your attorney, or professional liability insurance provider.

Q. A client asked me for a copy of their records, but are there some items I can exclude? A. To answer that, we must discuss what you must return to a client. You should return client-provided records (any records provided by or on the client’s behalf). Unless you and the client have agreed to the contrary, you should provide the client with a copy of your CPA-prepared records and work products if they relate to a completed and issued work product. CPA-prepared records include those that you were not explicitly engaged to prepare and are not in the client’s records or are otherwise not available to the client. Examples include adjusting, closing, combining, or consolidating journal entries (including computations supporting such entries) and supporting schedules and documents you proposed or prepared as part of an engagement (for example, an audit). You can withhold those records if the client has not paid for that specific work product. You can withhold those records if the work product is incomplete, if the records are needed to comply with professional standards (for example, withholding an audit report due to outstanding audit issues), or if there is threatened or outstanding litigation concerning the engagement or your work. Q. If I provided a copy of a joint tax return to one spouse, must I also give a copy to the other spouse if requested? A. Yes, the Board updated this rule in September 2023 to state that in the case of joint individual tax returns, each named taxpayer on the returns is entitled to a copy of the tax returns and supporting schedules from the CPA. CPAs caught between differing parties in separation or divorce proceedings may use this rule to justify providing copies to each spouse.





LICENSING COMMITTEE

Firm names continue to be an issue for Committee review. Please refer to the Firm Guidelines, available on the Board's website, if you intend to change your firm name. The Committee's direction has been to protect the public by approving names that are not misleading as to services provided, number of CPAs employed, and other potentially confusing terminology. The Committee has been charged with reviewing the Firm Guidelines to determine if any changes should be made.

Certificates of Registration/Organization for Professional Corporations and Limited Liability Companies are annually confusing to firms. Certificates are a requirement of the Nebraska Secretary of State (SOS) office to validate your CPA **professional** business as permissible to do business in Nebraska. The Board provides two certificates to document your firm's current licensed status with the Board. Certificates are a function of the SOS's office, not the Board. However, you must ALSO renew your firm permit annually with the Board. Often the two processes are confused. The certificate of registration/organization is based on your original date of incorporation with the SOS. Sometimes they occur at the same time. **Yes, you must do BOTH.**

CPA's cannot just go away! Licensure does not end when you no longer reside in the state, no longer have clients or a business, or retire. **You must complete the appropriate action.** The Committee annually recommends revocation of certificates of permit holders, who have not renewed their active permit for three years per PAA 1-137 (9), following petition and notice of hearing. Please check the website or contact the Board office for change of status options. Retired affidavits total 64 for 2015.

Inactive Status means you cannot hold out as a CPA per Title 288 Rules Chapter 3 001.09. Any representation that may mislead the public could come under scrutiny by the Board.

Failure to Renew After Three Years. The Board is in the process of revoking certificates of **Active** and **Inactive registrants** who have not renewed for three years.

Mobility. If you have questions regarding Mobility go to www.nasba.org "Mobility" and click on the state for an update on their Mobility provisions. Also, you can telephone and/or access each states website by going to www.nasba.org "Members" for additional information.

LICENSING STATISTICS 2023

Reports on permits/registrations issued from July 1, 2022 to June 30, 2023:
Prior years' statistics are given for comparison purposes.

Cumulative Totals:

Individuals	16-18	17-19	18-20	19-21	20-22	21-23	22-24
CPA Permits	1243	1313	1290	1274	1275	1271	1311
CPA Inactive Registrations	653	595	657	529	578	519	545
Total Individuals	1896	1908	1947	1803	1853	1790	1856
Firms	16-17	17-18	18-19	19-20	20-21	21-22	22-24
Partnerships	9	9	8	10	10	10	9
Professional Corporations	216	211	200	186	177	164	165
Limited Liability Companies	103	108	107	109	109	111	128
Limited Liability Partnerships	56	57	53	60	57	62	59
Sole Proprietorships	224	193	186	183	164	160	148
Total Firms	608	578	554	548	517	512	509



2023 BOARD MEMBERS



Back row: Mark Manning, Sarah Borchers, Drew Blossom, Vice-Chair Jeff Kanger, Amy Holzworth. Front row: Ken Brauer, Chair Melissa Ruff and Secretary Christi Olsen.

NASBA WESTERN REGIONAL MEETINGS COMING TO OMAHA!

The Nebraska State Board of Public Accountancy is pleased to host over 200 accounting regulators to Omaha this summer! The Western Regional Meetings bring members and staff from our Western states to meet and discuss the important issues that impact the CPA profession. NASBA's Regional Directors and leadership develop the agenda and lead the discussions on various topics including updates on CPA Evolution, the Uniform CPA Examination, the changing environment of ownership of CPA firms, consideration of new pathways to a CPA and other important topics for State Board members and staff.

The meetings are set for June 25th-27th, 2024 held in the Capitol District at the Downtown Marriott Hotel. Information regarding the meetings and NASBA can be found at www.nasba.org.

About NASBA

Since 1908, the National Association of State Boards of Accountancy (NASBA) has served as a forum for the nation's Boards of Accountancy, which administer the Uniform CPA Examination, license more than 672,000 certified public accountants and regulate the practice of public accountancy in the United States.

NASBA's mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy in meeting



their regulatory responsibilities. The Association promotes the exchange of information among accountancy boards, serving the needs of the 55 U.S. jurisdictions.

NASBA is headquartered in Nashville, TN, with an International Computer Testing and Call Center in Guam and operations in San Juan, PR. To learn more about NASBA, visit www.nasba.org.



CPE RULES IN EFFECT

As an active CPA, it is your responsibility to remain compliant with CPE to maintain your competence to practice public accounting. All holders of an active permit to practice public accountancy are required to comply with the continuing education requirements.

- To renew your Active Permit to Practice, you must complete 80 hours of CPE (including 4 hours of ethics) within the two calendar years prior to renewal. CPE must be earned by December 31st of the year prior to renewal and must be reported by January 31st of your renewal year.
- The applicant for renewal of an active permit to practice shall, by January 31st of each year, provide a report of the continuing education in which he or she has participated in the preceding calendar year. If a permit holder has a valid reason they cannot report by January 31, they shall communicate the reason to the Board in writing before January 31.
- Sole responsibility for documenting the requirements rests with the permit holder and evidence to support fulfillment of those requirements must be retained for a period of six years after the completion of educational courses.

Evidence of course completion must include one of the following:

- Certificate of completion from the course sponsor
- Copy of the sign in sheet
- Grade report or a transcript from an educational institution
- A signed statement of hours of attendance from the instructor
- For instructors, you need to provide a copy of the agenda or syllabus
- For publishers, you need to provide a copy of the article, book, etc.

***Please note that Course Approval letters from the Nebraska State Board do NOT count as a certificate of completion or attendance. ***

- Inactive Registrants and "Inactive-Retired" registrants are not required to report continuing education.

NEBRASKA CPA STATUS

Nebraska is a two-tiered state. In the first tier, a Certificate Number is issued permanently to the candidate after successful completion of the U.S. Uniform CPA Examination. This person is known as a Certificate Holder in Nebraska and must file an annual registration with the Board office. Although considered a Certificate Holder, they have no status as a CPA within Nebraska.

After completion of two years of public accounting experience within a CPA firm under the direction of a CPA (or three years in business, government, and academia) a Certificate Holder may file an application for issuance of an Active Permit to Practice that allows them to hold themselves out to the public as a CPA and practice public accountancy. A license number is issued with their Active Permit to Practice. The permit number is separate from their permanent Certificate number and changes every two years upon successful completion of 80 hours of required Continuing Professional Education.

If an Active Permit Holder decides to forgo the CPE requirement, they may elect to register with the Board as

an Inactive Registrant and are issued a registration number. An Inactive Registrant cannot practice public accountancy within Nebraska.

Active CPAs can be verified on the Board's website: <http://www.nbpa.nebraska.gov/search/>

Please keep the following status descriptions in mind:

Certificate Holder:

- "Passed the CPA Exam" for use on resumes only
- Cannot practice public accountancy
- Cannot hold out using the title CPA

Permit Holder:

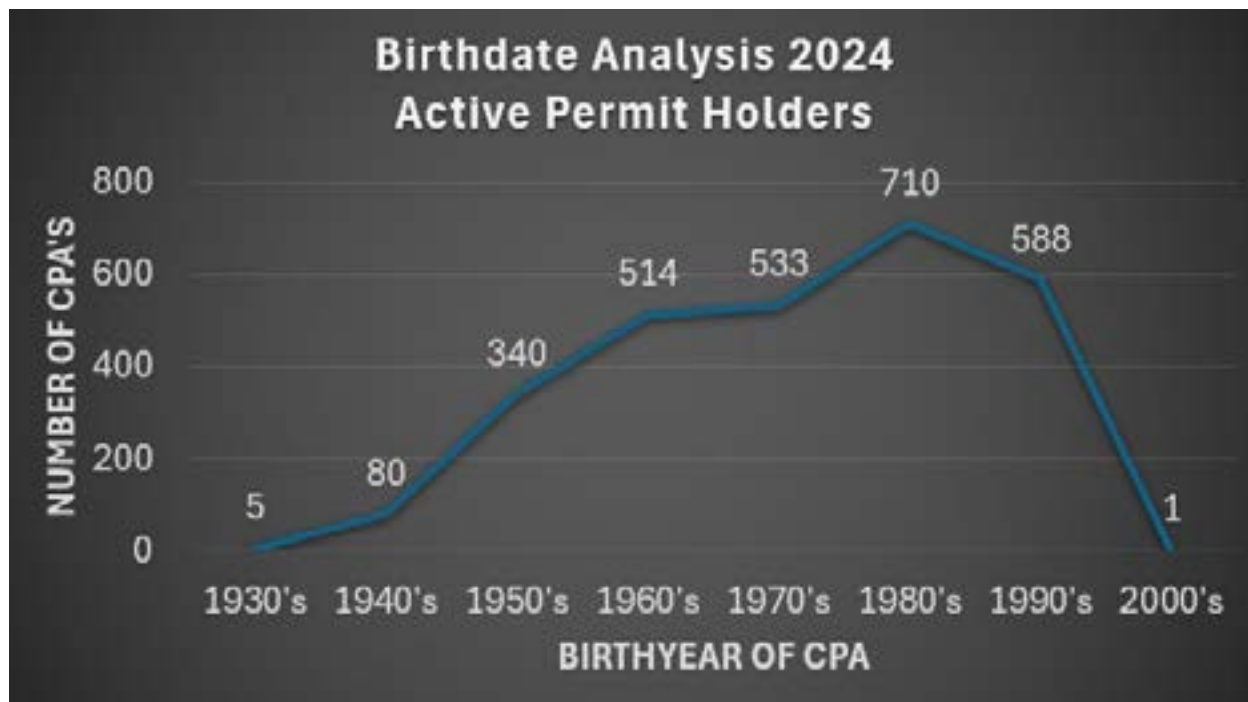
- Use the title "CPA" (hold out)
- Practice public accountancy

Inactive registrant:

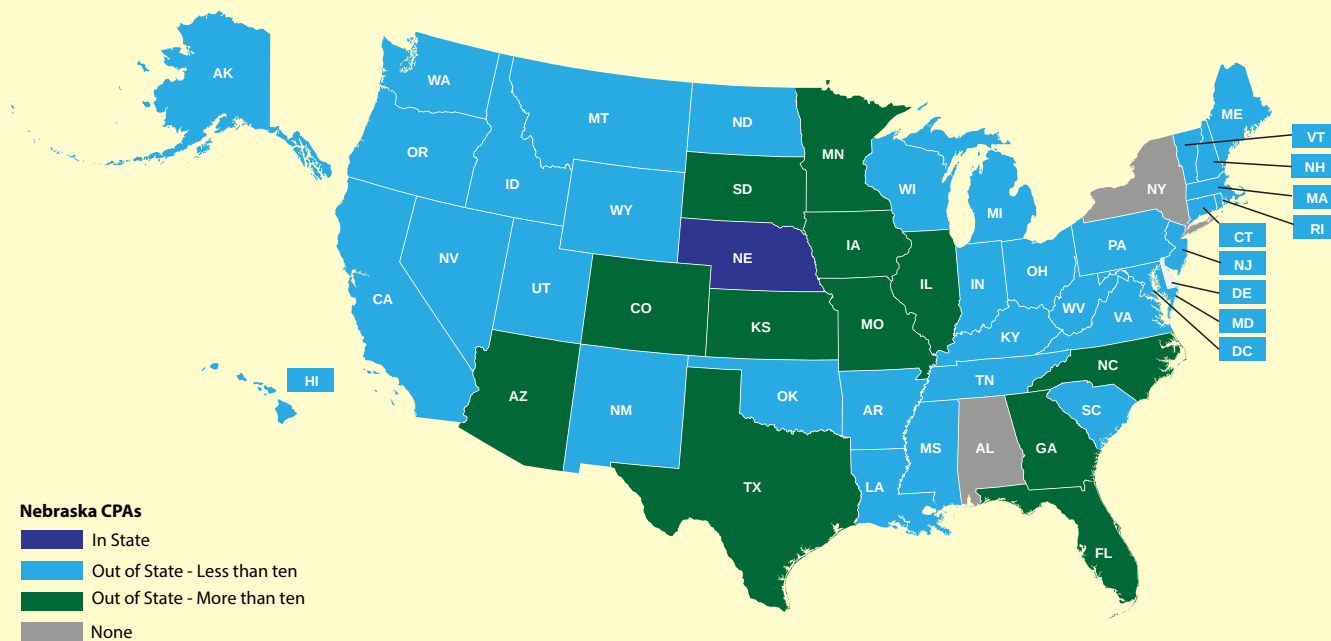
- Cannot practice public accountancy
- Cannot hold out as a CPA
- Must use the disclaimer: "CPA (Inactive Registrant)"



FACTS ABOUT ACTIVE PERMIT HOLDERS



ACTIVE NEBRASKA PERMIT HOLDERS



417
OUT OF
STATE

2,354
NEBRASKA

2,771
TOTAL CPAs



FAQ'S/TIDBITS

- 1. Check for the current NBPA application form:** Be sure to check the NBPA website for the most current application forms as fees could have been changed for some applications. As a state agency, the Board cannot accept checks for the wrong amount. The application and incorrect fee check must be returned to the applicant, delaying the application process. Please be aware that CPA Certificate and Initial Permit applications can take 4-6 weeks for processing and mailing.
- 2. Changes to the Rules and Regulations!** During the year issues may arise that result in revisions to the Board's Title 288 Rules and Regulations. Please be aware that "things change." The Board office will attempt to inform you of changes through the annual letter, the Nebraska Society of CPAs newsletter, or other means.
- 3. How many hours do I need to renew my permit?** CPE hours required for renewal of your permit to practice equal 80 hours over TWO years, including 4 hours of ethics. Do not confuse the required 80 hours over two years with other derivatives such as 40 hours per year, or with 20 hours of self study. Ethics hours may be taken in small increments, not all in one four-hour block. CPE must be reported by January 31 each year. **CPE reporting is available throughout the year** by using the "CPE Online Reporting" on the home page of NBPA: <http://www.nbpa.nebraska.gov>. Please refer to the most recent edition of the CPE Guidelines on the Board's website for specific requirements.
- 4. How do I go from inactive registration status to active permit holder?** There is a reinstatement application for this process. The application should be submitted to our office when all required hours are completed. Reinstatement from inactive registrant to active permit holder requires communication with the Board office. Based on your birth year, your licensing period does NOT change, and effects the years for CPE reinstatement reporting. Reinstatement requires careful timing, and Board staff will be happy to assist you through the process. Please do not try to submit CPE hours online if you are "inactive." You must keep track of those hours to submit with your reinstatement application.
- 5. Reminder:** Title 288 Rules Chapter 5 007.06 state, "Each certificate holder shall notify the Board in writing (or via the Board's website) within 30 days of any **change of address or change of employment.**"
- 6. How do I report problems or issues experienced with CPA Exam Services (CPAES) in the CPA exam process?** Please contact the Board office if you have serious complaints during the exam process that have not been resolved through the Candidate Care service.
- 7. There is a difference:** The Nebraska **STATE BOARD of Public Accountancy** is a regulatory agency – think "permits." The **Nebraska SOCIETY** is a membership organization – think "CPE." Often people change their contact information. **Please be sure to change your information with BOTH entities! Not all individuals are connected to BOTH organizations.**



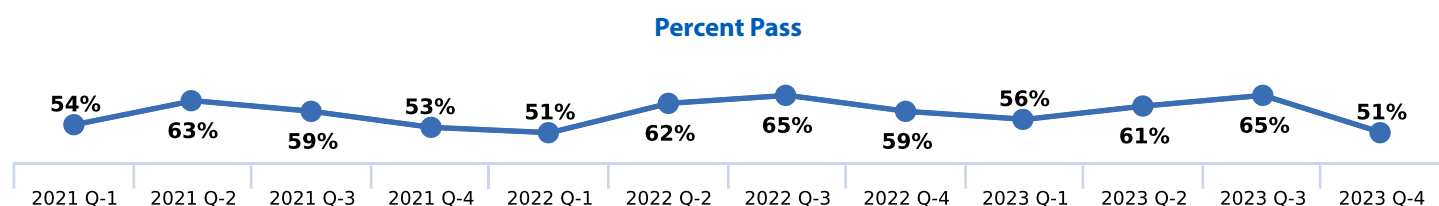
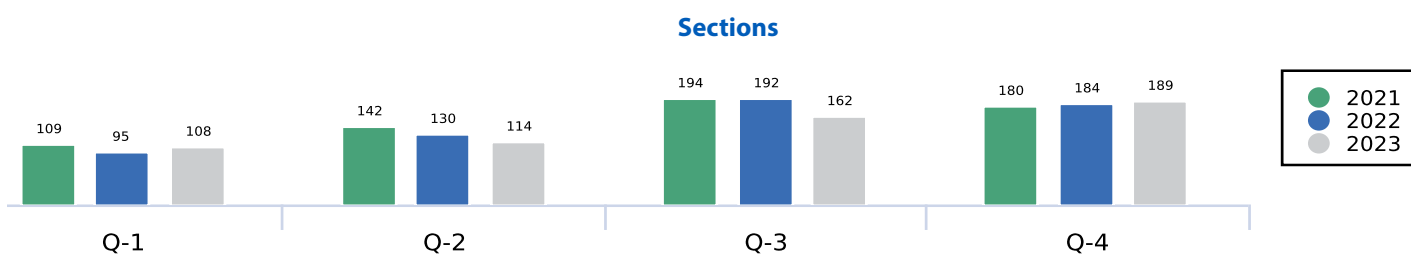
2023 CPA EXAM PERFORMANCE SUMMARY: NEBRASKA

Section Performance: Q1			
	Sections	Score	% Pass
First Time	30	76.87	66.67%
Re-Exam	77	72.77	50.65%
AUD	36	71.81	50.00%
BEC	22	80.64	72.73%
FAR	25	72.88	52.00%
REG	25	72.24	52.00%

Section Performance: Q2			
	Sections	Score	% Pass
First Time	28	79.89	71.43%
Re-Exam	86	77.17	56.98%
AUD	34	77.97	61.76%
BEC	35	77.54	60.00%
FAR	26	76.77	57.69%
REG	19	79.63	63.16%

Section Performance: Q3			
	Sections	Score	% Pass
First Time	46	81.28	76.09%
Re-Exam	116	76.64	60.34%
AUD	32	73.78	50.00%
BEC	57	80.60	77.19%
FAR	37	76.70	56.76%
REG	36	78.78	66.67%

Section Performance: Q4			
	Sections	Score	% Pass
First Time	31	71.42	54.84%
Re-Exam	158	72.65	50.00%
AUD	40	72.95	60.00%
BEC	87	71.63	42.53%
FAR	24	73.25	50.00%
REG	38	73.29	60.53%



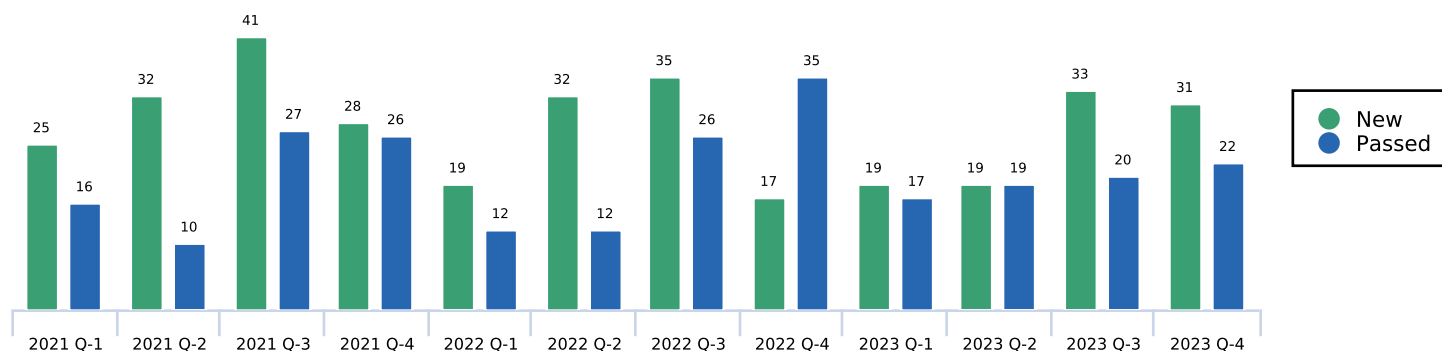


2023 CPA EXAM PERFORMANCE SUMMARY: NEBRASKA

Jurisdiction Rankings

2023 Q1		2023 Q2		2023 Q3		2023 Q4	
Candidates	44	Candidates	47	Candidates	43	Candidates	46
Sections	43	Sections	44	Sections	43	Sections	47
Pass Rate	8	Pass Rate	6	Pass Rate	2	Pass Rate	3
Average Score	5	Average Score	1	Average Score	1	Average Score	4

New Candidates vs. Candidates Passing 4th Section



Candidate Demographics



MALE CANDIDATES

2023 TOTAL: 174

PERCENTAGE: 40.6%



FEMALE CANDIDATES

2023 TOTAL: 166

PERCENTAGE: 38.7%

NOT REPORTED

2023 TOTAL: 89

PERCENTAGE: 20.7%

AVERAGE AGE

27.3

2023 Q1				2023 Q2			
DEGREE TYPE		DEGREE TYPE		DEGREE TYPE		DEGREE TYPE	
Candidate Count		% of Candidates		Candidate Count		% of Candidates	
Bachelor's Degree	62	Bachelor's Degree	73.8%	Bachelor's Degree	63	Bachelor's Degree	72.4%
Advanced Degree	15	Advanced Degree	17.9%	Advanced Degree	13	Advanced Degree	14.9%
Enrolled / Other	7	Enrolled / Other	8.3%	Enrolled / Other	11	Enrolled / Other	12.6%
2023 Q3				2023 Q4			
DEGREE TYPE		DEGREE TYPE		DEGREE TYPE		DEGREE TYPE	
Candidate Count		% of Candidates		Candidate Count		% of Candidates	
Bachelor's Degree	74	Bachelor's Degree	63.2%	Bachelor's Degree	94	Bachelor's Degree	66.7%
Advanced Degree	31	Advanced Degree	26.5%	Advanced Degree	29	Advanced Degree	20.6%
Enrolled / Other	12	Enrolled / Other	10.3%	Enrolled / Other	18	Enrolled / Other	12.8%



Certificates/ Permits/ Status Changes in July 1, 2022 to June 30, 2023

87

Certificates
Issued

20

Reciprocal
Certificates Issued

117

Initial Permits
Issued

16

Certificate Revocation for
Permit Non-Renewal
per PAA 1-137

n/a

Certificate Revocation for
Inactive Registrants
Non-Renewal per PAA 1-137

95

Inactive -
Retired Status

57

Voluntary Surrender
of Certificate

11

Reinstatement
to Active Permit

Enforcement Cases

11

New Cases Opened

2

Discipline Issued

12

Open Cases Dismissed



2024 BOARD MEETINGS

January 12 at 8:30am
(via virtual WebEx online)

March 15 at 8:30 am

May 9 at 9:30am - held at University
of Nebraska – Kearney campus

July 12 at 8:30 am

September 20 at 8:30 am

November 15 at 8:30 am

*Unless otherwise stated, all meetings are
held at*

*1526 K Street – 4th Floor – Red Willow
Room – Lincoln, NE. Board Meetings are
open to the public. Do not hesitate to
contact the Board office if you would like to
participate in a future meeting.*

The Nebraska Board of Public Accountancy office is located across the street from the State Capitol. Our address is 1526 K Street, Suite 410.

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Amy Holzworth, CPA – Scottsbluff, NE

Donald Neal Jr., Public Member - Omaha, NE

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NASBA

Produced and designed by the
National Association of State
Boards of Accountancy



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TEXAS STATE BOARD REPORT

A Quarterly Newsletter for Licensees

Vol. 159 | May 2024

NEWS & UPDATES

When is a CPA Firm License Required in Texas?

In order for a **CPA** firm to provide or offer to provide any accounting services in Texas, which includes but is not limited to attest services, tax services, management or financial advisory, or consulting services, or litigation support services, the firm must have a Texas firm license or practice under a practice privilege. A firm license is also required of anyone offering accounting services and using the title “CPA,” “CPA firm,” “Certified Public Accountants,” “Certified Public Accounting Firm,” “Auditing firm” or any variation of one of those titles. The practice privilege is available to a CPA firm licensed outside of Texas when the non-Texas firm license has been determined to be at least comparable to the Texas licensure requirements.

If the out-of-state firm establishes or maintains an office in Texas, the practice privilege is no longer available. Upon establishing an office in Texas, the out-of-state CPA firm must hold a Texas firm license to offer or provide accounting services in Texas. An out-of-state firm practicing in Texas pursuant to a practice privilege, while providing attest services, must comply with the peer review program in the state in which they are licensed or otherwise comply with the Texas peer review program.

Failure to register and obtain a license could result in disciplinary action by the Board, as well as nullifying the attest work performed by the unlicensed entity. The Board may seek an injunction against a firm that fails to obtain a license.

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CALENDAR

Swearing-In Ceremony
Saturday, June 22, 2024
10:00 a.m.
Palmer Events Center
Austin, TX

**CONTINUING PROFESSIONAL EDUCATION (CPE) SPONSORS
SUCCESSFULLY COMPLETING REVIEW (as of April 10, 2024)**

Registration Status: A = Currently active E = Currently expired

Sponsor #	Sponsor Name	Date of Next Review	Status
010075	ABIP, PC	5/1/2026 - 4/30/2027	A
008282	Atchley & Associates, LLP	3/1/2026 - 2/28/2027	A
006525	Brockway, Gersbach, Franklin & Niemeier, P.C.	6/1/2026 - 5/31/2027	A
006090	Burton McCumber & Longoria, LLP	6/1/2026 - 5/31/2027	A
004579	CPE	6/1/2026 - 5/31/2027	A
004046	Crady Jewett McCulley & Houren LLP	6/1/2026 - 5/31/2027	A
006120	Cynthia K Schuler CPA	7/1/2026 - 6/30/2027	A
010641	Dell Technologies	6/1/2026 - 5/31/2027	A
004332	Estate Planning Council of Central Tx	3/1/2026 - 2/28/2027	A
007313	Filipino American Accountants of Texas	6/1/2026 - 5/31/2027	A
010065	FMP Wealth Advisers	4/1/2026 - 3/31/2027	E
001689	Gollob Morgan Peddy, PC	7/1/2026 - 6/30/2027	A
009609	Greystone Communities, Inc.	6/1/2026 - 5/31/2027	A
000713	HFMA - Texas Gulf Coast Chapter	4/1/2026 - 3/31/2027	E
009133	Jones Walker LLP	4/1/2026 - 3/31/2027	A
010469	Lubbock Christian University	4/1/2026 - 3/31/2027	E
010174	North Central Texas Council of Governments	4/1/2026 - 3/31/2027	E
009820	Nova Associates Inc.	4/1/2026 - 3/31/2027	E
010629	Quest Trust Company	1/1/2026 - 12/31/2026	A

• Check the Board website at www.tsbpa.texas.gov for qualified CPE sponsors before enrolling in a CPE course.

**TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY**

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FAX (512) 305-7875
exam@tsbpa.texas.gov

Did you change your mailing or email address?

To ensure you continue to receive important Board communications, please notify us if your mailing address and/or email address has changed!



Here's how:

- Online under "Online Services" at www.tsbpa.texas.gov

Equivalent Licensure Model

The National Association of State Boards of Accountancy (NASBA) formed a Professional Licensure Task Force to consider new concepts for CPA licensure that may be included in the Uniform Accountancy Act (UAA) to update the current licensure model. The NASBA task force proposes creating an additional path to licensure — one that would offer education, documented experience, and other elements that would provide an equivalent path within the UAA for candidates to qualify for licensure, without the need of having to complete a 150-hour education program. The task force issued a concept exposure for public comment.

The Texas State Board of Public Accountancy discussed the concept exposure at its March 21, 2024 meeting. The Texas Board supports the concept of creating equivalent pathways to licensure through a structured professional program. However, the Board believes any new pathway should not in any way diminish the learning experience for the candidate studying to become a CPA. We encourage the task force to proceed cautiously to avoid unintended consequences and recommend that the structured professional program should contain at a minimum the following requirements:

- Established standards that are designed to ensure prospective licensees have a complete foundation of the knowledge, skills, and abilities to meet the demands of the public.
- Uniformity and acceptability to all boards of accountancy, thereby maintaining the mobility and substantial equivalency that CPAs, accounting firms, boards of accountancy, and the public have come to expect from the accounting profession.
- Recognize that a structured professional program is not a “one size fits all,” and should be scalable for various sizes of public accounting firms and industry organizations based on the work they perform.

We look forward to following the progress of the task force and receiving milestone reports for our consideration. ■



— TEXAS STATE BOARD of PUBLIC ACCOUNTANCY —

Total Licensees



Overall CPA Total 78,484

Where Texas CPAs Work



Practicing CPAs Total 56,581

Client Practice

Employee	12,463
Partner, Officer, Director	7,419
Sole Proprietor	2,393
Subtotal	22,275

Non-Client Practice

Industry	26,880
Other	3,891
Government	2,497
Education	1,038
Subtotal	34,306

Other

Retired/Disabled	13,611
Reported Non-Practice	8,292
Subtotal	21,903

Source:

Self-reported statistical data, as of April 1, 2024, for individuals with an issued license from the Texas State Board of Public Accountancy.

ENFORCEMENT ACTIONS

Ratified at the March 21, 2024 Board Meeting

AGREED CONSENT ORDERS BEHAVIORAL ENFORCEMENT COMMITTEE

1. Investigation Nos.: 23-11-01L & 23-11-02L

Respondents: Charles Angelo Chase Insogna & Insogna CPA, PC

Hometown: Austin, TX

Certificate No.: 093422

Firm License No.: C08895

Respondents entered into an agreed consent order (ACO) with the Board whereby Respondents were reprimanded, ordered to remove an online comment, and were assessed an administrative penalty of \$500.

Respondents intentionally disclosed client's information.

TECHNICAL STANDARDS REVIEW COMMITTEE

1. Investigation Nos.: 23-06-06L & 23-06-07L

Respondents: Nathan Edward Ferguson & Nathan Ferguson, CPA, LLC

Hometown: Wylie, TX

Certificate No.: 099538

Firm License No.: C08926

Rule Violations: 501.60, 501.61

Act Violations: 901.502(6), 901.502(11)

Respondents entered into an ACO with the Board whereby Respondents were reprimanded, assessed an administrative penalty of \$2,500 and administrative costs of \$786.52, and placed on limited scope requiring pre-issuance review of any attest services for educational institutions regulated by the U.S. Department of Education (DOE) until the pre-issuance reviewer indicates the Respondents are qualified to provide the attest services on their own.

Respondents failed to meet Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and DOE Audit Guide requirements for Title IV Programs and Higher Education Emergency Relief Fund (HEERF) Grants in the financial statement audit, Title IV compliance audit, and HEERF compliance examination engagement for a proprietary school regulated by the DOE.

2. Investigation Nos.: 23-07-06L & 23-07-07L

Respondents: Shawn David Nesmith & Shawn D. Nesmith, CPA, PLLC

Hometown: Tioga, TX

Certificate No.: 089698

Firm License No.: C10988

Rule Violations: 501.60, 501.61, 501.70

Act Violations: 901.502(6), 901.502(11)

Respondents entered into an ACO with the Board whereby Respondents were reprimanded, assessed an administrative penalty of \$5,000 and administrative costs of \$1,151.66, and required to withdraw their audit opinions for a school district.

Respondents issued audited financial statements for a school district when they lacked independence.

3. Investigation Nos.: 23-07-08L & 23-07-09L

Respondents: Henry Frank Cordova II and Cordova & McPherson CPA Firm LLC

Hometown: Dallas, TX

Certificate No.: 106658

Firm License No.: C10489

Rule Violations: 501.60, 501.61, 501.74, 527.4

Act Violations: 901.159, 901.502(6), 901.502(11)

Respondents entered into an ACO with the Board whereby Respondents were reprimanded, assessed an

administrative penalty of \$2,500 and administrative costs of \$641.11, and placed on limited scope requiring pre-issuance reviews of any audits, compilations, and reviews until the Respondent Firm passes its next peer review.

Respondents failed to timely complete an engagement to provide client reviewed financial statements. Respondent Firm issued reviewed financial statements when it was not enrolled in a peer review program and when the firm license was delinquent/expired.

**4. Investigation No.: 23-07-11L
Respondent: James Robert Fitts
Hometown: Grapevine, TX
Certificate No.: 073978
Rule Violations: 501.90(7), 501.91(a)(2)**

Respondent entered into an ACO with the Board whereby Respondent was reprimanded, assessed an administrative penalty of \$20,000, and administrative costs of \$689.58, placed on limited scope prohibiting him from performing attest services for public companies until either he is reinstated by the U.S. Securities and Exchange Commission (SEC) or until a petition to lift the limitation of scope is granted by the Board, and required to inform the Board if he applies for reinstatement to practice as an accountant before the SEC.

Respondent was sanctioned by the SEC for failing to comply with several Public Company Accounting Oversight Board professional standards as the engagement partner for a CPA firm. Respondent was censured, barred from practicing before the SEC for at least one year until reinstated by the SEC, and assessed a civil money penalty.

5. Investigation No.: 23-07-12L
Respondent: Edward Lewis Turner III
Hometown: Dallas, TX
Certificate No.: 018002
Rule Violations: 501.60, 501.61, 501.90(7)
Act Violations: 901.502(6), 901.502(9), 901.502(11)

Respondent entered into an ACO with the Board whereby Respondent involuntarily surrendered his certificate in lieu of further disciplinary action by the Board.

Respondent was sanctioned by the Public Company Accounting Oversight Board (PCAOB) for failing to cooperate with the PCAOB's inspection of his firm's audit and review, creating and backdating a new workpaper and deleting a workpaper that had been prepared and signed off on by the Respondent and the firm's engagement quality reviewer, and providing the altered audit file to the PCAOB without identifying the improper alterations and deletion. Respondent was censured, barred from practicing before the PCAOB and assessed a civil money penalty.

6. Investigation No.: 23-10-02L
Respondent: Carlos Humberto Cascos
Hometown: Brownsville, TX
Certificate No.: 038638
Rule Violations: 501.60, 501.61
Act Violations: 901.502(6), 901.502(11)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and assessed administrative costs of \$697.11.

Respondent, as an engagement partner for his previous firm, failed to meet professional standards in the performance of an audit of financial statements for a not-for-profit entity subject to the Uniform Guidance for the fiscal year ended August 31, 2015. Respondent failed to identify and test all major federal programs as required by OMB Circular 133, Government Auditing Standards and Single Audit Standards. ■

— TEXAS STATE BOARD of PUBLIC ACCOUNTANCY —

Gender Breakdown of NEW CPAs Past 6 Years



5,886
WOMEN



5,376
MEN



52.3% WOMEN
47.7% MEN



11,262
NEW TEXAS CPAs

Continuing Professional Education Actions

The respondents listed below were not in compliance with the Board's continuing professional education (CPE) requirements as of the date of the Board meeting. Each respondent was suspended for the earlier of a period of three years, or until the respondent complies with the licensing requirements of the Act. Additionally, a \$100 penalty was imposed for each year the respondent continues to be in non-compliance with the Board's CPE requirements. The respondents were found to be in violation of Board *Rule 523.111 (Required CPE Reporting)* and *501.94 (Mandatory Continuing Professional Education)*, as well as *Section 901.411 (CPE)* of the Act.

Respondent / Location	Board Date
Agata Joan Bielicki, Houston, TX	3/21/2024
Peggy Jean Billingsley, Odessa, TX	3/21/2024
Troylynn Johnson Brewster, Katy, TX	3/21/2024
Lauren Michelle Brown, Austin, TX	3/21/2024
Catherine Anne Bundy, Houston, TX	3/21/2024
Jeffrey Todd Chase, Prosper, TX	3/21/2024
Frank Charles Chovanetz, Hallettsville, TX	3/21/2024
Trenton Evrette Conger, Austin, TX	3/21/2024
Gloria Milynda Cummings, Midland, TX	3/21/2024
Reema Dokania, San Francisco, CA	3/21/2024
Elton Brooks Evans Jr., Oak Leaf, TX	3/21/2024
Richard Arthur Goeggel, Prosper, TX	3/21/2024
Brandi Nicole Grady, Fort Worth, TX	3/21/2024
Ronald Alan Harris, Leander, TX	3/21/2024
Cydney Jordan Hiles, Flower Mound, TX	3/21/2024
Dale Robert Hoskisson, Flower Mound, TX	3/21/2024
Natasha Hussain, Sugar Land, TX	3/21/2024
Katelyn Rose James, Austin, TX	3/21/2024
Stephen Janes, Kingwood, TX	3/21/2024
Theresa Louise Jones, Spring, TX	3/21/2024
Andrea Christine Joyner, Austin, TX	3/21/2024
Kevin Matthew Keefer, Irving, TX	3/21/2024
Alisa Lynn La Clair, Wilson, MI	3/21/2024
Amy Michelle Lawler, Midland, TX	3/21/2024
Steven Lawrence Lombardo, The Woodlands, TX	3/21/2024
Matthew Scott Luedke, Dallas, TX	3/21/2024
Thomas Ward McCampbell, Corpus Christi, TX	3/21/2024
Linh Hoang Nguyen, Richmond, TX	3/21/2024
Cindy Elizabeth Quintanilla, Houston, TX	3/21/2024
Christopher Edward Robb, Galveston, TX	3/21/2024
Luis Miguel Roca, Houston, TX	3/21/2024
Samina Sadruddin, Sugar Land, TX	3/21/2024
Rahim Abdulsultan Shakurjamal, Allen, TX	3/21/2024
Mendy Carol Ford Slone, Collierville, TN	3/21/2024

Respondent / Location

Antonio Ra'shad St. Rose, Houston, TX	3/21/2024
Kristen Michele Stahl, Austin, TX	3/21/2024
Roger W. Sutherland, Argyle, TX	3/21/2024
Richard Villanueva Jr., Missouri City, TX	3/21/2024
Jing Zhang, Houston, TX	3/21/2024
Weiwei Zhao, Frisco, TX	3/21/2024

Board Date

Three-Year Delinquent Actions

The respondents listed below violated *Section 901.502(4)* of the Act when they failed to pay license fees for three consecutive license periods. The certificate of each respondent was revoked without prejudice as the respondent was not in compliance as of the Board meeting date. Each respondent may regain his or her certificate by paying all the required license fees and late fees and by otherwise coming into compliance with the Act.

Respondent / Location	Board Date
Cyndi Danette Adams, Grapevine, TX	3/21/2024
Zakir Afridi, Mesquite, TX	3/21/2024
Sharon Annette Ashmore, Dallas, TX	3/21/2024
Robert Dale Barnett, Dallas, TX	3/21/2024
Kara Kathleen Boone, Greeley, CO	3/21/2024
James Michael Bourne, Poway, CA	3/21/2024
Bradley Hughes Boyle, Spring, TX	3/21/2024
Robert William Brisch, Austin, TX	3/21/2024
Kevin Shannon Canty, San Antonio, TX	3/21/2024
Phiona Jianne Carey, Houston, TX	3/21/2024
Leslie Craig Carleton, Pflugerville, TX	3/21/2024
Janet Brotherton Carson, Brackettville, TX	3/21/2024
Charles Ward Cason, Decatur, TX	3/21/2024
Earnest Witten Cecil, Dallas, TX	3/21/2024
Jared Climer Chaffin, Irving, TX	3/21/2024
Geoffrey Clark, Pasadena, TX	3/21/2024
Christopher Scott Cunningham, Fairhope, AL	3/21/2024
Kimberly Marie Daneck, Kansas City, MO	3/21/2024
Rae Camille Briscoe Daugherty, Dallas, TX	3/21/2024
Megan Palmer Dudley, Houston, TX	3/21/2024
Dewey Todd Duncan, Bryan, TX	3/21/2024
James Wilson Edwards, Richmond, TX	3/21/2024
Stacy Jo Matlock Felkins, Ames, IA	3/21/2024
Terry Wayne Forrest, Stillwater, MN	3/21/2024
Kathleen Rafferty Foyt, Houston, TX	3/21/2024
Jaiana Daisy Francis, Austin, TX	3/21/2024
James Kelly Gallagher, Austin, TX	3/21/2024
Georgia Ann Garrison, Dallas, TX	3/21/2024
Patsy Gayken, Conroe, TX	3/21/2024

Respondent / Location	Board Date
Kristin Boyd Goldenberg, Dallas, TX	3/21/2024
Emory Regan Griffin, Chandler, AZ	3/21/2024
Kelly Michelle Griffin, Dallas, TX	3/21/2024
Christine Elizabeth Grisaffi, Rockwall, TX	3/21/2024
William Lew Havins, Ingram, TX	3/21/2024
Randall Keith Hunt, Houston, TX	3/21/2024
Judith Marian Jancarik, Alexandria, VA	3/21/2024
David Rodney Jensen, Houston, TX	3/21/2024
Cindy Lou Dempsey Jones, Montgomery, TX	3/21/2024
William Calvin Kramp Jr., Richardson, TX	3/21/2024
Paul William Krauss, Plano, TX	3/21/2024
Don Sebe Lassiter, Waco, TX	3/21/2024
Fei Li, Alviso, CA	3/21/2024
Harry Arthur Littleton, College Station, TX	3/21/2024
Mark Anthony Lockett, Kingwood, TX	3/21/2024
Jason Kelly Long, Flower Mound, TX	3/21/2024
Mark August Maher, Metairie, LA	3/21/2024
Isaac Marrufo, McKinney, TX	3/21/2024
Dennis Patrick McGrath, Houston, TX	3/21/2024
Benjamin Glenn McKinney, Hurst, TX	3/21/2024
Fanji Meng, Irving, TX	3/21/2024
Moiz Muhammad Motiwala, Mississauga, Canada	3/21/2024
Xuanhue Thi Ngo, Houston, TX	3/21/2024
Matthew Wade Pellows, Houston, TX	3/21/2024
Walter E. Pennington Jr., Frisco, TX	3/21/2024
Michael William Petterson, Austin, TX	3/21/2024
Charles Thomas Phinney, Houston, TX	3/21/2024
Jeffrey Gaik Radzwill, Houston, TX	3/21/2024
David Lee Raney, Charleston, SC	3/21/2024
Brian Lee Reich, Blanco, TX	3/21/2024
Scott Renwick, San Antonio, TX	3/21/2024
Rebecca Jeneal Riley, Lower Hutt, New Zealand	3/21/2024
Mark Macmillan Robertson, Prosper, TX	3/21/2024
Candice J. Romines, Pflugerville, TX	3/21/2024
Zachary James Rourke, Dallas, TX	3/21/2024
Patrick James Sadler, Salt Lake City, UT	3/21/2024
Sarah Isabelle Schmidt, Austin, TX	3/21/2024
Joseph Peter Scholwinski Jr., San Antonio, TX	3/21/2024
David A. Schroeder, Milwaukee, WI	3/21/2024
Robert Joseph Sebaugh Jr., Livingston, TX	3/21/2024

Respondent / Location	Board Date
Betty L. Shaw, Dallas, TX	3/21/2024
Cha Yong Shim, Tokyo, Japan	3/21/2024
Jennifer Thomas Smith, Seattle, WA	3/21/2024
Marcie S. Smitha, Louisville, KY	3/21/2024
Mary Dove Stauffer, Houston, TX	3/21/2024
Patricia Mae Stonicher, Metairie, LA	3/21/2024
Angela Tade, Southlake, TX	3/21/2024
Cathy Hsiao-Lin Teng, Bellaire, TX	3/21/2024
Dwight Lee Thorne, Arlington, TX	3/21/2024
Jennifer Page Dane Thornton, College Station, TX	3/21/2024
Scott Ryan Trackwell, The Woodlands, TX	3/21/2024
James Harry Ulmer, Lufkin, TX	3/21/2024
Raymond Umipig, Chicago, IL	3/21/2024
Katelyn Marbeth Velaochaga, Frisco, TX	3/21/2024
Todd H. Victorson, Frisco, TX	3/21/2024
Loren S. Walter, San Antonio, TX	3/21/2024
Jacqueline Kay Walters, Albuquerque, NM	3/21/2024
Larry Michael Weber, Galveston, TX	3/21/2024
Emily Louise Welch, Plano, TX	3/21/2024
Virginia J. Wheat, Arlington, TX	3/21/2024
Alfred Popkess White IV, Little Rock, AR	3/21/2024
Kathy Jo Mackey White, Richmond, TX	3/21/2024
Renee Perez White, Georgetown, TX	3/21/2024
Carol Sue Williamson, Texarkana, TX	3/21/2024
Michael Rollin Willis, Irving, TX	3/21/2024
David Ernest Willmore, Coppell, TX	3/21/2024
Virginia Louise Andersn Wilson, Keller, TX	3/21/2024
Xin Zhang, Houston, TX	3/21/2024
Ying Zhang, Sugar Land, TX	3/21/2024

Failure to Renew Actions

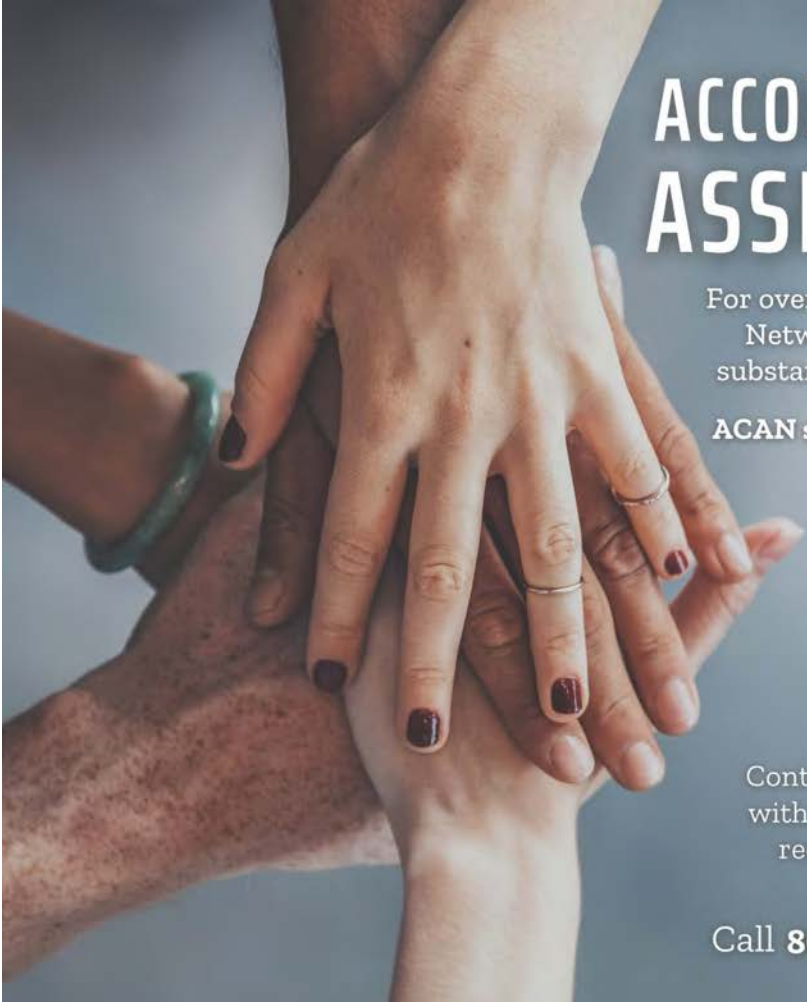
The respondents listed below failed to complete their license renewal notices in accordance with Board *Rule* 515.3. The certificates of the Respondents were revoked for failing to complete their license renewal applications until such time as the Respondents come into compliance with the *Rules* and the *Act*.

Respondent / Location	Board Date
Kelli Lynn Green, Austin, TX	3/21/2024
Kyle Joseph Scaff, Houston, TX	3/21/2024
Allison Kathlyn Seward, Plano, TX	3/21/2024
Alan Eugene Sims Jr., Rockwall, TX	3/21/2024

Texas State Board of Public Accountancy
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Austin, Texas 78752-3757

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ACCOUNTANTS CONFIDENTIAL ASSISTANCE NETWORK

For over 30 years, the Accountants Confidential Assistance Network (ACAN) has provided support for CPAs with substance abuse and/or mental health issues or concerns.

ACAN services are available at no charge to every Texas CPA.

TXCPA
ACAN

Contact ACAN to participate in ongoing support meetings with other CPAs in recovery, mentor candidates who need recovery support, or talk about your wellness concerns.

Call **866-766-2226** or visit **tx.cpa/resources/acan**

the 1990s, the number of people with a mental health problem has increased by 50% (Mental Health Foundation 1999).

There is a growing awareness of the need to address the needs of people with mental health problems, and the importance of the role of the community. The Department of Health (1999) has identified the need to develop a new approach to mental health care, one that is based on the principles of recovery, empowerment, and self-help. This approach is based on the idea that people with mental health problems can lead a full and meaningful life, and that they should be given the opportunity to do so. The Department of Health (1999) has identified the need to develop a new approach to mental health care, one that is based on the principles of recovery, empowerment, and self-help.

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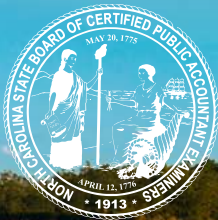
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Activity Review

North Carolina State Board of Certified
Public Accountant Examiners

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What Is an **ADMINISTRATIVE FORFEITURE**

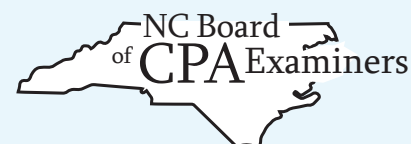
of a North Carolina
CPA Certificate?

[Read More on Page 2](#)

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***Published by the North Carolina State
Board of CPA Examiners***
Tel: 919.733.4222
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PO Box 12827
Raleigh NC 27605-2827





What Is an Administrative Forfeiture of a North Carolina CPA Certificate?

According to [21 NCAC 08J.0101\(a\)](#), all active CPAs must renew their certificates annually by July 1. If a CPA fails to comply with the renewal requirement, the Board will send a demand letter to the CPA at their most recent mailing address, as per section (c) of the rule.

On July 1, 2024, the Board mailed demand letters to about 700 North Carolina CPAs who did not renew or request inactive status by the July 1 deadline.

The demand letter requires the certificate renewal to be completed within 30 days. The CPA also has the option to apply for inactive status, which

must be completed and submitted to the Board office within 30 days.

CPAs need a portal/dashboard account to renew their CPA certificate. The Board's homepage has a link for CPAs to create a user account for completing the annual renewal. Applications to request CPA-retired or inactive status are on the [Forms & Applications page](#) of the Board's [website](#).

Administrative forfeiture of a North Carolina CPA certificate occurs when a CPA fails to renew or request a status change to inactive within the specified time frame. Consequently, the individual cannot use the CPA title in NC

and must return their certificate to the Board office within 15 days of receiving the notice of forfeiture.

Although an administrative forfeiture is not a disciplinary action, using the CPA title while on forfeited status may result in disciplinary action by the Board. An individual whose certificate has been forfeited for failure to renew may apply for reissuance after meeting the [21 NCAC 08J.0106](#) requirements.

To avoid an administrative forfeiture, renew your certificate or request inactive status before August 1, 2024. If you have questions, please contact [Buck Winslow](#), the Board's Licensing Manager.

NCACPA Names New CEO

Effective July 1, 2024, Mark Sotichack II, CPA, CGMA, is the new CEO of the North Carolina Association of CPAs (NCACPA). He joined the NCACPA in May 2016 as chief operating officer and served as interim CEO for several months following Sharon Bryon's retirement earlier this year.

Mr. Sotichack, who earned his North Carolina CPA certificate in 2004, first became involved with the NCACPA as a member of various committees. He later served on the NCACPA Board of Directors as a member and Treasurer.

"We are thrilled to announce Mark as the new CEO of NCACPA," said Dr. Courtney Knoll, CPA, Chair of the NCACPA Board of Directors. "Mark's extensive experience within the organization and his forward-thinking approach are invaluable assets that will undoubtedly strengthen our association."

"As the accounting profession continues to face significant changes, Mark's rich knowledge of our organization and his proactive approach make him exceptionally suited to lead NCACPA, and I am confident that his visionary leadership is exactly what we need to thrive in these dynamic times."

Mr. Sotichack has more than twenty years of experience in the accounting profession. He is a current NC State University Poole College of Management Accounting Department Advisory Board member and a past member of the AICPA Council.

David R. Nance, CPA, Executive Director of the State Board of CPA Examiners, said, "On behalf of the Board, congratulations to Mark on his new role with the NCACPA. We look forward to continuing to work with the NCACPA in a collaborative manner that benefits the profession and protects the public."

Mark Sotichack, CPA



CPE Audit Orders

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."

JASON BEHRENS, #40805 | LEBANON, NJ

The Board opened a case against Jason Behrens ("Respondent") for failure to complete the CPE required to renew their North Carolina CPA license.

As part of the CPE audit, the Board staff asked Respondent to provide certificates of completion for the 2021 and 2022 CPE years. The Board, in its review of the documents submitted by Respondent, determined that Respondent could not substantiate all of the CPE claimed for 2021.

Respondent's action is a violation of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4). Respondent's CPA certificate is

subject to a one-year stayed suspension starting the day the Respondent was granted inactive status.

If the Board finds that Respondent has violated any other Board Rules of Professional Conduct during the one-year period, the stay will be lifted, and Respondent's CPA certificate will be actively suspended.

Respondent may apply for active status of their CPA certificate by meeting the requirements of 21 NCAC 08J .0105(c) and paying a \$1,000 civil penalty.

CHRISTOPHER ALAN LAWING, #17039 | CONCORD, NC

The Board opened a case against Christopher Alan Lawing ("Respondent") for failure to complete the CPE required to renew their North Carolina CPA license.

As part of the CPE audit, the Board staff asked Respondent to provide certificates of completion for the 2021 and 2022 CPE years. The Board, in its review of the documents submitted by Respondent, determined that Respondent could not substantiate all of the CPE claimed for 2021 and 2022.

Respondent's action is a violation of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4). Respondent's CPA certificate is

subject to a one-year stayed suspension of the certificate starting the day it was placed on forfeit status.

If the Board finds that Respondent has violated any other Board Rules of Professional Conduct during the one-year period, the stay will be lifted, and Respondent's CPA certificate will be actively suspended.

Respondent may apply for reissuance of their CPA certificate by meeting the requirements of 21 NCAC 08J .0106, paying a \$1,000 civil penalty, and providing certificates of completion for CPE completed to make up for the prior deficiency.

REBECCA ROARK BOATWRIGHT, #26063 | BELMONT, NC

The Board opened a case against Rebecca Roark Boatwright ("Respondent") for failure to complete the CPE required to renew their North Carolina CPA license.

As part of the CPE audit, the Board staff asked Respondent to provide certificates of completion for the 2021 and 2022 CPE years. Respondent admitted to the Board they had not timely obtained the CPE required for renewal of their North Carolina CPA certificate.

The Respondent's action is a violation of 21 NCAC 08N .0202(a), .0202(b)(3), and .0202(b)(4).

Respondent's CPA certificate is subject to a one-year stayed suspension.

If the Board finds that Respondent has violated any other Board Rules of Professional Conduct during the one-year period, the stay will be lifted, and Respondent's CPA certificate will be actively suspended.

Respondent must pay a \$1,000 civil monetary penalty and make up the CPE shortfall.

50 YEARS OF NC CPA LICENSURE

*Congratulations to the following
individuals who have been actively
licensed as North Carolina CPAs since
July 1974.*

Brewer Moody Ezzell
Dale Lee Flesher
Kenneth Bruce Hawkins
Kenneth Barry Morgan
Robert Andrew Neill

Elizabeth Daniel Palmer
Miltom Emmett Petty
Robert Lee Underwood III
Gary Donald Wilson



Board Member Spotlight: Jennifer Van Zant, Esq.

Jennifer Van Zant, Esq., is one of two public members of the Board representing the public's interests. She was first appointed to the Board in 2019 and reappointed in 2022.

Ms. Van Zant is a member of the Audit Committee, the Professional Standards Committee, and the Strategy Committee. She has previously served on the Professional Education & Applications Committee.

For several years, Ms. Van Zant has been included in "The Best Lawyers in America," "North Carolina Super Lawyers," and Business North Carolina's "Legal Elite" in multiple categories. North Carolina Lawyers Weekly has recognized her as a "Leader in the Law" and one of its "Women in Justice."

Why did you want to serve on the Board? I enjoy working with CPAs and have a great deal of respect for the profession. Serving on the Board is an excellent way to serve the public and engage with fellow professionals.

What would you like people to know about the Board? The Board is here to help. We all care about the profession, and we want to help CPAs serve the citizens of North Carolina fairly and competently.

What advice do you have for someone new to the CPA profession? Do your CPE early and track it carefully. Call the Board office if you have questions; the staff are incredibly knowledgeable and ready to help.

Where do you work and what's your job title? I am a partner at Brooks Pierce (Brooks, Pierce, McLendon, Humphrey & Leonard, LLP) in Greensboro and have worked there for almost 29 years.

What motivates you at work? Two of my favorite things are winning and helping people. Being an attorney hits both of those areas.

What's something you find challenging about your work? Saying no. Everything is so interesting, and people's problems are pressing, but I must protect my time so I can preserve a balance and keep the energy and focus I need to fulfill my commitments.

What kind of music do you like? My daughter has turned me into a Swiftie! We saw the ERAs tour in Philadelphia in May 2023, and we are headed to NOLA in October.

Do you have any hobbies? I love to run. I have set a goal to run 2024 miles this year and am on track!



CPA CERTIFICATES ISSUED

On June 24, 2024, the Board approved the following individuals for North Carolina CPA licensure:

Jordan Carter Bailey
Abby Renee Baukema
Alyssa Jordan Carey
James Scott Carslaw
Remson Moore Covington
Melissa Sue Endicott
Zachary Michael Fry
Peter Christopher Gallagher III
Phuong Dinh Green
Porter Ian Heath
Gabrielle Marie Juba
Iryna Koshova

Robert William LaBelle
Ethan Alexander Minshew
Justin Blake Quinn
Elizabeth Ann Rohlf
Steven Michael Sharp
Meghann Victoria Swanson
Stephen Robert Waldman
Kathryn Elizabeth Watson
Ashley Anne Westerberg
Amy Marie Wood
Yang Li Wu

Successful Exam Candidates

The June *Activity Review* contained a list of North Carolina Uniform CPA Exam candidates who passed the Exam between January 1, 2024, and March 31, 2024. However, the names of the following successful Exam candidates were inadvertently omitted from the list:

Kevin Tyler Crooker

Elizabeth Hudson Kane

We apologize for the oversight.

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 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	04/01/2024-06/25/2024	06/25/2024	07/31/2024
	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 June 24, 2024, the Board approved the following application for certificate reinstatement:

Michael Cirillo, #44979 Apex, NC

CPA-retired Status

Between June 16 and July 12, 2024, the Board approved the following applications for CPA-retired status:

Cynthia Harpster Alderman, #25950	Southport, NC
Darwin Edward Bowman, #19726	Glendale, AZ
Phyllis Elikai, #18397	Wrightsville Beach, NC
Selwyn A. Feaster, #20548	Greensboro, NC
Gary Brent Jordan, #21486	Asheville, NC
Jurgen Jost, #22729	Hoffman Estates, IL
Charles Gary Lanvermeier, #12248	Jacksonville, NC
William Norman Lewin, #9880	Asheville, NC
Melissa Dawn Ross, #31091	Mooresville, NC
Jeffrey Dean Smith, #15373	Harrisburg, NC
Monty Keith Venable, #10977	Mount Airy, NC
David Allen Youngdahl, #17581	Greensboro, NC

Inactive Status

Between June 17 and July 12, 2024, the Board approved the following applications for inactive status:

Sandra Allen, #15327	Southern Shores, NC
Jason James Ashley, #46840	Chattanooga, TN
Jason Roger Atwell, #46287	Weddington, NC
Matthew Barr, #32350	Roanoke, VA
Robert Mason Barrett Jr., #45310	Richmond, VA
Jordan Matthew Barsanti, #46108	Greenville, SC
Christopher Brian Bass, #38176	Whitesburg, GA
Gary Summitt Beal, #23009	Sanford, NC
Denise Marie Bennen, #37591	Galena, IL
Sonja Marsh Bennett, #12085	Boone, NC
Allen Bizub, #22518	Raleigh, NC
Shawna Lynette Blomkvist, #32439	Woodbury, MN
Patricia Moore Boyette, #10741	Raleigh, NC
Joseph Alan Breazeale, #11976	Youngsville, NC
Graham Carpenter Brice, #22143	Wilmington, NC
Kelsey Danielle Navala, #45225	Beaumont, TX
Judy Mooring Brune, #16133	Greenville, SC
Kaitlyn Marie Byrd, #39672	Fuquay-Varina, NC
Daniel Paul Cafarella, #36983	Worthington, OH
Kerry Danielle Cannon, #37855	Gate City, VA
Kenneth John Carlson Jr., #30089	Greensboro, NC
Christopher Ryan Carroll, #46643	Durham, NC
Kathy Huffman Carswell, #25960	Morehead City, NC
Daniel Davis Carter, #39378	Carolina Beach, NC
Charles Brooks Carver, #3172	Chapel Hill, NC
David Christopher Cash, #16856	Winston Salem, NC
Peter Lawrence Cerquone, #45558	Arlington, VA
James Irwin Cobbler Jr., #14722	Winston Salem, NC
Aaron Louis Cohen, #37651	Raleigh, NC
Robin Downs Cotton, #18983	Cary, NC

Inactive Status (continued)

Hannah Marie Coulling, #46788	Salem, VA
Joseph Neal Council, #21469	Concord, NC
Andrew Carl Dagen, #42732	New Haven, CT
Johnny Davidson Jr., #12307	Myrtle Beach, SC
Brad William DeAngelo, #39832	Clarksboro, NJ
Bridget Elaine Demery, #45938	Atlanta, GA
Patrick Charles Dever, #41558	Raleigh, NC
Erica Leigh Dinner, #46042	Cary, NC
Evan Patrick Doughty, #43920	Durham, NC
Timothy John Dragelin, #46384	Charlotte, NC
Mary K. DuBose Lentz, #40927	Charlotte, NC
Margaret McPhillips Eifler, #26579	Cary, NC
William Preston Ellis, #24955	Greensboro, NC
Paul Lawrence Erickson, #23991	Asheville, NC
Robert Edmund Faulkner, #15791	Rock Hill, SC
Victor Manuel Feliciano Jr., #34062	Marietta, GA
Pamela Estes Fleming, #24719	Atlanta, GA
Carrie K. Shemone Flowers, #30989	The Colony, TX
Paige Armstrong Frost, #45656	Westfield, IN
Xiaoxi Gao, #43686	Princeton, NJ
Richard Gary Gilbert Jr., #34269	Knightdale, NC
Ellery Troy Givens, #26929	Durham, NC
Mary K. Goodwin Evans, #40862	Raleigh, NC
James Charles Gould, #45931	Charlotte, NC
Delia Frances Grant, #29975	Archdale, NC
Shaun Calvin Greene, #38929	Jacksonville, FL
Terrence Edwin Haakenson, #29754	Charlotte, NC
Angela Watkins Hall, #25814	Kure Beach, NC
Kaitlyn Marie Hastings, #43034	Charleston, SC
John Patrick Heffron, #46642	Charlotte, NC
Justin Bryce Higbee, #42555	Charlotte, NC
Jeffrey Allan Hill, #25816	Greensboro, NC
Jonathan Adoneran Hill Jr., #18416	Charlotte, NC
David Steven Hodges, #13214	Davidson, NC
Jonathan Ross Hogg, #39501	Charlotte, NC
Stephen Mack Huggins, #13434	Baton Rouge, LA
Christopher Michael Hurst, #46626	Waxhaw, NC
Mongy Mahmoud Ibrahim, #15084	Raleigh, NC
Edward Alan Imbrogno, #20097	Raleigh, NC
Michael Scott Inglut, #36748	Switzerland
Christopher Eaton Jannes, #28210	The Woodlands, TX
Christopher Lee Jeffcoat Sr., #34345	Waxhaw, NC
W. Scott Jewell, #22727	Chapel Hill, NC
Gary L. Johnson, #19671	Cary, NC
Steven Frank Johnson II, #34357	Greenville, NC
Jean Tafadzwa Kaseke, #44953	Fuquay Varina, NC
Brendan Robert Keefe, #41865	New York, NY
Aaron Daniel Kees, #42594	Roanoke, VA
Richard Scott Kellner, #39094	Iselin, NJ
Bruce Albert Keyes, #25912	Greensboro, NC
Westley Trotter King, #39220	Holly Springs, NC
Richard Robert Kraus, #46251	Union, NJ
Austin Taylor Langston, #44578	Tallahassee, FL
Jaclyn Susanne Lee, #39334	Charlotte, NC

Inactive Status (continued)

Lee Allison Lemonds, #30998	Charlotte, NC
Brenda Jane Levin, #33201	Charlotte, NC
Marshall Brent Lister, #17457	Efland, NC
Bradley Andrew Losiniecki, #46005	Charleston, SC
Yao Lu, #42901	Morrisville, NC
Beverly Waugh Luke, #37627	Savannah, TN
Rodney Wayne Lundgren, #15573	Winston-Salem, NC
Michael J. Maalik-UL-Mulk, #35657	New Orleans, LA
Shelia J. Maddox, #25767	Huntersville, NC
David Douglas Mall II, #40449	Charlotte, NC
Shu Dong Mallari, #44120	Charlotte, NC
Patrick Murray Manhard, #16829	Apex, NC
Kamal Prakash Manik, #41306	Matthews, NC
Scott Thomas Mathis, #26726	Sugar Mountain, NC
Tracee Carter McFarland, #39931	Morristown, TN
Evan Michael Paul Miller, #45542	Winona Lake, IN
Kenneth Edward Mills, #17535	Winston-Salem, NC
Tanya Yvette Mitchell, #14136	West Orange, NJ
Richard Edward Moss, #16772	Beaufort, NC
Stefan Muecke, #38974	Lithia, FL
Gina Nam, #27306	New York, NY
Leilani Bradley Nantz, #19980	Charlotte, NC
Edwin Thomas O'Connor, #25439	Philadelphia, PA
Joseph John Oliveti, #46020	Weaverville, NC
Giacomo Panizzolo, #39739	Charlotte, NC
Natasha Janelle Pate, #45073	Durham, NC
Kathryn M. Patton, #42638	Charlotte, NC
Phyllis McArthur Pearson, #16652	Auburn, AL
Marion Wooten Peebles IV, #36730	Charlotte, NC
Thomas J. Phelan, #31848	Cary, NC
Stephen Joseph Potter, #35052	New York, NY
John Wayne Potts, #10720	Statesville, NC
Mary Anne Prascak, #32982	The Villages, FL
James Robert Pratt Jr., #42622	Myrtle Beach, SC
Charles Eugene Price, #3183	Goldsboro, NC
Rachel E. Raiford Spinarski, #23695	Carrboro, NC
Anna Pendergrass Rankin, #45331	Houston, TX
Douglas James Reynolds, #13249	Osterville, MA
Douglas Stuart Reynolds, #12478	Franklin, TN
David Richard Rhode, #21702	Cary, NC
Kelly Patricia Riffenburg, #35104	Columbia, SC
J. Hart Roberts Jr., #3515	Mount Pleasant, SC
David Marshall Robinson, #16060	Cornelius, NC
Vladimil Roca, #40961	Chicago, IL
Misty Lynette Roddey, #25585	Charlotte, NC
William Scott Rogers, #27646	Lenoir, NC
Olena M. Romanchuk, #42037	Franklin, NC
Joe Carl Rowe, #3320	Hickory, NC
Joseph Franklin Ryals, #2472	Annandale, VA
Joy Michelle Strong, #40833	Raleigh, NC
Donald Craig Schroder, #28728	Moravian Falls, NC
John Avery Scotton Jr., #38860	Barrington, RI
Samantha Jo Shaffer, #46983	Federal Heights, CO
Gary Wade Shelnutt, #32375	Troy, NY

FINAL CPA CERTIFICATE RENEWAL DEADLINE

July 31 is the final deadline for NC CPAs to renew their individual CPA certificate for the 2024-2025 license year. The renewal can only be completed through the Board's portal/dashboard. [Instructions](#) for creating an account are available on the [website](#).

If you prefer to request inactive status, you must [complete and submit the form](#) before August 1.

Please send your CPA certificate renewal questions to the Board's Licensing Manager, [Buck Winslow](#).



Inactive Status (continued)

Maksym Shyshnyak, #30525	Raleigh, NC
Elizabeth Kent Sidell, #20128	Bel Air, MD
Rhonda Fulton Skiles, #23738	Emerald Isle, NC
Michael Wayne Sledge, #18338	Raleigh, NC
Jessica Lynn Stallworth, #44804	Bridge City, TX
William Mark Stover, #23311	High Point, NC
Scott I. Taylor, #31707	Old Hickory, TN
Spencer Andrew Thompson, #7989	Hickory, NC
Lisa C. Tomlin, #20500	Lexington, NC
Michael Anthony Tomlinson, #36255	Fort Mill, SC
Emily Jane Tym, #43464	Cudahy, WI
Malorie Mendoza Virovets, #45731	Tampa, FL
William Blake Wager, #38683	West Linn, OR
Warren Eugene Walden Jr., #10731	Hickory, NC
Marcia McCusker Waldron, #38223	Raleigh, NC
Gerald Denver Walston, #4168	Wilson, NC
Jingjing Wang Toniolo, #40224	Richardson, TX
Xutong Wang, #43659	Frisco, TX
Daniel Eugene Warren, #16564	Charlotte, NC
Shirley B. Weigel, #25661	Greensboro, NC
Binbin Weng, #39920	Richboro, PA
Nathaniel Karl Wheatley, #25726	Huntersville, NC
Roger Kent White II, #33513	Raleigh, NC
Earl Eugene Whitmire, #15647	Raleigh, NC
Harley Lee Will, #39112	Delaware, OH
Steven Hal Wilson, #45927	Easley, SC
Wayne Howard Wilson, #20088	Reno, NV
Byung Heum Yun, #45285	New York, NY
Aaron Gregory Zerkel, #42711	Morgantown, WV
Ruoyi Zhang, #43733	San Jose, CA
Paul Edmund Zuerner III, #12386	Charlotte, NC



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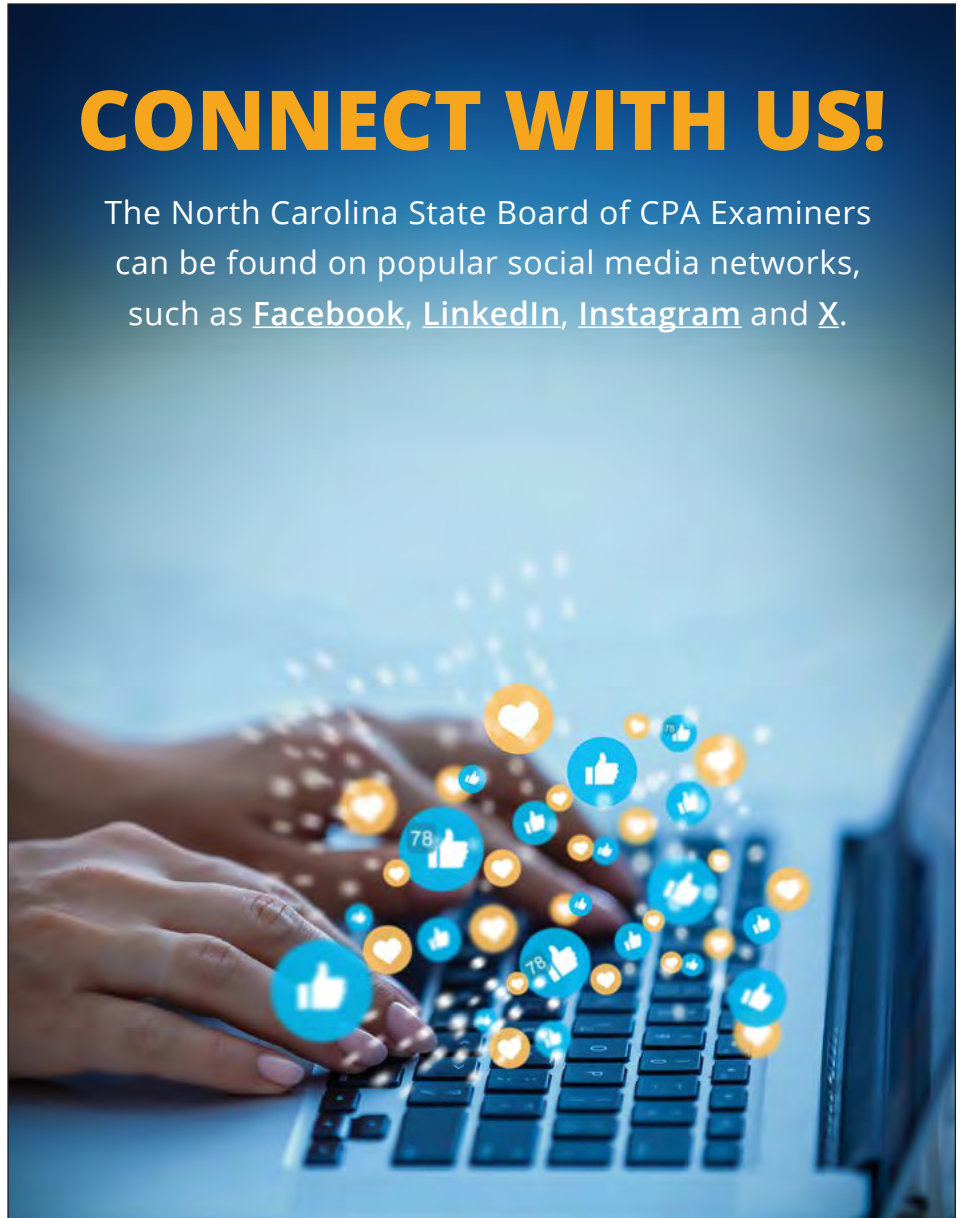
2024 Dates to Remember

Dates, times, and locations are subject to change.

July 31	Final Deadline: Individual CPA License Renewal for 2024-2025
Aug. 19	Board Meeting, Raleigh
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](#).





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. 6-2024

CPA FIRM WEBSITES



Is Yours
Compliant
with the
Board's
Rules?

[Read More on Page 2](#)

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Published by the North Carolina State
Board of CPA Examiners

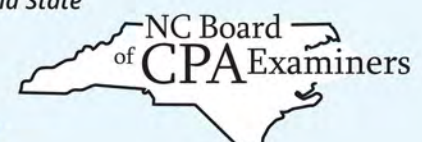
Tel: 919.733.4222

Fax: 919.733.4209

Web: <https://nccpaboard.gov>

PO Box 12827

Raleigh NC 27605-2827



CPA Firm Websites:

Is Yours Compliant with the Board's Rules?



We live in a digital world. Job interviews are via video conference, and “offices” can be remote. Amazon allows you to shop, buy, and receive items on the same day. Bills are paid directly through online banking. CPA firms can work with clients locally and from anywhere in the country using their website, client portals, and electronic communications. A CPA firm’s website provides opportunities to communicate with existing clients and advertise potential services to new ones.

As with all other forms of advertising, your firm’s website must comply with the Board’s rules, including [21 NCAC 08N .0306, Advertising or Other Forms of Solicitation](#).

Here are some suggestions for keeping your website compliant with the Board’s rules:



Do include the exact firm name as registered with the Board. You can use a portion of the firm name, initials, or acronyms derived from the firm name on the site, but the registered name must also be visible.



Do include the firm’s contact information. The address and telephone number of the firm’s principal place of business must be on the website. Although not required, providing email addresses allows current and potential clients to communicate with the firm efficiently.



Do include each CPA’s name and North Carolina CPA license number and indicate North Carolina as the licensure jurisdiction. This is an area that Board staff sometimes finds lacking on firm websites. You may add information about a CPA’s position with the firm, as well as professional experience and contact information, but it is not required.



Do list unlicensed staff with their job titles separately from the licensed staff. It must be clear that non-licensed employees cannot render professional services without CPA supervision.



Do make sure your statements are accurate and not misleading. Words such as reasonable, fast, quick, and best are open to interpretation, and your idea of reasonable may not be the same as a client’s.



Do objectively review your firm’s website regularly. Make sure that the content regarding services provided and the staffing available to provide those services is current.



Don’t use “expert” unless it is in conjunction with “witness” and only if recognized as such by a court of law. Using “expertise” to refer to a practice area in which the CPA holds a specialty designation is allowed.



Don’t use “specialist” in any form of advertising. You can use “specializing in” or “specialization” to indicate a concentration in or limitation to certain areas of practice.



Don’t use a designation or other title such as CIA® or CFP® unless the person has met the granting organization’s requirements for that title or designation. The person must be on active status and in good standing with that organization to use the title or designation. Remember, the Board does not approve or authorize other designations or separate titles. The use of such designations is for public information purposes only.

Please email your questions about CPA firm websites to the Board’s Executive Director, [David R. Nance, CPA](#).

Disciplinary Actions

Under 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."

CHRISTOPHER MAX KEMP, #13801 | KEMP & HYMANSON CPAS, LLP | MOORESVILLE, 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 Respondents stipulate to the following:

1. Christopher Max Kemp, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 13801 as a Certified Public Accountant.
2. Kemp & Hymanson CPAs, LLP (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina. Hereinafter, the Respondent and the Respondent Firm are collectively referred to as the "Respondents."
3. On November 6, 2023, the Board staff received a referral from the United States Department of Labor (hereinafter "DOL") disclosing a deficiency with an ERISA audit prepared by the Respondent Firm. The referral identified that the audit report for a client's 401(k) profit-sharing plan as of December 31, 2021, was not performed in accordance with applicable standards.
4. The Respondent Firm responded that it erroneously thought the implementation date for the new standards updates did not apply to the audit year ending December 31, 2021. After being notified, the Respondent Firm reissued the report using the updated reporting format. The Respondent Firm addressed the issue within the required filing deadline established by the DOL.
5. The Respondents state that they no longer perform any assurance services and are no longer a part of the peer review program. The Respondent Firm received a "pass" on its last system peer review.
6. The Respondents wish to resolve this matter by consent and agree 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 Respondents understand and agree 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 Respondents are 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 Respondents violated Rules 21 NCAC 08N .0212 and .0403.
3. Per N.C. Gen. Stat. §93-12(9), and also by virtue of the Respondents' consent to this Order, the Respondents are subject to the discipline set forth below.

BASED ON THE FOREGOING and in lieu of further proceedings, the Board and the Respondents agree to the following Order:

1. The Respondent is hereby censured.
2. Should the Respondents choose to perform services subject to peer review in the future, then each staff member participating in engagements subject to peer review must take four (4) hours of group study A&A CPE annually related to ERISA audits until the Respondent Firm receives a "pass" or a "pass with deficiencies" on a peer review.



50 YEARS OF NC CPA LICENSURE

Congratulations to E. Dean Duncan
who has held an active North Carolina
CPA license since June 1974.

CPA CERTIFICATE RENEWAL DEADLINE

June 30 is the deadline for renewing your individual CPA certificate for the 2024-2025 license year. The renewal can only be completed through the Board's portal/dashboard. If you don't have a portal account, you can't renew your license. [Instructions](#) for creating your account are available from our [website](#).

If you don't complete the certificate renewal or [request inactive status](#) before July 1, you may receive a Letter of Demand from the Board. If you don't respond to the Letter of Demand within 30 days of receiving it, the Board will automatically forfeit your NC CPA certificate. Although forfeiture is not a disciplinary action, it does prevent you from using the CPA title and requires you to return your CPA certificate to the Board.

Please send your CPA certificate renewal questions to the Board's Licensing Manager, [Buck Winslow](#).



ALAN BRANDON RECEIVES 2023 ELIJAH WATT SELLS AWARD

The North Carolina State Board of CPA Examiners is pleased to announce that Alan Brandon, a North Carolina CPA Exam candidate, is a recipient of the AICPA's 2023 Elijah Watt Sells Award. More than 86,000 individuals sat for the CPA Exam in 2023; 40 received the Elijah Watt Sells Award.



Alan Brandon

Mr. Brandon, a graduate of University College Cork (Ireland) with a Bachelor of Education in Sports Studies and Physical Education and a Master of Accounting from the University of North Carolina at Chapel Hill, is employed with Deloitte in Raleigh, NC. He passed the Exam in September 2023 and received his North Carolina CPA license in December 2023.

The Elijah Watt Sells Award is granted to CPA candidates who obtain a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, pass all four sections on their first attempt, and completed testing in 2023.

SARA FORDING GONZALEZ, #30420 | CHARLOTTE, 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. Sara Fording Gonzalez, CPA (hereinafter "Respondent"), is the holder of North Carolina certificate number 30420 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 had not timely returned client-provided records.
3. The Complainant requested a return of his original documents on May 10, 2023. The Respondent fulfilled that request on July 21, 2023. The request was made within a letter making numerous other demands and was therefore inadvertently overlooked by the Respondent.
4. 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. The original documents provided by the Complainant are considered to be "client-provided" records as that term is used in 21 NCAC 08N .0305(a).
3. Per 21 NCAC 08N .0305(a), a "CPA shall return client-provided records in the CPA's custody or control to the client at the client's request."
4. 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."
5. The Respondent's failure to provide the Complainant's client-provided records within 45 days after the initial request constitutes a violation of 21 NCAC 08N .0305.
6. 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, Sara Fording Gonzalez, CPA, is hereby censured.

2024 EXAM PASS RATES

Section	Q1
AUD	44.63%
FAR	41.92%
REG	63.42%
BAR	42.94%
ISC	50.93%
TCP	82.36%

Source: [AICPA](#)

About that TCP Pass Rate...

If you thought the TCP pass rate looked high, you're right. But don't read too much into it; TCP isn't easier than other Exam sections. TCP candidates may have already taken REG, which is closely aligned with TCP's content. TCP candidates may already be active in tax, making it easy to transfer their knowledge to the Exam.

If you are considering which Discipline section to take, ask yourself these questions:

- Do you feel more confident about passing one of the sections?
- Are there any topics you're already more knowledgeable about?
- Do any topics require skills you already have or want to develop?
- Do you have a certain area you'd like to specialize in for your career?

Don't forget to check out our [June NC CPA Exam Candidate Bulletin](#); it provides insight into the BAR section and may help you decide if that Discipline section is right for you.

SUCCESSFUL CPA EXAM CANDIDATES

The Board is pleased to announce that the following North Carolina candidates passed the Exam between January 1, 2024, and March 31, 2024:

Larry Webb Adams, II	Mary George King
Miao Allison	William Thomas Larsen
Stewart Stevenson Baker	Sloman Rhett McDurmon
Josie Eileen Baldwin	Noel Philipp Menzi
Hannah Elizabeth Brammer	Ethan Alexander Minshew
James Houston Brooks	Harrison Michael Moore
Jack Crawford Brown	Jonah Michael O'Brien
Alyssa Jordan Carey	Remilekun Olubunmi
James Scott Carslaw	Ogedengbe
Darby Baysden Cayson	Ryan Michael O'Keeffe
Miranda Victoria Chambers	Matthew Jeffrey Power
Hadley Blake Daniel	Gardner Grace Raha
Mitesh Das	Diego Alexander Ramos
James Scott Dick	Jeremy Taylor Reed
Timothy Brevard Dillon	Elizabeth Ann Rohlf
Matthew John Edel	Ahmad Saleem
Melissa Sue Endicott	Hannah Bailey Sheaffer
Bradley Thomas Foulks	Noah Samuel Sherrill
Zachary Michael Fry	Kyle Ericsson Smaw
Rachel Catherine Grote	Jonathan Ralston Teague
Andrew Terry Hall	Matthew Rollins Turner
Camryn Maloney Hastings	Meghan Lindsay Zuzolo
Erik Michael Haynie	<i>The above list is based on</i>
Garrett Evan Hewett	<i>score reports the Board re-</i>
Katelin Rhyann Hills	<i>ceived and processed as of</i>
Anna Caroline Hodge	<i>June 10, 2024. Passing scores</i>
Daniel Boone Honan	<i>received and processed after</i>
Angela Marie House	<i>June 10, 2024, will be pub-</i>
Jerry Jacob Joby	<i>lished in an upcoming issue</i>
Patrick Thomas Jones	<i>of the Activity Review.</i>
Gabrielle Marie Juba	

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	04/01/2024-06/25/2024	06/25/2024	07/31/2024
	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	04/20/2024-05/19/2024	05/19/2024	06/28/2024
	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 May 20, 2024, the Board approved the following applications for certificate reinstatement:

Trei Weston Jolly, #40218	Charlotte, NC
Jin Oak Park, #32577	Alpharetta, GA
Drew Parson Phillips, #39740	San Diego, NC

CPA-retired Status

Between May 1 and June 14, 2024, the Board approved the following applications for CPA-retired status:

Patricia Lynn Amend, #20842	Raleigh, NC
James Lester Anderson, #39813	Belmont, NC
Linda Baddour, #17387	Raleigh, NC
Deborah Bost, #8479	Greensboro, NC
Steven Preston Burns, #24109	Mt. Gilead, NC
Michael Ray Cauble, #16981	Easley, SC
Mary Alice Connor, #35368	Raleigh, NC
Perry Lynn Crutchfield, #16190	Raleigh, NC
Deborah Ann Daniel, #16165	Helena, MT
Kevin John Dyck, #20897	Charlotte, NC
Thomas Lake Elrod, #12611	Charlotte, NC
Frank Joseph Fiumara, #23613	Bedford Hills, NY
Eileen Conover Groeger, #41031	Bracey, VA
Larry Bryan Harris, #15077	Black Mountain, NC
Ronald Scott Hummel, #27256	Lewisville, NC
Theodore Roosevelt Humphrey III, #30049	Elon, NC
Michael Robert Jacobs, #39205	Greensboro, NC
William Kenneth James, #16113	Durham, NC
Jane Bryant Lawson, #20631	Greensboro, NC
Tonya Lee Lowe, #15349	Raleigh, NC
Ronald Francis Maggio, #24547	St. Augustine, FL
Jo Evelyn Robinson Miller, #14194	Boone, NC
Wanda Matthews Mitchell, #14111	Pinnacle, NC
Robert Paul Moffie, #13770	Durham, NC
Christopher Allan Moore, #23391	Clayton, NC
Randy Pace, #13450	Charlotte, NC
Katherine Ann Pellack, #21065	Raleigh, NC
Patricia Jean Price, #14518	Greensboro, NC
E. Jane Fursey Ralston, #29068	Cary, NC
Barbara A. Rich, #17584	Rocky Mount, NC
Delia Anne Heath Rivenbark, #24030	Wilmington, NC
Terry Lynn Roberts, #18043	Weddington, NC
John Robert Roney III, #19781	Morehead City, NC
Deborah Milder Sackie, #16655	Durham, NC
David Everett Scobie, #2591	Raleigh, NC
Alice Browning Sineath, #16922	Advance, NC
Hilda Hawks Sink, #18488	Kernersville, NC
Joseph Edmond Smith, #38254	Zebulon, NC
Leslie Hintz Smith, #17981	Inman, SC
Margaret Caroline Wall, #33321	Charlotte, NC
Susan Graham Turner, #13086	Reidsville, NC
Jeffrey Wayne Turpin, #14653	Wrightsville Beach, NC
Amelia Griswold Varner, #35926	Randleman, NC
Edward Ray Williams, #15148	Franklinton, NC
Sarah Jane Williams, #14439	Raleigh, NC
Kathryn Renee Wirth, #25517	Randleman, NC

CPA CERTIFICATES ISSUED

On May 20, 2024, the Board approved the following individuals for North Carolina CPA licensure:

Wesley Brian Atkins
 Carol Lynn Cain
 Kevin Cruz-Garcia
 Cole Heath Farnsworth
 Colton Thomas Goheen
 Alondo Jachin Hagans
 Spencer Meyer Harris
 David Ryan Hatfield
 Benjamin Thomas Holland
 Qianhui Li
 Steven Lawrence Lorenzen
 Tavish Arness Mitchell
 David Rodrigo Mittelman
 Caroline Elizabeth Murphy
 Grayson Allen Pierpoint
 Sam A. Pitts
 Stacie Dawn Renzella Redelman
 Nathaniel Scott Roper
 Bridget Marie Rudolphi
 Julia Schroeck
 Heather Nicole Shamblin
 Alina Sutter
 Zachary Royal Swanson
 Anna Elizabeth Vincent
 Kimberly Lea Ward
 Erin Nicole Ware
 Jacob Allen Wrenn
 Xiqiang Xing



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](#).

INACTIVE STATUS

Between May 16 and June 14, 2024, the Board approved the following applications for inactive status:

William Blaine Allen, #12917	Braselton, GA	Edgar Ross Lyman, #9241	Pisgah Forest, NC
R. Scott Apple, #31153	McLeansville, NC	Keith James Malinowski, #26388	Charlotte, NC
Mark David Arnold, #23008	Salisbury, NC	Matthew John Manna, #35994	Charlotte, NC
David Kirk Arrington, #15528	Timberlake, NC	Pamela Lee Matthews, #19674	Raleigh, NC
Daniel L. Bancroft, #19924	Charlotte, NC	Richard Scott McClelland, #26029	Orlando, FL
Belinda Lea Barnhart, #24589	Cary, NC	Maryann McGarity, #15489	Indian Land, SC
Robert Douglas Barry, #5123	Raleigh, NC	William Roger McLamb, #9307	Raleigh, NC
Geoffrey Jason Bremer, #36812	Zeeland, MI	Laurie J. McMillen, #34401	Golden Valley, AZ
Katelyn Nicole Brest, #42934	Pinellas Park, FL	Elizabeth Joy McQuaig, #43768	Winston-Salem, NC
Victor Wayne Bruce, #23985	Austin, TX	Charlotte Darden Miller, #15257	Beavercreek, OH
Brent Callinicos, #19822	Chapel Hill, NC	Steven Edward Miller, #15199	Bluffton, SC
William Robert Carey, #21182	Dublin, CA	Donna Sue Morgan, #38424	Fort Mill, SC
Kristen Suzanne Castle, #45462	Bethesda, MD	Richard Morgan, #18082	Harrisburg, NC
Richard James Christman, #17349	Matthews, NC	Holt Long Morris, #25591	Winston-Salem, NC
Frank Raney Coleman, #13902	Irvine, CA	Trudy Heineman Morris, #14195	Huntersville, NC
Elizabeth Hankla Cranfill, #14781	Morehead City, NC	Lisa Smith Murphy, #19773	Kill Devil Hills, NC
Byron Creech, #15461	Wake Forest, NC	Ping Ning, #40761	Charlotte, NC
Thomas Clarke Crews, #23117	Kernersville, NC	Rana Jamal Odeh, #46171	Raleigh, NC
Sarah Bazzle Domangue, #39107	Harrisonburg, VA	Sabrina Ruth Olsen, #43099	Durham, NC
Michael J. Drennan, #45640	Garner, NC	Elizabeth Carey Ortiz, #41942	Raleigh, NC
Sally A. Durham, #19577	Lexington, SC	Jonathan Ashley Perkinson, #31509	Australia
Michael Charles Edwards, #11713	Raleigh, NC	Jarrold Lee Peterson, #26775	Charlotte, NC
Penny Holden Efird, #25817	Yadkinville, NC	Susan Gayle Rizenbergs Pippin, #34169	Cary, NC
Bruce L. Elgin, #27969	Bassett, VA	Margaret T. Plumlee, #25501	Pollocksville, NC
Ashley Marie Encarnacao, #38122	Alexandria, VA	Michael James Price, #14820	Cornelius, NC
Beverly Ann Erme-Cox, #44107	Warren, OH	Caroline Sue Rains, #23798	Bolton, NC
Jonathan Michael Fabian, #31582	Bartlett, TN	Bradford Michael Rayl, #23462	Stoney Creek, NC
James Allen Fine, #2238	Chapel Hill, NC	Freda Guillot Ratliffe, #24455	Mandeville, LA
W. Morris Fine 19316	Chapel Hill, NC	Donald J. Rees, #22205	Durham, NC
Brian James Fishback, #39853	Charlotte, NC	Charles Harcum Roberts, #35690	Wilmington, NC
Joseph David Fleming, #32447	Apex, NC	William Joel Rouse, #17078	Rocky Point, NC
Elizabeth Paris Floyd, #24794	Raleigh, NC	Patricia Wallace Rowe, #36185	Cashiers, NC
Melissa Ann Fuls, #39628	Jersey City, NJ	William Mark Rudolph, #40722	Charlotte, NC
Phyllis Sue Dixon Garner, #8839	Galax, VA	Thomas Xavier Runser, #19379	Pfafftown, NC
Susan Baxter Gibson, #28901	Tampa, FL	Allison Sabrina Rushing, #44337	Charlotte, NC
Robyn Faircloth Glance, #19912	Winston-Salem, NC	Rebecca Semones Scheumann, #37592	Carmel, IN
Laurelle Amy Gonzalez, #39312	Matthews, NC	James Kenneth Sells, #23275	Martinsville, VA
Dennis Michael Ham, #16736	Goldsboro, NC	John Michael Sesta, #36211	Charlotte, NC
Barry Lee Hancock, #14576	Gastonia, NC	Tina Marie Shortt, #24120	Fayetteville, NC
Joseph Eric Hanel, #17015	Charlotte, NC	Donna Houser Silinski, #16799	Davidson, NC
Kaitlyn Rose Hannah, #42861	Washington, DC	Julie Frazier Silnutzer, #31009	West Melbourne, FL
Jay Donald Hanson, #41673	Bethlehem, PA	Rayborn Duke Slaughter, #14261	Waxhaw, NC
Leslie E. Heidrick, #22288	Gold Hill, NC	William Donald Sparrow, #14615	Port St Lucie, FL
Margaret S. Helms, #18513	Four Oaks, NC	Jonathan Gibson Stark, #38567	Scottsdale, AZ
Anne Johnston Henderson, #15991	Charlotte, NC	Sherri Albert Stewart, #15610	Durham, NC
Timothy Brooks Henley, #25789	Carthage, NC	David Neal Stoessel, #12468	Matthews, NC
Mary Elizabeth Higgins, #20491	Lancaster, SC	Janie Tart Thomas, #36127	Pensacola, FL
Mary Elizabeth Hodges, #13864	Davidson, NC	Amanda Lynn Towne, #41450	Miami Beach, FL
Jordan Nicole Hoerner, ##45683	Tampa, FL	Jessica Biddix Traill, #30572	Charlotte, NC
Vivian Schmidt Houchens, ##26538	Raleigh, NC	Sharon Lynn Triplett, #13003	Pahrump, NV
Michael Angus Isabella, #46142	Shreveport, LA	Robert Murchison Tucker, #25136	Fayetteville, NC
Lori Andrews Johnson, #31913	Wake Forest, NC	Andrew James VanLeeuwen, #40890	Atlanta, GA
Charles Wesley Johnston, #23438	Winston-Salem, NC	Paul Louis Verderber, #21289	Efland, NC
Mary Anita Jones, #16848	Beulaville, NC	Kimberly Shepherd Walker, #13609	N. Wilkesboro, NC
Lauren Elisabeth Kantor, #42636	Winston-Salem, NC	Tony Wayne Warfford, #3187	Lexington, NC
Tammy R. Kleber, #22356	Mint Hill, NC	Joseph Kinton Weston, #41342	Ladson, SC
Barry Todd Leasure, #21798	Greenville, NC	Ellen Marie Williams, #40756	Summerfield, NC
Mark Lewis Ledford, #19862	Conover, NC	Richard Newsam Woodcock, #23235	Charlotte, NC
William Logan Lewis, #38918	Pittsburgh, PA	Myra Withers Zweier, #13937	Charlotte, NC
John Nicholas Litsas, #16345	Raleigh, NC		



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2024 Dates to Remember

Dates, times, and locations are subject to change.

July 4	Office Closed
July 22	Board Meeting, Chapel Hill
July 31	Final Deadline: Individual CPA License Renewal for 2024-2025
Aug. 19	Board Meeting, Raleigh
Sept. 2	Office Closed
Sept. 23	Board Meeting, Hickory
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

**DID YOU
KNOW?**

[21 NCAC 08J .0107](#) requires NC CPAs and CPA firms to promptly notify the Board in writing of any change in mailing address, physical address, practice/business address, phone number, employment, email address, or website address within 30 days of the change. These updates are crucial for the Board to contact you and maintain accurate records.

For individual CPAs, the process of updating contact information is straightforward. Simply access your [portal account](#), the same one used for renewing your CPA license, and make the necessary changes. Similarly, a CPA firm supervisor can update the firm's information through their individual [portal account](#), making the process efficient and hassle-free.

Because individuals on CPA-retired status are limited in the accounting services they can perform for compensation, they are not permitted to include a CPA firm name in their address information.

Exam candidates may send updated contact information to the Board's Exam Specialist, [Phyllis Elliott](#). CPA license candidates may send updates to [Alice Grigsby](#), Licensing Specialist.

**UPDATE YOUR
CONTACT INFO**

Board of Accountancy

WASHINGTON STATE

July 2024

THE BIG DAY

July 1 – Has Finally Come

The CPA-inactive legislative updates have taken effect. Substantial changes are here.

First and foremost, this legislation effects all licensees. CPAs can now renew as an active or an inactive status. Now when you contact us to ask if you can make your license inactive, we can say “Yes!”.

Secondly, all CPA-Inactive certificate holders who were in an active status on July 1, 2024, have now been moved to a CPA license in an inactive status.

The CPA-inactive certificate is no longer a Washington state credential. This change should clear up any confusion surrounding CPA-inactive for Washington CPAs, other jurisdictions, and the public we serve. Let’s be honest, a ‘CPA-inactive certificate in an active status’ is kind of difficult to wrap your head around.

The website has been updated for these changes, so you can find your [renewal requirements](#) for both statuses, as well as the requirements for [conversion](#) to an active status from an inactive status if you want to do so before your renewal period.

Board Members and Board staff are excited about the changes. We hope you are too!

As always, we are available to answer questions at customerservice@acb.wa.gov or 360-753-2586.



A Message from the Board Chair

by **Kate Dixon, Board Chair**

I am pleased to share with you the latest updates from the Board of Accountancy. The Board is focused on supporting the CPA pipeline by actively listening and taking action. We aim to balance maintaining the rigor of the CPA license while ensuring it remains relevant, flexible, and responsive to industry needs and new professionals.



Kate Dixon

We have successfully implemented the expanded 36-month testing window for individuals who are eligible to sit for the CPA exam. This action has greatly helped the accounting profession by allowing individuals to take the examination over a longer time duration. This change offers greater flexibility, allowing candidates to schedule their exams at times that best suit their personal and professional commitments. By reducing the pressure associated with exam scheduling, we are fostering a more conducive environment for success.

Additionally, the Board approved NABSA’s Credit Relief Initiative (CRI), which extended all passing exam section scores for which credit expired between January 30, 2020, and December 31, 2023, to a June 30, 2025, expiration date. This allowed many exam candidates who were affected by the National Health Emergency to keep their section credit(s) for additional time, while attempting to pass their remaining section(s).

These Board actions represent positive changes and reinforce the momentum occurring within the profession. These accomplishments reflect the Board’s support of our CPAs.

We are happy to announce further scholarship awards through our partnership with the Washington CPA Foundation aimed at supporting aspiring CPAs. These scholarships provide financial aid to deserving students, helping them pursue their educational goals. We have already seen positive outcomes, with many scholarship recipients achieving academic excellence and entering the profession with confidence. Our commitment to education is unwavering, and we look forward to expanding these opportunities further.

We are committed to protecting, supporting, and advancing the CPA profession. Your involvement and feedback are crucial to our success, and we encourage you to stay engaged with the Board. Together, we can ensure a safe and bright future for the profession.

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HELP US, HELP YOU, ANY SUGGESTIONS?

Please send your suggestions to
customerservice@acb.wa.gov.

Farewell from the Executive Director

by Mike Paquette, CPA

This will be my last article for our newsletter as I have decided to go back to the finance world. Over the last two years I have learned a newfound respect for the regulators of our profession. The staff at the Board is one of the most dedicated and versatile staff I have ever worked with. With being such a small organization, they all must wear several hats. I wanted to thank each one of them for the great job they do every day and how welcome they have made me feel. My hat goes off to our Board Members as well. They take time out of their busy lives and regular jobs to volunteer to work for us all. It has been great to get to know each one of them and I wish them the best of luck.



Mike Paquette

It has been an amazing two years as we maintain public protection by providing qualified Certified Public Accountants (CPAs) while trying to ensure there are no unnecessary barriers of entry for candidates. This is done while trying to maintain mobility within our profession. Over the last 30 years there has been a tremendous effort to ensure mobility for CPAs across Jurisdictions, something we would not want to lose. The biggest discussions we have been having on the national level is how do we get students to enter the pipeline.

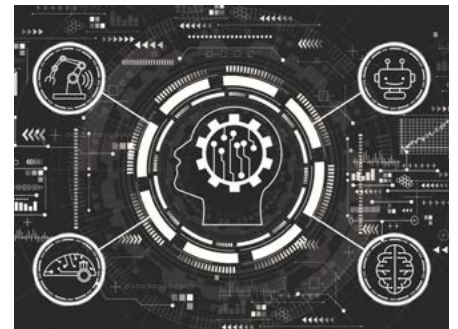
Well, in case you missed it, it's here. The CPA inactive status is here and is a great opportunity if you were thinking of letting your license lapse. This new status went into effect July 1st of 2024. You can renew in the inactive status every three years as long as you complete one of the Washington State Board Approved Ethics courses and log it into the CPE tracker.

CPE – Allowable Increments

Effective January 1, 2024, Board Rule, [WAC 4-30-133\(2\)](#), regarding increments in which CPE can be earned changed. CPE is now earned in tenth of hour increments after the first hour is earned. Nano learning increments still start at 0.2 hours and then are earned in tenths of hours. Five minutes constitute a tenth of an hour. Your course completion certificates will keep track of all of that for you though.

The change only effects CPE completed on or after January 1, 2024. The previous rule still applies to CPE completed prior to January 1, 2024. With the rule in effect at that time, CPE was only allowed in half-hour increments after the first hour was earned.

Please remember, CPE must always be rounded down to the nearest allowable increment. You don't want to fail to complete your CPE requirements because you rounded up.



Great news – you will no longer miss out on those tenths of hours, which actually add up fairly quickly when you don't have to round them down.

Not so good news – you must be careful when entering your CPE in the CPE Tracker, as you have two rules you are accounting for during your CPE reporting period. For 2025 renewals your CPE reporting period is 2022-2024. CPE completed in 2022 and 2023 can only be earned in half hour increments after the first hour is earned, but CPE completed in 2024 can be earned in tenths of hours after the first hour is earned.

Back to good news – The CPE Tracker accounts for the rule change and will give you an error message if you try to enter your 2022 and 2023 CPE in tenths of hours. You can then easily log your hours correctly.



Do you work for a CPA firm or employer that tracks your CPE through their internal systems?

This is an amazing service that helps keep you on track with your CPE compliance. However, more often than not, this is not considered acceptable [documentation](#) for CPE compliance. Ultimately, the burden of retaining acceptable proof of completed CPE falls to you.

If you read the fine print on most inhouse CPE summaries it states, "for internal use only" or "State Boards may require certificates of completion". Be sure you retain copies of certificates submitted to your employer for CPE tracking. If you take in-house CPE and they don't issue you a certificate of completion, we strongly advise you request that they provide you with one. Please ensure you have in your possession acceptable documentation for each course taken.

CPA EXAM SECTIONS TAKEN FOR 2024

CPA Evolution is here and off to a positive start. The infographic below illustrates how the Exam is trending by sections taken in 2024. The most interest revolves around the high pass rate for the Tax Compliance & Planning (TCP) section. The AICPA and NASBA noted that the candidates who took TCP were better prepared and had already passed REG at higher rates than those who took the comparative Core sections related to the other two disciplines. Furthermore, the connection between the REG and TCP content is closer than that between FAR/BAR and AUD/ISC. It is expected the pass rate for TCP will return to historical norms as more candidates take the discipline sections. The guidance offered is still to choose the discipline which fits your education, strengths and career plan.

Q1

24,626

Total number of sections taken during 2024-Q1

Core Sections

AUD	FAR	REG
8,190	9,295	7,141

Discipline Sections

BAR	ISC	TCP
704	380	689

Q2

35,975

Total number of sections taken during 2024-Q2

Core Sections

AUD	FAR	REG
9,824	12,360	9,829

Discipline Sections

BAR	ISC	TCP
1,696	1,110	1,156

Q3

40,532

Total number of sections taken during 2024-Q3

Core Sections

AUD	FAR	REG
9,279	17,048	9,164

Discipline Sections

BAR	ISC	TCP
2,284	1,188	1,569

YTD

102,906

Total number of sections taken YTD

Core Sections

AUD	FAR	REG
27,293	38,703	26,134

Discipline Sections

BAR	ISC	TCP
4,684	2,678	3,414

Q1

On June 6th, the AICPA released the passing rates for the Core sections (AUD, FAR, and REG) and for the Disciplines (BAR, ISC, and TCP).

Core Sections

AUD	FAR	REG
44.63%	41.92%	63.42%

Discipline Sections

BAR	ISC	TCP
42.94%	50.93%	82.36%

COLLABORATING WITH OUR PEAR PARTNERS

Commitment to PEAR: The Board is dedicated to integrating the Pro-Equity Anti-Racism (PEAR) framework into our operations, aligning with Executive Order 22-04 to foster an anti-racist Washington.

PEAR Ecosystem: Our goal is to cultivate an environment that values equity, inclusion, and a sense of belonging, ensuring that our services are accessible and respectful to all communities.

Collaborative Teams: The internal PEAR team and the advisory team, comprised of diverse partners, work together to guide the agency's PEAR initiatives. The teams are actively working together to advance our PEAR mission. We are excited to share our collaborative efforts with you soon.

Engagement and Participation: We encourage community members to join our efforts, offering ways to engage, collaborate, and contribute to our mission for a more equitable society.

For more details or to get involved, please visit our [PEAR Recruitment page](#). Together, we can make a difference.



2023 ELIJAH WATT SELLS AWARD

The American Institute of CPAs (AICPA) announced the winners of the 2023 Elijah Watt Sells Award. The Elijah Watt Sells Award program was established by the AICPA in 1923 to recognize outstanding performance on the CPA Examination.

The award is given to candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, completed testing during the 2023 calendar year, and passed all four sections of the Examination on their first attempt. An approximate total of 86,000 individuals sat for the Examination in 2023, with 40 candidates meeting the criteria to receive the Elijah Watt Sells Award.

The Board would like to congratulate Vineet Kotak, and Paul Poliakov, Washington State Candidates, who received the 2023 Elijah Watt Sells award.



REVIEW YOUR WEBSITE AND MARKETING MATERIALS

In the world of accounting, maintaining the integrity and accuracy of marketing practices is crucial. There has been a trend of complaints received by the Board regarding outdated or misleading marketing by CPAs and CPA firms. Most of these grievances highlight unlicensed firms falsely advertising attest or compilation services, or individuals improperly using the CPA designation. It is imperative for firms and practitioners to regularly review and update their marketing materials to ensure compliance with licensing requirements.



CPA LICENSURE: THE VERIFYING CPA PROCESS

As a CPA, you may be asked by a CPA applicant to assist their application process by reviewing their experience as a verifying CPA.

As a verifying CPA, you play a crucial role. Your responsibility is to attest to the experience of applicants seeking their initial license. Here's an overview of what you need to know:

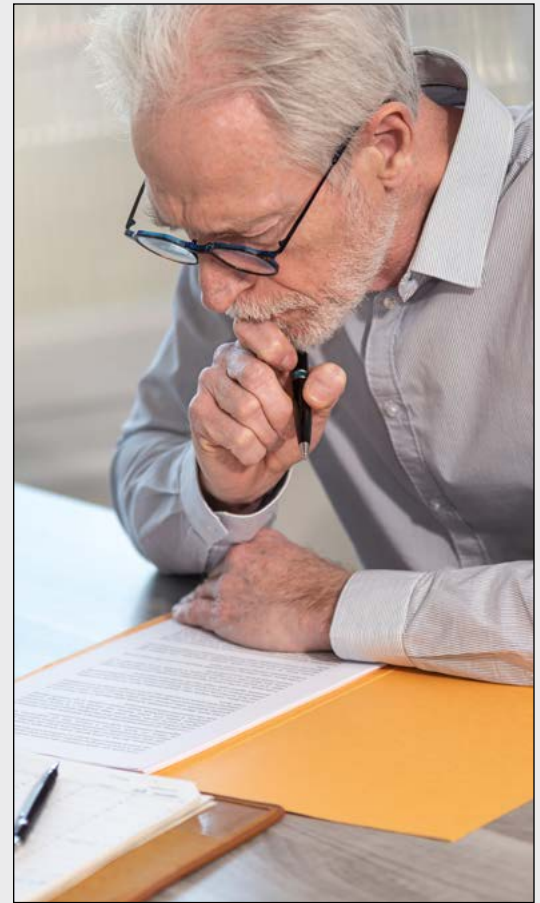
Experience Requirements: Applicants must meet the Board's experience requirements, which involve utilizing skills commonly used in business, accounting, and auditing.

Affidavit Submission: A complete Experience Affidavit must be submitted with the online initial license application, detailing the qualifying experience.

Work Environment: The employment experience must occur in an environment conducive to developing relevant skills.

Verifying CPA's Role: You must ensure that the experience is accurately represented and meets the Board's standards.

Your confirmation helps maintain the integrity of the CPA profession by ensuring that only qualified individuals are granted licensure. Thank you for your dedication to upholding these standards.



Oh No! I Got a Dreaded Lapsed Notice

Did you forget to submit your renewal application? You can [get your license back in an active status](#) quickly by:

- Completing the required Continuing Professional Education (CPE)
 - 120 CPE credit hours, including a [Washington State Board Approved Ethics course](#).
 - The CPE hours must be completed within the 36 months preceding your application date, except the Washington State Board Approved Ethics course, which must be completed within the 6 months preceding the date of application.
- Logging your completed CPE in the CPE Tracker located in our online services through your [SecureAccess Washington](#) (SAW) account registered with us.
- Uploading [acceptable CPE documentation](#) (course completion certificates, etc.) into the CPE Tracker for all CPE claimed.
- Submitting the reinstatement application through our [online services](#).
- Paying the reinstatement fee of \$480.

We process reinstatement applications as quickly as possible to keep your time in a lapsed status to a minimum.



State Board of Certified Public Accountants of Louisiana



Summer 2024

State Board of Certified Public Accountants of Louisiana

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email: cpaboard.sitemaster@la.gov

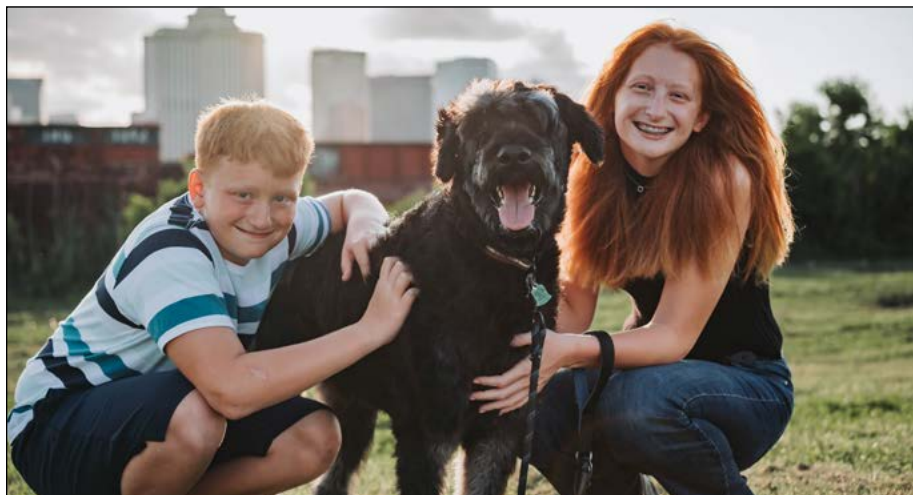
Staff Emails = FirstName.LastName@la.gov

FUTURE BOARD MEETINGS

July 25 – 26, 2024

October 22 – 23, 2024

January 28 – 29, 2025



☀️ Embracing the Dog Days of Summer! ☀️

As the temperature rises, so does our excitement!

Welcome to the inaugural edition of our digital newsletter. We are thrilled to connect with you in this new format to share valuable insights, updates, and resources. We hope that with each issue you'll learn something new. This Board and staff work extremely hard to adhere to its public protection mission while also supporting the CPA profession. So, whether you are currently an accounting student or a seasoned CPA, we hope our newsletters will provide you with useful and relevant information, in a quick and easy-to-read format.

Over the last two years I have been serving as a member on NASBA's Executive Directors' Committee and have thoroughly enjoyed the experience. It has immersed me into all things CPA - from nationwide CPA shortages to the launching of a new CPA exam in 2024 through discussions about alternative pathways to the CPA license for future generations. I am happy to share what I have learned (and continue to learn); please reach out if any of these areas are of interest.

So, take a look and see what you think. If there is anything specific you'd like to see in future newsletters, let us know. We look forward to hearing from you. In the meantime, cheers to surviving the sweltering Louisiana heat and looking forward to cooler days ahead.

Sincerely,

Lisa A. Benefield
Executive Director
Lisa.Benefield@la.gov





EXTRA! EXTRA! Read all about it....

Is Your Firm Performing ATTEST Services?

The CPA Board's Enforcement Division has helpful Peer Review information to share.

This excerpt outlines requirements set forth by the Board for CPA firms providing attest services in Louisiana. Here's a breakdown:

A Firm should enroll in the Peer Review program no later than the date the firm issues the report on its first attest engagement.

1

Frequency of Peer Review: Firms must undergo a peer review at least once every three years, but the first one must be completed within 18 months.

2

Administration of Peer Reviews: Peer reviews must be administered by the LCPA or another AICPA approved administering entity.

3

Submission of Reports: Peer review reports must be made available to the Board via FSBA within 45 days of acceptance by the administering entity.

4

Retention of Documentation: Reviewed firms must retain peer review documents in accordance with AICPA peer review standards and submit them to the Board upon request.

5

Objective: The objective is to ensure that CPA Firms are providing quality work in all accounting and auditing services provided to the public.

6

Flexibility: The Board will entertain requests for extensions of time to complete a Peer Review if submitted at least 45 days prior to the due date. Contact Bomani.Brown@la.gov for more information.

CPE REPORTING

CPE Ethics Reminder

- The 2024 CPE Portal is Open!
- You can add your CPE all year as you complete courses.
- 2024 is an Ethics year! All CPAs who have a CPE requirement in 2024 are required to complete the Board-Approved Ethics course in 2024.
- Use this link for a list of Board Approved Ethics course sponsors: <http://cpaboard.state.la.us/cpe-continuing-professional-education/>

Entering 2024 CPE

Use the Licensee Portal to enter CPE:

<https://lsbcpa.portalus.thentiacloud.net/webs/portal/#/>

After logging into the Licensee Portal:

- 1 Select CPE Reporting
- 2 CPE Period 1/1/2024 – 12/31/2024 – select “View”
- 3 From the CPE Tracking page, scroll to the bottom and select “+Add New”
- 4 Complete all 5 fields that have a red asterisk*.
- 5 Select “Choose Files” & upload your certificate of completion, if available.
- 6 Select “Save & Back” to proceed to the next course entry.



CONGRATULATIONS TO OUR NEW CPAs

Nicklaus Myers	29750	01/12/2024	Adele Elizabeth Poche	29774	01/23/2024
Melissa Marie Jeffrey	29751	01/12/2024	Nicholas Andrew Paganetti	29775	01/25/2024
Eric Joseph Roussel	29752	01/12/2024	Israel Isaac Thacker	29776	02/02/2024
Christine M. Bond	29753	01/12/2024	Jose Manuel Cusco	29777	02/02/2024
Hayden Dawson Livaudais	29754	01/12/2024	Benjamin William Thomson	29778	02/21/2024
Nathan Christoff Koenig	29755	01/12/2024	Sarah Marie Sonnier	29779	02/21/2024
Andrew Robert Grady	29756	01/18/2024	Claire Elizabeth Adams	29780	02/21/2024
Andea Violet	29757	01/18/2024	Peter Magistrale	29781	02/21/2024
Noah Paul Broussard	29758	01/18/2024	Ian Joseph Fincher	29782	02/21/2024
Tyler Joseph Hasson	29759	01/18/2024	Joshua John Nowakowski	29783	02/21/2024
Kyle Orlando Williams	29760	01/18/2024	Elaria G. Abader	29784	02/21/2024
Tyler Christian Hall	29761	01/18/2024	Kerrie Layne Cammack	29785	02/21/2024
Andre' Marcel Boudreaux, Jr	29762	01/18/2024	Landon Bain Carpenter	29786	02/23/2024
Alyssa Danielle Stokes	29763	01/18/2024	Mitchell Edward Webb	29787	02/28/2024
Jenney D. Ainsworth	29764	01/23/2024	Jennifer Leah Brown	29788	02/28/2024
Makenzie Claire Methvin	29765	01/23/2024	Tracy Terczynski	29789	03/07/2024
Alayna Renee Barker	29766	01/23/2024	Roberto Jose Bravo	29790	03/11/2024
Caspian Lamar Roberts	29767	01/23/2024	Young Il Joo	29791	03/13/2024
Meagan Diamond Giuffrida	29768	01/23/2024	Kristen Michelle Kernion	29792	03/14/2024
James Lee King	29769	01/23/2024	Chase Gregory Falgout	29793	03/18/2024
Lindsay Cardwell Dolotina	29770	01/23/2024	Raegan Taylor	29794	04/01/2024
Joseph Douglas Briley, IV	29771	01/23/2024	Heaven Guillory	29795	04/01/2024
Helen Anne Mason	29772	01/23/2024	Larisa Soboleva Stewart	29796	04/04/2024
Klaeborne Danyale Warren	29773	01/23/2024			



The National Association of State Boards of Accountancy (NASBA) welcomed the state of Louisiana at its 2024 Western Regional Meeting. Pictured (from left to right) Lisa Benefield, Ron Gitz, LCPA Executive Director, and Lynn Hutchinson.

EMAIL NOTIFICATIONS

The Board sends out important reminders via e-mail throughout the year, so make sure that we have your current email on file. If you are not getting Board correspondence, please check your spam and/or junk folders.





EXPERIENCE, LEARN & EARN (ELE) PROGRAM

Explore a new approach for the 150 credit hours needed for licensure

The [Experience, Learn & Earn Program \(ELE\)](#) helps accounting graduates earn the required academic credits for CPA licensure. Thirty-eight students are currently enrolled in the ELE program, developed by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) as a flexible and affordable way for accounting graduates to complete the CPA licensure requirement of an extra 30 academic credits beyond a typical bachelor's program. Online classes, offered through Tulane University's School of Professional Advancement (SoPA), began in January.



"No single initiative will solve the profession's talent shortage," said Susan Coffey, CPA, CGMA, AICPA & CIMA's CEO of public accounting. "But the ELE program demonstrates the kind of creativity, collaboration and follow-through we need to remove barriers to a successful and rewarding career in accounting."

Accounting graduates are recruited into the program by accounting firms (businesses and government entities can also sponsor candidates), which agree to employ them. ELE combines asynchronous online study with early work experience, so accounting graduates can work toward their CPA license while earning a paycheck.

More than 250 firms of all sizes have expressed interest in the program, which is now open for enrollments for the summer and fall sessions. One of the advantages of the online courses is firms can recruit accounting graduates anywhere. Wipfli, a Top 20 accounting firm, has five candidates – all from different locations nationwide — in the inaugural ELE cohort.

The program is soliciting input from students, firms and educators on potential improvements going forward.

"We plan to continue to fine tune and strengthen the ELE," said NASBA President and CEO Ken Bishop. "The ELE program addresses two important pipeline issues. The cost of the fifth year of college can be a barrier for some potential CPA candidates and the ability for firms to attract, hire and retain new CPA professionals has been challenging, particularly for smaller firms. The early results are promising, and we want to build on that success."

To learn more about ELE, please visit experiencelearnearn.org. The site includes information for students, educators, firms and other organizations that want to sponsor candidates.

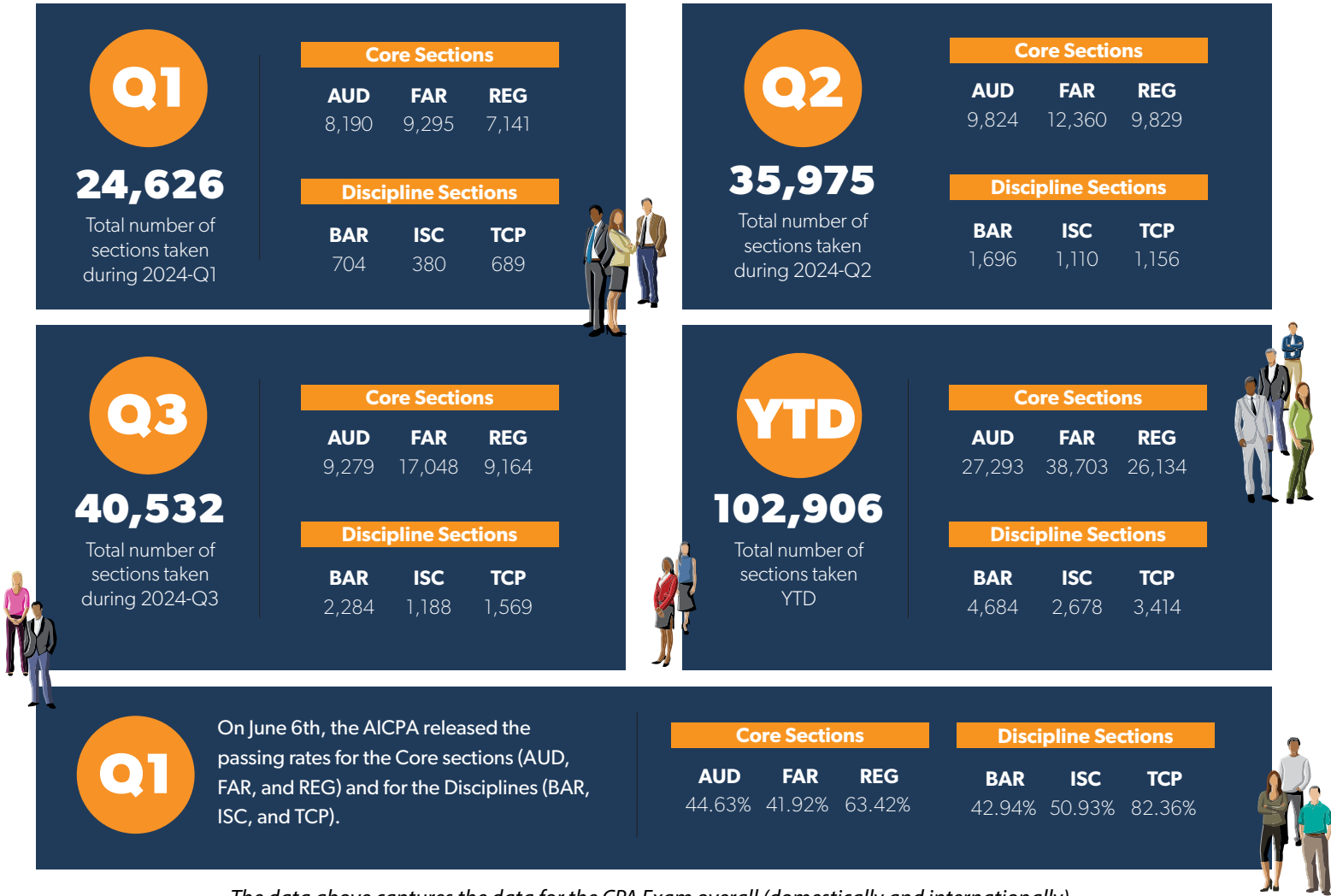
QUESTIONS?

Send to Feedback@ExperienceLearnEarn.org.



CPA EXAM SECTIONS TAKEN FOR 2024

CPA Evolution is here and off to a positive start. The infographic below illustrates how the CPA Exam is trending by sections taken thus far in 2024. In regard to the Disciplines, the most interest revolves around the high pass rate for the Tax Compliance & Planning (TCP) section. The AICPA and NASBA noted that the candidates who took TCP were better prepared and had already passed REG at higher rates than those who took the comparative Core sections related to the other two disciplines. Furthermore, the connection between the REG and TCP content is closer than that between FAR/BAR and AUD/ISC. It is expected the pass rate for TCP will return to historical norms as more candidates take the discipline sections. The guidance offered is still to choose the discipline which fits your education, strengths and career plan.



The data above captures the data for the CPA Exam overall (domestically and internationally).



CPE AUDIT SERVICE

The Tennessee State Board of Accountancy and the National Association of State Boards of Accountancy (NASBA) offer a free account in the **CPE Audit Service** for all Tennessee CPAs.

The application is available for your use at any time to:

- Enter your CPE coursework and credits earned individually or through an upload process.
 - » TSCPA sends your attendance records for their courses directly to the application as well, so there is no need to enter these courses manually!
- Upload and attach your CPE documentation to your courses
- Review your ongoing compliance with the CPE requirements of the Board as you complete CPE
 - » If you are also licensed in another [participating state](#), you can see your compliance with all of those licenses as well.
- Request to carry excess credits earned from one reporting period to the next
- Request CPE Reciprocity if you are also licensed in another state
- Submit CPE records and documentation in response to an audit by the Board

The Tennessee Board has the final authority on the acceptance of individual courses and documentation for CPE credit once they have audited your submitted information and documentation.



Want To Learn More About How To Use the CPE Audit Service?

Register for an upcoming webinar using the link below and select which date you prefer:

https://nasba.zoom.us/webinar/register/WN_S0u7CbznSFSnZ0GKputjBg#/registration

- Monday, July 29th 4pm Central Time
- Wednesday, July 31st 12pm Central Time
- Friday, August 2nd 8am Central Time

***Please note that these webinars are for informational purposes and are not eligible for CPE credits.**

If you have any questions concerning your CPE audit, please contact our office at 615.741.2550 or via e-mail at accountancy.board@tn.gov.

If you would like to request your account registration information or have other questions about using the **CPE Audit Service**, please contact cpeauditservice@nasba.org.

NEW LAW FOR RENEWING A CONTRACTOR'S LICENSE

How Does This Affect CPAs Assisting Contractors with License Renewals?

The Board investigates several complaints each year involving reports submitted on behalf of a contractor client by a CPA who is not authorized to perform attest services. Protect yourself and your practice by ensuring that you have met the requirements for performing attest services prior to accepting an engagement of this kind.

The State of Tennessee has recently enacted a new law that changes the requirements for renewing a contractor's license. This update affects CPAs who assist contractors with their license renewals. Here's a concise overview of the changes and what CPAs need to know.

Key Changes in the Law:

Monetary Limitation-Based Documentation:

For Renewals Exceeding \$1,500,000: Contractors seeking a renewal for a monetary limitation greater than \$1,500,000 must now include a compilation prepared by a certified public accountant (CPA) with their renewal application.

For Renewals of \$1,500,000 or Less: Contractors requesting a monetary limitation of \$1,500,000 or less are required to submit a notarized statement confirming the truthfulness and accuracy of the information in their financial statement.

Board's Discretion for Additional Financial Statements:

The licensing board retains the authority to request a

reviewed or audited financial statement, if there is cause to believe that it serves the public safety and welfare. CPAs should be prepared for potential engagements involving reviews or audits if the licensing board exercises its discretion to request additional financial assurance. This necessitates maintaining high standards of audit readiness and awareness of the board's criteria for such requests.

Before accepting such an engagement, you should consider:

[Firm permit requirements](#) – A CPA may provide attest services only from a CPA firm that holds a permit issued under TCA § 62-1-108.

The [cost and requirements](#) of peer review enrollment. All firms offering attest services must have a peer review completed once every three years.

[Experience requirements](#) – A CPA signing the accountant's report on financial statements on behalf of the firm must have two (2) years of experience in the preparation of financial statements or reports on financial statements, earned in the prior ten (10) years.

[CPE requirements](#) - CPAs who perform attest services must earn at least twenty (20) hours in the subject A&A as part of the biennial CPE renewal requirement.

COMPREHENSIVE ONLINE REGULATORY & ENFORCEMENT (CORE) SYSTEM

The Comprehensive Online Regulatory & Enforcement (CORE) System is your portal for maintaining your Tennessee CPA license. Your CORE account allows you to apply for, renew, and manage a license or file a complaint. The system was upgraded on June 26, 2023 and all users must register an account in the new system. If you have not already done so, visit core.tn.gov today to create an account. Watch [this online guide](#) for helpful information about the registration process.



Your account gives you access to all applications available to your license, allowing you to:

- Renew a CPA/PA license or firm permit
- Report changes to Home, Employer, or Mailing address
- Apply for a firm permit
- Change status of license to Closed or Inactive
- Change the name on your CPA license
- Reactivate Closed or Inactive License
- Reinstate an Expired license
- Request a Letter of Good Standing
- Order a replacement wall certificate or CPA license
- Respond to CPE Audit



2024 SPRING CPE AUDIT

The Board is nearing completion of the 2024 CPE Audit, in which 10% of even-numbered Active licenses were required to submit confirmation of the continuing education credits earned for renewal. A list of those chosen for the 2024 audit is on the [Board's website](#).

With the majority of audits having been processed, the Board has found a compliance rate of 98.38%. This continues the upward trend in CPE compliance seen since the implementation of the CPE reporting requirement for license renewals.

Visit the [Board's website](#) to view Continuing Education information, including:

- General requirements
- Fields of Study categorizations
- Sponsor information

CPE Carryover Hours

Each year, the Board receives questions about the application of carryover hours. Accountancy Rule 0020-05-.03 allows for the use of carryover hours, but there are limitations.

- Limited to 24 Hours (or 12 hours if your first renewal required only 40 CPE credits)
- Carries over as non-technical CPE
- Cannot be used to meet 20-hour yearly minimum
- Must have actually completed more than 80 hours in the preceding reporting period
- Carryover hours will never increase your total to more than 80 hours

EXAMPLE OF CARRYOVER CPE

Reporting Year 1	Reporting Year 2	Reporting Year 3
Year 1: earned 30 hours Year 2: earned 60 hours Total of 90 hours earned in the reporting period 10 extra hours earned	Year 1: earned 20 hours Year 2: earned 52 hours Total of 72 hours earned in the reporting period <i>Carry forward 8 hours from Period 1 to make up the deficiency</i>	No carryover available because no extra hours earned in Period 2



STATE ETHICS REQUIREMENT

CPAs with a Continuing Professional Education (CPE) requirement—or license renewal, reinstatement, or reactivation—must earn two credit hours of board approved state-specific ethics (SSE). This course is intended to familiarize licensees with the law and rules governing the accounting profession in Tennessee.

Since January 1, 2018, the Board accepts only one SSE course to meet this requirement. The Board has partnered with the Tennessee Society of CPAs (TSCPA) to help ensure that the most current and accurate state-specific content is included in the course material. Each year, TSCPA presents an updated course to the Board of their review and approval.

Registered or Exempt CPE sponsors may [apply for approval](#) to present the state ethics course, and a list of approved sponsors is available on the [Board's website](#).

WELCOME!

New Board Member Sam Bennett, CPA

Governor Bill Lee has named Sam Bennett, CPA to a three-year term on the Board representing Middle Tennessee.

A partner at KMPG for more than twenty years, Mr. Bennett is the Managing Partner for the firm's Nashville and Knoxville offices. He serves on the Audit Committee for US Youth Soccer and the MAcc Advisory Board at Vanderbilt University's Owen Graduate School of Management.



Bennett

THANK YOU!

The Board Extends Its Appreciation

The Board extends its sincere appreciation to Janet Booker-Davis and Larry Elmore at the conclusion of their service to the Board. Both were first appointed in 2015 by Governor Haslam and have completed three terms as Board members.

Janet has served on the Law and Rules, Enforcement Committee, and was Chair of the Licensing Committee. She has contributed to the advancement and evolution of the accounting profession through her participation as a member of NASBA's Nominating Committee and CPA Examination Review Board. Janet operates a small firm in Franklin, TN.



Booker-Davis

Larry is a former Secretary and Vice-Chair of the Board. He served on the Executive and Enforcement Committees and was the Chair of the Law and Rules and Licensing Committees. Larry was a steady influence and always asked the important questions. He has been a member of NASBA's Uniform Accountancy Act and Audit Committees and Southeast Regional Director on NASBA's Board of Directors. Larry is a retired partner with Pugh CPAs in Knoxville, TN.



Elmore

Disciplinary Actions

November 2023

No Action Taken

December 2023

Name David Jolly
Location Kingsport, TN
Violation Providing attest services without a valid CPA or firm license
Action \$1,000 civil penalty

January 2024

Name Russell A. Siegfried
Location Memphis, TN
Violation Providing attest services without a valid firm permit and without being enrolled in peer review
Action \$1,500 civil penalty

February 2024

Name Jonathan David Frost
Location Signal Mountain, TN
Violation Dishonesty, fraud, or gross negligence in the performance of services as a licensee and failure to exercise due professional care
Action Permanent revocation of CPA license

Name J.D. Frost & Company, PLLC
Location Chattanooga, TN
Violation Dishonesty, fraud, or gross negligence in the performance of services as a licensee and failure to exercise due professional care
Action Permanent revocation of CPA firm permit

Name Keystone CPAs, LLC
Location Chattanooga, TN
Violation Operating a CPA firm without a firm permit
Action \$650 civil penalty

March 2024

Name Tracy Carico
Location Knoxville, TN
Violation Disclosing confidential client information without the specific consent of the client
Action \$1,500 civil penalty

April 2024

No Action Taken

May 2024

Name Evan Kyle Watson
Location Mount Juliet, TN
Violation Failure to comply with CPE requirements
Action \$1,000 civil penalty and requirement to complete NASBA Ethics course

Name Terry R. Hendrixson
Location Memphis, TN
Violation Use of the CPA designation without an active license
Action \$1,000 civil penalty

June 2024

Name Luther Speight & Company CPAs and Consultants, LLC
Location Memphis, TN
Violation Suspension of the right to practice before any state or federal agency
Action \$1,000 civil penalty

Name Jise TN. Inc.
Location Nashville, TN
Violation Issued an audit report that was not in accordance with Generally Accepted Auditing Standards (GAAS) and failed to comply with peer review requirements
Action \$4,000 civil penalty

Name Banks, Finley, White & Co.
Location Memphis, TN
Violation Issued an audit report that was not in accordance with Generally Accepted Auditing Standards (GAAS)
Action Requirement to complete four hours of ERISA audit training course



All Regulatory Board Disciplinary Actions are [available online](#), and viewable by month.

NEW CPA LICENSES ISSUED

The Tennessee Board of Accountancy issued 389 new CPA licenses between November 1, 2023 and June 30, 2024.

29881	Linda S Abernethy	29892	Paige Carter	29765	Garrett Scott Fischer	29772	Alicia Christine Hidalgo
29621	Trang Tran Adara	29925	Sam Carver	29758	Madolyn Esther Fishburn	29633	Chelsea Ruth Hill
29476	Colin John Airola	29911	Brett Cashmer	29601	Richard Braden Fisher	29746	Nicholas Greeley Hill
29762	Ashtynne Sue Alberts	29668	Salvatore Henry Cassello	29761	Carl Franklin Fitch	29854	Spencer Hill
29833	Douglas Ray Allen II	29874	Sarah Elizabeth Caye	29799	Renee L Forbes-Williams	29929	Jennifer Nichols Hinton
29754	Anthony Paul Almeda	29648	Robert Caylor	29806	Jennifer Kristin Forsyth	29642	Holly Low Hodge
29611	Emily Celeste Anderson	29902	William Charles Chapman	29818	Zell Steven Fournier	29779	William Price Holder
29687	Matthew Anderson	29727	Elijah James Charron	29938	Thomas Ritten Fracchia	29788	Kathryn Mills Holley
29871	Jillian Kay Anderson	29790	Wei Chen	29728	Teresa Leigh Franklin	29769	Brandi Hubbard
29768	Ryan M Armento	29794	Luer Chen	29900	Julia Chung Frizzell	29908	Karlie Hughes
29781	April Lynn Armstrong	29918	You Jia Chen	29921	Julia Fry	29890	Emily Hulbert
29764	Olivia Jordan Bailey	29825	Katherine Ann Ciesielski	29752	Nathaniel Allen Fulner	29625	Ann Mason Hunter
29623	Derek Riley Barner	29619	Ashlee Clapper	29501	Rachel Olivia Fuson	29413	Megan Igaravidez
29847	Matthew Reed Basham	29886	Ty Colson	29651	Macy Jane Gebhardt	29774	Kathleen Russell Jackson
29655	Andrew Shelton Baxley	29809	Caroline Coltharp	29967	Walter Brent Gerlach	29802	Matthew Cole Jackson
29635	Matthew Young Behar	29964	Heather Marie Cook	29658	Carlee Amelia Gieske	29636	Spencer Johnson
29972	Madelon Rose Belaska	29675	David Shawn Cooksey	29703	Zachary Gilliam	29693	Jonathan Peter Jones
29689	Parker Banks Bell	29955	James Douglas Cooper II	29951	Laura Cummins Gleason	29875	Jacob Michael Kearns
29961	Hayes Hamilton Bell	29656	Annamichelle M. Costanzo	29932	Drew Landon Gomer	29804	Jenica Marie Kenyon
29899	Dallas James Bernard	29810	Nicolette Watson Cox	29903	Paul Edmond Grace	29773	Jarrett William Key
29699	Stephanie Franziska Bias	29707	Mallory Anne Cravens	29822	Mary Blakistone Graves	29726	Sukhrob Khayriev
29824	Marah Mackenzie Bieger	29736	Lucy Thomley Crenshaw	29949	Katherine H. Green	29882	Meghan Elizabeth Kiihnl
29853	Jacob Allen Bissen	29916	Sydni Crowe	29661	Alea Josephine Greene	29589	Gregory Stone King
29733	Valarie Renee Black	29643	Brian Russell Crutchfield	29710	Michael Ross Grillo	29861	Marisa A King
29580	Amber Dawn Blevins	29681	Caroline Elise Daniel	29928	Joshua Hayden Grimes	29935	Sarah Margarete Kirby
29827	Stephen Peter Boncimino	29836	Payton Leane Daugherty	29657	Carole Gross	29732	Allie Grace Kirkman
29817	Peter Joseph Bonnell IV	29970	Morgan Daugherty	29796	Ryan Grundberg	29855	Calvin Allen Kiser
29597	Jared Spencer Bornstein	29697	Adrian D'avanzo	29669	Angala Gubler	29946	Loren Klass
29838	Hannah Claire Boucher	29702	John Luke Davenport	29632	Jing Guo	29839	Jessica Klovensky
29607	Olga Boyarshynova	29920	Brandon E. Davenport	29721	Kelsey Rose Hagan	29942	Zackary Heath Knew
29600	John Thomas Boyle	29858	Xavier Davis	29649	Matthew Cameron Hale	29829	Bruce Chrysanna Kolinski
29867	Courtney Brasfield	29634	Tucker Bibb Deaton	29842	Anna Hall	29880	Claude Korkis
29953	Mary Grace Braswell	29740	Blake Hunter Dickenson	29944	Stephanie L. Halphen	29753	Anthony Owen Kranis
29783	Grant William Breeden	29914	Michael Carlton Dickerson	29887	Katherine Joann Hamilton	29747	Christopher Krennrich
29595	Trevor Brown	29917	Luke Allen Diles	29785	Nancy E Hampton-Probst	29569	Gabriella Hope Krtausch
29715	Michael Witt Bruce	29795	Laura Dubena	29724	Alison Marie Harper	29933	Emily Alene Kuper
29775	Olivia Lee Bruck	29830	Tucker James Duncan	29771	Andrew Harrison	29684	Alexander William Labahn
29797	Gavin Michael Bundy	29673	Nicole Yuhas Dvoretzky	29805	Colin Haslett	29926	Chi Yan Lai
29828	Joseph Michael Burd	29602	Sydnee Danielle Edwards	29730	Darius Evontae Haynes	29712	Adam Lalejini
29778	Carter Bryan Burks	29671	Michael Elias	29912	Luke Patrick Healy	29834	Jason Matthew Lambert
29617	Skylar Autumn Bursi	29128	Rachel Elston	29576	Jake Brendan Hein	29751	Bailey Alexa Lancaster
29879	Thomas Scott Butler	29737	Mary Alexandra England	29850	Mattie Leigh Helms	29750	Darby Caroline Lang
29757	John William Cacchio	29598	Boutros Samir Erian	29963	Benjamin Jeffery Helms	29615	Jeremy George Lawson
29685	Khylar Branae Cain	29815	Zachary William Erickson	29679	Hailey Hendry	29852	Madison Elizabeth Lay
29941	John Michael Calanog	29742	Christian P. C. Escano	29956	Rachael Joy Herman	29789	Britta Leuckfeld
29628	Berkley Alexander Carlisle	29451	Toimeka Renita Evans	29664	Shelby Herring	29639	Chi Li
29748	Clark Carroll	29683	Victor Ross Evans	29722	Margaret Eloise Herring	29831	Yanhong Liang
29620	John Carter	29777	Andrew Porter Farrell	29876	William Hetherington	29971	Jonathan Lim

NEW CPA LICENSES ISSUED (CONTINUED)

29819	Morgan Elizabeth Little	29787	Chadwick Newby	29533	Benjamin Thomas Ruffing	29962	Valerie Townsend
29631	Ziyun Liu	29652	Xuan Thi Kim Ngo	29807	Asad A Sajwani	29767	Tina Kim Dang Tran
29596	Jessica Lohse	29907	Dave Nichols	29791	Anthony Dean Samons	29939	Emily Tran
29884	Robert Lance Long Jr.	29686	Andrew Nickell	29610	Hannah Kathleen Sanders	29667	John M Troyer
2959 1	Hee Ying Loy	29894	Kaveeta Alok Nijhawan	29698	Audrey Barnett Schumacher	29603	Barrientos F. J. Trujillo
29627	Lauren Luke	29714	Jennifer Nisewander	29837	Landon James Seaborn	29919	Marguerite Turlukis
29960	Ryan Oliver Mackie	29674	Emily Nixon	29662	Bailey Webb Serafine	29904	Eve S Turner
29940	Rhys Joshua Maddock	29672	Marcus Noll	29957	Michael Seven	29909	Cedric Haguma Twizere
29865	Jeremy Lee Magers	29599	Elizabeth Ann Nuber	29593	Jackson William Sexton	29770	Jonathan Brooks Tyler
29840	Mary Mancuso	29814	Collin Oberry	29705	Steven Thomas Shargent	29927	Lee Michael Unfried
29786	David Manthey	29690	Taylor Oglesby	29958	Mrudul Lalit Sharma	29860	Dalsen Abigail Van
29835	Madison Marcum	29870	Alexis Marie Oliver	29676	Rachel Sharp	29776	Bincy Varghese
29696	Amy Rebecca Marquit	29934	John Calvin Oliver	29756	Jacqueline Lake Shaw	29682	Ryan Joseph Vaughan
29859	Jacob Andrew Marsden	29745	Roxanne Suevaughn Orr	29741	Patrick David Shelton	29863	Nathan Patrick Wade
29670	D?Rte Marshall	29725	Sam Bennett Oswald	29716	Riley Thomas Shrode	29574	Jane Louise Walker
29891	Amanda Marshall	29905	Natalie Frances Overby	29612	Zhanfeng Si	29893	Taylor Marie Wallace
29245	Rachael Martin	29720	Joon Sung Park	29650	Savanna Leah Simons	29906	Jessica L. Wattenbarger
29629	Jake Reed Martin	29691	Sydney Parker	29618	Jessica Cassandra Smith	29931	Anna Weatherly
2971 1	Bailey Madison Martin	29766	Reid Coleman Parker	29665	William Smith	29782	Cameron Alan Webb
29813	Paso Adriana Martinez	29937	John Parks	29759	Lucy Smith	29792	Ethan Samuel Webb
29877	Hannah Frutiger Mason	29846	Madhav Ashokbhai Patel	29808	Preston M. Scott Smith	29820	Junzhu Wei
29735	Colby Mathis	29878	Montu Kanubhai Patel	29936	Elizabeth Anne Snodgrass	29755	Loni Marie Welch
29959	Grace Elizabeth Maupin	29695	Keegan Patterson	29950	Dwayne Southern	29640	Talia Marie Wells
29614	Aaron Joseph May	29630	Emily Percer	29869	Enoch Duncan Sparks	29604	Robyn Rae Werner
29694	Georgia Leigh Mcadams	29718	Michael Joseph Phelps	29889	Tyler Lemar Spivey	29844	Brianna Nicole Wickham
29948	Matthew Mcardle	29622	Emma Phillips	29723	Zackary R. Spoonamore	29873	Lucian Wiest
29743	Harry R Mabee III	29823	Taylor Michelle Pickett	29624	Caleb Thomas Starling	29666	Katie Wiggins
29644	Jackson Donald Mccarthy	29898	Rachel Green Pittman	29680	Savannah Grace Starling	29801	John Wilkes
29645	Amri Nzinga Mccauley	29901	Patrick Tyler Pittman	29784	Charles Travis Steinmetz	29606	Parker Mclean Wilkins
29930	Robert Samuel Mccauley	29857	Gregory A Platte	29780	Alan Vanquez Stewart	29647	Adam Wilks
29800	Kristen Mcclellan	29626	Sean Tyler Popkin	29677	Clayton Stovall	29613	Robert Gregory Williams
29945	Elizabeth Ann Mccullen	29868	Faith Michelle Powell	29843	Miranda Rae Stovall	29734	Ryan Williams
29864	Katherine Mcdonough	29717	Glori Presley	29616	Margaret Stuhrenberg	29749	Christopher Don Williams
29826	Owen Christopher Mcgrath	29821	Andrew Price	29885	Steven Stull	29706	Joshua Michael Wilson
29555	John Sharpless McIntyre Iv	29688	Donald Blake Quesenberry	29856	Matthew Peter Sullivan	29638	Elizabeth Hope Wofford
2981 1	Martin S. Mckay	29923	Vanessa Cristina Quitoni	29738	Samantha J. Swamberger	29888	Joseph Wood
29663	Orane Deluka Mclean	29729	Ross Hamilton Redmont	29609	Kelsey Lauren Swerdfeger	29744	Ryan Ray Woods
29692	Hudson Miller	29760	Carmen Elena Reese	29841	Edward Jackson Swiney	29913	Kendall Alise Woods
29910	Alexandra Gwen Miller	29678	Scott Owen Reichard	29704	Peter Steven Taraian Jr.	29594	Adam Dayton Wright
29924	Joel David Minton	29848	Tyler Reller	29872	Brianna Tarnowski	29637	Gregory Gerard Wright
29731	Maegan Alexis Moats	29653	Bailey Hunt Renfroe	29709	Jennifer Tate	29646	Breanna Wright
29713	Katherine Estelle Montesi	29895	Madison Claire Rhoton	29567	Danielle Stuart Taylor	29798	Kennedy Wuertz
29700	Bethany Lydia Montrose	29708	Tracy Blake Riggs	29845	Matthew Edward Taylor	29952	Joshua Anthony Yebba
29832	Michael Moragas	29883	Peyton Alec Roberts	29973	Carson Gabrielle Taylor	29812	Athena Zaharakos
29803	Carson Edward Morris	29851	Eric Roy Robinson	29739	Emily Rose Temple	29641	Kimberly Jo Zeiders
29608	Manjula S. Mudiyansele	29968	Gonzalez Ricardo Rocha	29659	Joshua C. Templeton	29915	Thomas Zetlmeisl
29793	Claudia Munoz	29922	Kealie Katherine Rockvam	29605	Dylan Enrique Texcahua	29966	Qiongyu Zhang
29947	Kathryn Murnane	29896	Jordan Ryan Rodgers	29897	Joseph William Tighe		
29701	Matthew Patrick Murray	29849	Thomas Roskuski	29654	Montgomery-Lee Todd		
29943	Margaret Woodside Nelson	29660	Scott Rubinsky	29763	Elisabeth Grace Todd		

TENNESSEE STATE BOARD OF ACCOUNTANCY

Board meetings are held quarterly, with Committees meeting one day prior. [Click here](#) to view scheduled meeting dates

Accountancy Board Members

East Tennessee

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Larry Elmore, CPA
Gregory Gilbert, CPA—Chair

Middle Tennessee

Janet Booker-Davis, CPA
Kevin Monroe, CPA
Sam Bennett, CPA

West Tennessee

Pamela Church, CPA—Secretary
John Griesbeck, CPA—Vice-Chair
Robert Vance, CPA

David Crenshaw, Attorney Member
Brad Floyd, Public Member

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Executive Director
Wendy Garvin

Investigator
Duke Speed, CPA

Administrative Staff

Karen Condon, Administrative Manager
Leann Blair, Continuing Education
Scott Force, Licensing
Laura Pecunes, Administrative Services

ELIJAH WATT SELLS AWARD

The American Institute of CPAs (AICPA) [announced](#) the winners of the 2023 Elijah Watts Sells Award.

The award is given to CPA candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination (Exam), passed all four sections of the Exam on their first attempt, and completed testing in 2023. Out of the nearly 86,000 individuals sitting for the exam in 2023, only 40 met these criteria. The Board congratulates two Tennessee candidates for their achievement in receiving this award.

Nathaniel Day is a graduate of Vanderbilt University with a Bachelor of Science in Human & Organizational Development and English and a Master of Accountancy from Vanderbilt University's Owen Graduate School of Management. He is employed with Deloitte in Chicago, IL.

Brandon Rooney is a graduate of the University of Tennessee, Knoxville, with a Bachelor of Business Administration in accounting and a Master of Accountancy from the Haslam School of Business. He is employed with EY in Nashville, TN.

30-Month Exam Credit Window

It's official! Effective May 28, 2024, Tennessee Exam candidates have 30 months to pass all sections of the Uniform CPA Examination. The 30-month clock starts on the date AICPA and NASBA release the score of the first section passed. Previously, credits earned on passed sections of the Exam expired 18 months from the candidate's sit date for that section.

Contact Information

Mailing Address:

State Board of Accountancy
500 James Robertson Pkwy
Nashville, TN 37243-1141

Telephone:

Phone: 615-741-2550
Fax: 615-532-8800
Email: Accountancy.Board@TN.Gov

Office Hours:

M-F 8:00am-4:30pm
[CLOSED on all State Holidays](#)



Department of
Commerce &
Insurance

Tennessee Department of Commerce & Insurance

Tennessee Board of Accountancy | 500 James Robertson Parkway | Nashville, TN 37243-1141
Tel: 615-741-2550 | Fax: 615-532-8800 | tn.gov/commerce/regboards/accountancy

ACCOUNTANCY RULE CHANGES

Accountancy Rules 0020-01 and 0020-02 have been revised, effective May 28, 2024.

Get the latest news about statutory changes, rule changes, and legislative updates by signing up for email or text notifications. [Click here to](#) learn more.

0020-01-.06

- Candidates must pass all required test sections within a rolling thirty (30) month period, rather than an eighteen (18) month period.
- The 30 months will begin on the score release date for the first exam rather than the sit date.
- Scores for Exams will no longer expire after 10 years. Candidates applying more than ten years after having passed the exam must also meet a CPE requirement.

0020-02-.02

- Allowable internship hours used to meet the initial license education requirement increased from six (6) to nine (9). Only six (6) can count towards the upper division accounting credits.

Rule 0020-01-.06 Examinations, Paragraph (6) is amended by deleting the text of the Paragraph in its entirety and substituting language so that, as amended, the Paragraph shall read:

(6) The following shall apply to the computer-based Uniform CPA Examination:

(a) A candidate may take the required test sections individually and in any order. Credit for passing any test section shall be valid for that test section for thirty (30) months from the date the passing score for such test section is released by NASBA to the candidate or the Board, as the case may be, regardless of the number of test sections taken or having to attain a minimum score on any failed section(s).

1. A candidate shall pass all required test sections within a rolling thirty (30) month period. The rolling thirty (30) month period begins on the date the first passing score(s) are released by NASBA to the candidate or the Board, as the case may be. The rolling thirty (30) month period concludes on the date the candidate sits for the final test section passed, regardless of when the score is released by NASBA for the final test section.

2. A candidate who earns initial credit on one or more test section(s) of the CPA examination must sit for and complete the remaining required test section(s) of the examination on or before the expiration date as shown on the Uniform CPA Examination score notice.

3. If all required test sections are not passed within this initial thirty (30) month period, credit for the first test section(s) passed shall expire and a new rolling thirty (30) month period shall begin on the date the second passing score(s) were released by NASBA to the candidate or the Board, as the case may be, and continue for thirty (30) months from that date. If all required test section(s) are

not passed within this next rolling thirty (30) month period, credit for the second test section(s) passed shall expire and a new rolling thirty (30) month period will begin on the date the next test section passing score, if any, was released by NASBA to the candidate or the Board, as the case may be, and this cycle of thirty (30) months rolling periods and test section credit expirations will continue until all test sections are passed within one thirty (30) month rolling period. Notwithstanding the foregoing, if a candidate stops testing for a thirty (30) month period, then all credit for previously passed test sections will expire.

(b) A candidate shall not retake a failed test section until the candidate has been notified of the score for the most recent attempt of that failed test section.

(c) A candidate shall be deemed to have passed the examination if the candidate obtains credit for passing all required test sections in one rolling thirty (30) month period.

(d) A candidate shall retain credit for any and all required test sections of the examination passed as a candidate of another state if such credit would have been given under then applicable requirements in this state.

(e) Notwithstanding subsections (a), (b), and (c) of this Rule, the period of time in which to pass all required test sections of the examination may be extended by the Board upon a showing that the credit was lost by reason of individual hardship including, but not limited to, health; military service; disruption at a local, regional, or national level impacting the candidate; or other circumstances beyond the candidate's control.

Rule 0020-01-.06 Examinations, Paragraph (11) is amended by deleting the text of the Paragraph in its entirety and substituting language so that, as amended, the Paragraph shall read:

(11) A candidate who applies for a license more than ten (10) years after the date upon which the candidate passed the last section of the Uniform CPA Examination must also document eighty (80) hours of continuing professional education in technical fields of study earned within the twenty-four (24) months immediately preceding the date of application. Of the eighty (80) hours required, at least two (2) hours shall consist of a board-approved state-specific ethics course. Qualifying continuing professional education is found in rule 0020-05-.04.

Rule 0020-02-.02 Education, Paragraph (1) is amended by deleting the text of subparagraph (c) in its entirety and substituting language so that, as amended, the subparagraph shall read:

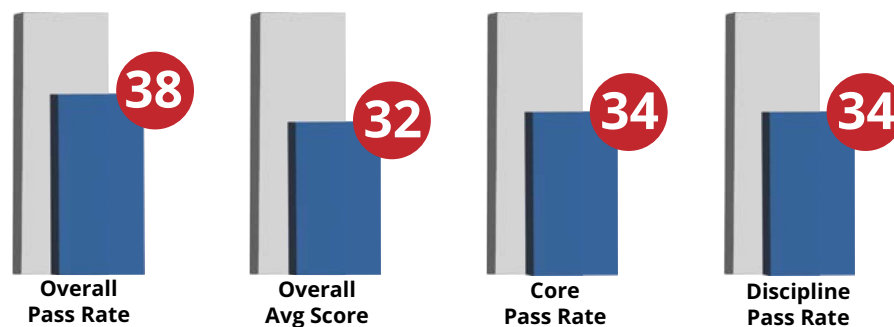
(c) Not more than nine (9) semester or equivalent quarter hours may be internship programs. Of these nine (9) semester hours or equivalent quarter hours, a maximum of six (6) semester hours or equivalent quarter hours may be applied to the thirty (30) semester or forty-five (45) quarter hours in accounting; and,

CPA EXAMINATION CANDIDATE PERFORMANCE: TENNESSEE

2024-Q1

	Overall	Exam Type		Exam Section					
		FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	391	259	145	133	150	119	9	14	8
Sections	433	282	151	133	150	119	9	14	8
% Pass	46.9%	55.3%	31.1%	39.1%	38.7%	65.5%	11.1%	42.9%	100.0%
Average Score	70.2	73.0	65.0	68.5	66.2	76.5	61.7	72.8	84.6
Average Age	29.1	27.7	31.7	29.9	28.3	28.6	29.4	31.6	34.3

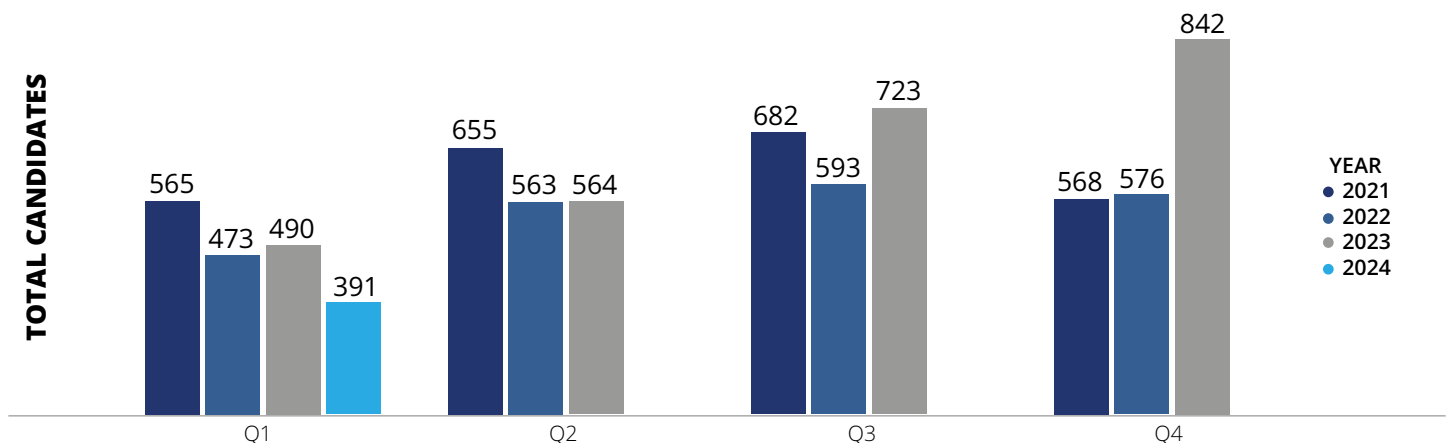
JURSDICTION RANKING



	Gender			Residency		
	F	M	U	In-State	Out-of-State	Int'l
Candidates	198	184	9	323	59	9
Sections	215	208	10	356	68	9
% Pass	45.6%	49.0%	30.0%	46.9%	44.1%	66.7%
Average Score	69.4	71.1	67.1	70.3	69.6	68.9

TOTAL CANDIDATES BY QUARTER

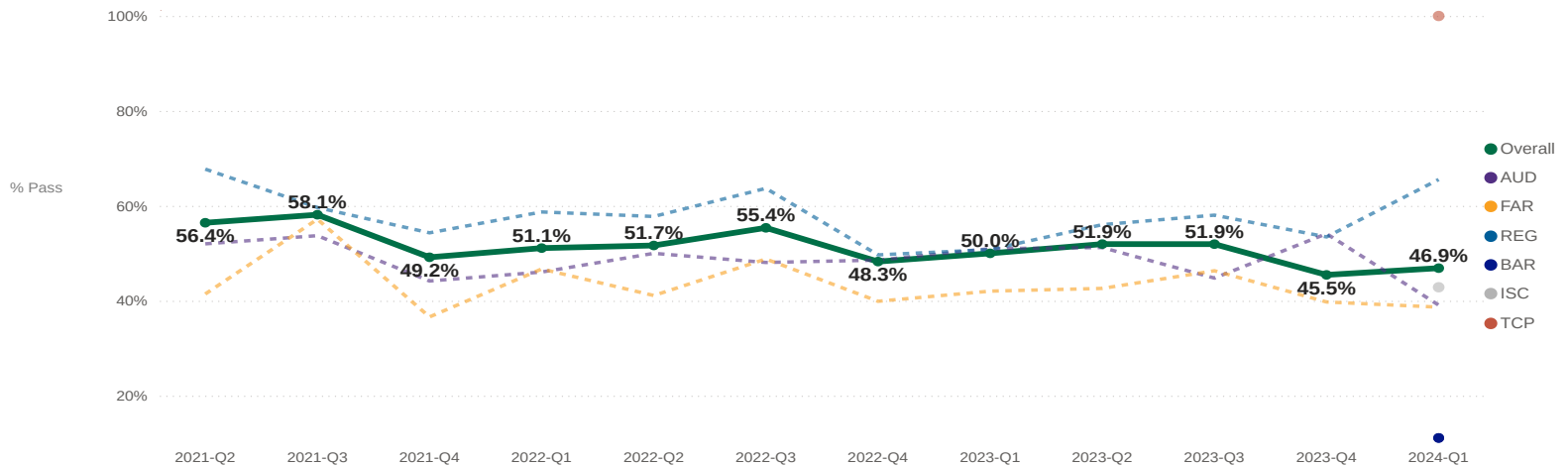
Number of unique candidates per quarter who have taken at least one section of the Examination.



CPA EXAMINATION CANDIDATE PERFORMANCE: TENNESSEE

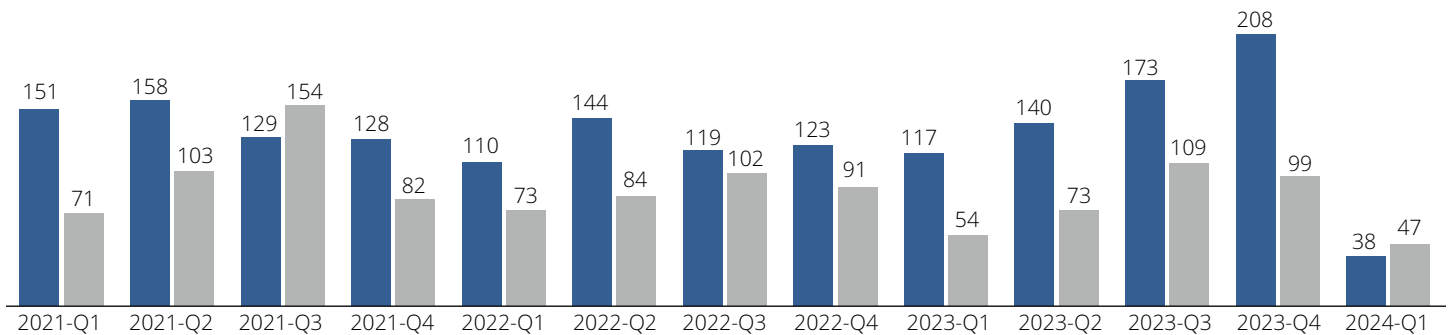
% PASS

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.



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.



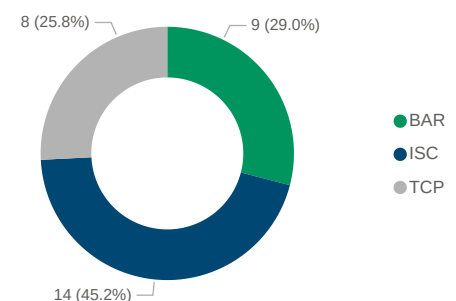
DEGREE TYPE

Highest degree listed for a candidate.

	Candidates	% Total
Bachelor's Degree	272	69.6%
Advanced Degree	89	22.8%
Enrolled/Other	30	7.7%

DISCIPLINES

Breakdown of what percentage of candidates are taking which discipline.



South Dakota Board of Accountancy



July 2024 Edition - Vol. 42 No. 1

RENEWAL TIME IS HERE!



Individual and Firm Permit renewals are due August 1, 2024.

The South Dakota Board of Accountancy mailed out renewal postcard reminders on June 15, 2024. It is the responsibility of the licensee to renew their license regardless of whether the licensee receives a reminder notice for renewal from the Board.

To complete the renewal there are two options:

1. If you want to print and mail a renewal form, please find the form at <https://dlr.sd.gov/accountancy/forms.aspx>
OR
2. If you would like to use the online renewal system, please use your Web ID and password to log into the online renewal system.
 - a. When using the online renewal system you must complete the process by paying online with a Mastercard or Visa drawn on a bank from USA origin.

Do you need a CPE extension?

You may go to our [homepage](#) to request a CPE Extension, email [Julie](#). The extension must be approved by staff and on your record before you will be able to continue on in the online renewal process.

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SOUTH DAKOTA BOARD OF ACCOUNTANCY

(605) 367-5770

(605) 367-5773 – FAX

www.accountancy.sd.gov

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Rapid City

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Auditor General
Pierre

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Sioux Falls

Priscilla Romkema

Lay Member
Spearfish

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Executive Director

Julie Iverson

Licensing Administrator

Michelle Haag

Accounting Assistant

FUTURE BOARD MEETINGS

August 7, 2024 | 8:30 a.m.

ELO CPA's & Advisors
Conference Room, Sioux Falls

October 3, 2024 | 9:00 a.m.

Teams conference call

For future meeting dates, please visit our website at:

www.accountancy.sd.gov

NASBA

Produced and designed by the National
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ALERT! CPE Audits had an **11% failure rate** in 2023, resulting in 14 consent agreements. These consent agreements included suspension of license being held in abeyance, fines up to \$1000, make-up of CPE hours, continuous audits and licensees being ineligible for CPE extensions into future dates.

Check and verify your documentation now. 2024 CPE audits will begin in September. Sole responsibility for documenting the requirements rests with the licensee and evidence to support fulfillment of those requirements.

The Board staff would like to remind licensees, the following are the most common errors when reporting CPE during annual renewals:

- Not having proper documentation required by [ARSD 20:75:04:15](#)
- Claiming self-study hours not approved through NASBA Sponsors nasbaregistry.org
- Claiming CPE hours for scheduled breaks
- Mislabeling the CPE program type

*For all independent study, self-study and nano learning programs the sponsor must be approved by [NASBA's National Registry of Continuing Professional Education Sponsors](#) or [NASBA's Quality Assurance Service](#).

Qualifying CPE Program	What to know:
University or College Instructor (UCI)	May not exceed 60 hours during any three-year CPE rolling period
University or College Course (UCC)	15 hours for each semester hour or 10 hours for each quarter hour
Published Article, Published Book or Published CPE Program (P)	Must be approved by the Board prior to claiming on your CPE report

[ARSD 20:75:04:15](#) details the documentation the CPA must keep as acceptable evidence of completion.

If you have any questions on courses you have taken or are taking, please email the Board office at accountancy@state.sd.us

NEW LICENSEES

Below is a list of new licensees in the State of South Dakota:

Jenna Anne Silverstein
Dawson Andrew Johnson
Jacia Anne Christiansen
William Joel Harrell
Michael Gregory Friese
Jesse W. Jansma
Nathan A. Burkhalter
Aaron Jay Van Vugt
Laurie Marie Siegel
Lukas Scott Bates
Haley Ann Duffield
Lori Ann Opdahl

Brook Allen Van Osdel
Shelley Gail Halleman
Noah Glenn Kerkvliet
Sandra Faye Fisher Ehman
Lenny Dee Merriam
Melanie Jean Thiele
John Robert Marshall
Abigail Marie Hanson
Logan Elizabeth Lenz
Brian Hagan
Daniel John Thibault
Stephanie Schroeder

Aaron Robert Mallinger
Regan Marie Jensen
Ian M. Hofer
Logan Jay Walhof
Joshua Lee DeGroot
Koralee Vashawn Heynen
Jordan Michael Fox
Conner James Paulsen
Brock Taylor De Boer
Kelton L. Kirschenmann
Lance Jeffrey Van Zee
Brian Allen Adamick

Erin Lee Kueter
Jesse Joe Wahl
Christian Erickson Rasmusson
Benjamin Jon Lamfers
Meghan Ryann Harold
Lane Michael Severyn
Aric Thurman Baloun
Brittany Ann Spurling
Kensy Jade Vande Hoef
Taylor Dawn Poor
Anne-Marie Elizabeth
Rolando

DISCIPLINARY ACTION

Yolanda Theophilus #3082
Vancouver, BC 10-13-23

The Board held a hearing for Yolanda Theophilus on August 25, 2023. The Order was entered on October 13, 2023, as a result of that hearing.

ORDER

1. The CPA certificate of THEOPHILUS shall be SUSPENDED for 90 days which shall be held in abeyance pending compliance with the other requirements of this decision.
2. THEOPHILUS shall fulfill her CPE obligation for the audit period as determined by Board policy under the Board's rules. This would include the Board staff rolling back hours to the prior period. THEOPHILUS shall complete 67 CPE hours to fulfill this requirement within 90 days.
3. THEOPHILUS shall pay a fine of \$250 to the Board office within 90 days.
4. THEOPHILUS shall be subject to CPE audits for the next three reporting periods, including the period which just ended on June 30, 2023.

All [disciplinary action](#) taken by the board is posted on our [website](#).



2024 NATIONAL EXAM PASS RATES

Section Q1

AUD 44.63%	BAR 42.94%
FAR 41.92%	ISC 50.93%
REG 63.42%	TCP 82.36%

About that TCP Pass Rate...

If you thought the TCP pass rate looked high, you're right. But don't read too much into it; TCP isn't easier than other Exam sections. TCP candidates may have already taken REG, which is closely aligned with TCP's content. TCP candidates may already be active in tax, making it easy to transfer their knowledge to the Exam. If you are considering which Discipline section to take, ask yourself these questions:

- Do you feel more confident about passing one of the sections?
- Are there any topics you're already more knowledgeable about?
- Do any topics require skills you already have or want to develop?
- Do you have a certain area you'd like to specialize in for your career?





CONGRATULATIONS! TO OUR NEWLY APPOINTED BOARD MEMBER PRISCILLA ROMKEMA

Priscilla Romkema holds a PhD in Education and a Master of Science in Business Education from the University of Wyoming and a Bachelor of Science in Instrumental Music from Black Hills State University.

For 21 years (1997-2017 and 2020-2021) she served in various positions of ascending responsibility at BHSU: as a business faculty member, center director, department chair, college dean, and provost. Her professional experiences also include serving as president of the Monument Health Foundation for three years. Before her faculty and administrative roles at BHSU, she taught at several other institutions of higher education--Northern Michigan University in Marquette, MI, the University of Wyoming in Laramie, WY, and the Independent Institute of Russian Entrepreneurship in Moscow, Russia.

Over the course of the last 25 years, Priscilla has served on local, state, regional, and national boards including Spearfish Economic Development Corporation, Black Hills Community Bank, Black Hills Area Community Foundation, Spearfish Area Chamber of Commerce, National Business Education Association, National Association for Business Teacher Education, and the Zonta Club of Spearfish.



30-MONTH EXAM CREDIT WINDOW

Effective January 1, 2024, South Dakota exam candidates have 30 months to pass all sections of the Exam.

The 30-month window starts on the date of the score release of the first passed section.

Previously, credits earned on passed sections of the CPA Exam expired 18 months from the candidate's sit date for that section.

If you have questions about the Exam, please contact Julie Iverson at Julie.iverson@state.sd.us

NEW FIRM PERMITS

Below is a list of new firm permits issued in the State of South Dakota by the Board of Accountancy:

- Weaver and Tidwell, LLP
- Reilly, Penner & Benton LLP
- Mandy Morris, CPA, LLC
- Grand and Williams, Inc. dba High Point Accounting and Tax
- The Moore Group, CPA
- Lenny Merriam, CPA, CFE, PLLC
- Donovan CPA Prof LLC
- Maxwell Locke & Ritter LLP
- Barnett Professional, PLLC
- Shaw & Associates, PLLC
- The Whitlock Company, LLC
- Hoffman, Stewart & Schmidt, PC
- Verity Group CPA LLC
- Hall Book & Tax, LLC
- Kraning CPA, PLLC
- JW Accounting PLLC
- Sikich CPA LLC
- BPMCPA Payroll, LLC dba BPM LLP
- Jackson Accounting and Consulting, LLC

LICENSE STATUS OPTIONS

Active – Annual fee of \$50.00. Required for individuals working in a public CPA firm or holding themselves out as a CPA. CPE reporting is required.

Inactive – Annual fee of \$50.00. Individuals are required to use the word Inactive adjacent to the CPA title. CPE reporting is not required. Must sign affidavit indicating they do not perform or offer to perform for the public: one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements; management advisory; financial advisory or consulting services; preparation of tax returns; or furnishing of advice on tax matters.

Retired – Annual fee of \$10.00. Individual must be 55 years old. Individual are required to use the word Retired adjacent to the CPA title. CPE reporting is not required. Must sign affidavit indicating they do not perform or offer to perform for the public: one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements; management advisory; financial advisory or consulting services; preparation of tax returns; or furnishing of advice on tax matters.

Note: If one does not wish to renew their CPA license you must relinquish your license to the Board office.

CONGRATULATIONS TO OUR TOP CANDIDATES

Congratulations to the following individuals for passing all four sections of the CPA exam on their first attempt; sitting uninterruptedly.

Name	University	Name	University
Melanie Thiele	Wayne State	Aric Baloun	Emporia State University
Noah Kerkvliet	Colorado Technical University	Brittany Spurling	Emporia State University
Jason Roskens	University of South Dakota	Hannah Van Meeteren	Northwestern College
Regan Jensen	University of South Dakota	Ellinor Judisch	University of Iowa
Kallee Chear	Augustana University	Shay Casey	University of South Dakota
Meghan Harold	Augustana University	Erin Kueter	University of South Dakota
Matthew Steiger	Augustana University		

MOVING - LET US KNOW

SDCL: 36-20B-29 requires holders of certificates to notify the Board within 30 days of change of address or in employment.

Certificate Holder _____
Last name Jr./III First Middle

Certificate # _____ Send Mail to _____ Home _____ Business _____

E-mail address _____

New Home Address _____

City _____ State _____ Zip _____

Home () _____

CPA Firm/Business Name _____

New Business Address _____

City _____ State _____ Zip _____

Bus. Telephone: () _____ Bus. Fax () _____

Mail to: SD Board of Accountancy

Fax to: (605) 367-5773

Email: accountancy@state.sd.us

ACCRUED INTEREST



Biannual Newsletter



On the horizon for FY 2025

From the VBOA Chair

Greetings! I hope everyone is enjoying their summer and taking time to rest, recharge and be with family and friends as that is truly important for us all. We have kicked off the start of our new fiscal year and I am very honored to have been reappointed by the governor of Virginia to serve a new four-year term, starting July 1, 2024. I was also privileged to be re-elected as chair of the VBOA for another year. I am pleased to congratulate Nadia Rogers on being re-elected as vice chair. I am looking forward to working with Nadia and the entire board to accomplish the mission and goals of the VBOA.



WENDY LEWIS,
CPA

As Laurie Warwick's term has officially concluded, I want to extend a sincere and public thank you for all of her service and commitment to the VBOA over the last eight years. Her leadership on the board has been invaluable. I learned a great deal working alongside Laurie as a member of the board and especially as her vice chair. We will miss her, but we look forward to seeing the impact I know she will continue to have on the accounting profession.

We are very fortunate that our current public member, Dale Mullen, was also reappointed to serve a new four-year term, and we are excited to welcome a new board member joining us this year—Ms. Anne Hagen. Anne comes with a wealth of broad experience, and I look forward to working with her and seeing the contributions that she will bring to the board.

continued on page 2

IN THIS ISSUE

EXECUTIVE DIRECTOR'S MESSAGE

ANNE HAGEN, CPA, APPOINTED TO VBOA

REFLECTION FROM OUTGOING BOARD MEMBER LAURIE WARWICK

VBOA TRAVELS TO NSU

NEWS AND NOTES

From the VBOA chair, *continued from p. 1*

The accounting profession has continued to evolve and change and my goal as chair is to ensure that the VBOA keeps pace and continues to look for ways to be more innovative while also protecting the public. We made a lot of progress last year in accomplishing the missions and goals of the board, and I am looking forward to an even bolder approach in our current strategies as we keep working. We had a very informative and detailed planning session to properly align all of our goals and objectives. I was thrilled by the level of engagement and the diversity of thought and ideas on ways to further the work of the VBOA. We are fortunate that the VBOA has strong leadership in our executive director, Nancy Glynn.

As we look ahead to the upcoming year, we will be focused on several areas that continue to be a focal point in the industry, which includes alternative pathways to licensure and a reevaluation of the 150-credit hour requirement, revisiting our CPE requirements and guidance, strengthening our

enforcement process, and continuing to enhance and grow our CPA pipeline. Additionally, we will continue our focus on diversity, equity and inclusion and finding ways to connect our board to our students and all our licensed CPAs in Virginia. We plan to continue our board presence and outreach across all college campuses in the commonwealth and help to move the needle with regards to increasing the number of students interested in the field of accounting.

As you can tell, we have another action-packed agenda on the horizon. Our board meetings are open to the public and we welcome you to attend at 9960 Mayland Drive, Henrico. Your voice matters and hearing from you is vital as we move our strategy and mission forward! Our next meeting is Thursday, Aug. 29.

Sincerely,

Wendy P. Lewis, CPA

BOARD OF ACCOUNTANCY



Wendy P. Lewis, CPA
Chair
Hanover, Virginia



Nadia A. Rogers, CPA
Vice Chair
Blacksburg, Virginia



William R. Brown, CPA
New Kent, Virginia



David Cotton
CPA, CFE, CGFM
Alexandria, Virginia



Anne B. Hagen
CPA, MBA, CGMA
Moseley, Virginia



Dale Mullen
Hanover, Virginia



Angela Rudolph-Wiseman, CPA
Frederick County, Virginia

CONTACT

Virginia Board of Accountancy
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Henrico, VA 23233



Phone: (804) 367-8505
Fax: (804) 527-4409
boa@boa.virginia.gov

 boa.virginia.gov

Office hours:
Monday-Friday
8:15 a.m - 5 p.m. ET

NEWS AND NOTES

From the executive director:

Once again, I find myself writing about continuing professional education (CPE). VBOA and all state boards require every actively licensed CPA to meet annual, and in our case, triennial educational requirements.

CPE is one of the requirements that differentiate CPAs from other financial professionals. CPAs are required to engage in learning throughout their careers to stay current in their field and enhance their expertise, and learn about hot topics in other areas.

Earning and maintaining the CPA title creates many professional opportunities, as the title indicates a professional who goes the extra mile to achieve this very prestigious designation and continues to work on their professional education to remain up to date on the latest changes and trends. CPE can help you to stay up to date on pertinent industry developments and key professional standards, no matter where you work.

It doesn't matter what industry, field, or role you work in, **if you are an actively licensed Virginia CPA, you must complete 120 hours of CPE over a three-year period, which must include the Virginia specific ethics each year.** I always recommend trying to get 40 hours each year, so you don't get caught short at the end of a three-year cycle.

As part of its regulatory responsibilities, VBOA audits CPE compliance every month through random sample selections. So far, our 2024 numbers are not

encouraging—27% of licensees audited were not in compliance. These deficiencies ranged from missing an ethics course to completing zero hours of CPE. The sanctions and fines vary based on the deficiency, but most licensees will end up with an enforcement order, and no one wants that.



NANCY GLYNN,
CPA

We continue to try to educate our licensees about our CPE requirements and how to remain in compliance. We have tried to dispel the old myth that only those in “public accounting” need to keep current with CPE. It is simply not true.

One common explanation we hear for failed CPE audits is: *My employer won't pay for CPE.* Try Googling “free CPE” and you will be pleasantly surprised. Several training organizations offer no cost and low-cost CPE, and many larger firms offer free webinars and classes. There is a wide variety of topics offered in no-cost and low-cost CPE, and I am sure you will find something that interests you, professionally or personally. What's even better is your CPE certificates are sent via email, so you should never lose them, but we still encourage you to use [NASBA's CPE Audit Service](#) to track your CPE.

If you have any questions, feel free to reach out to us by calling (804) 482-8757, or emailing cpe@boa.virginia.gov.

— Nancy Glynn, CPA

STAFF

Nancy Glynn, CPA, Executive Director

Renai Reinholtz, Deputy Director

Matthew Ross, Enforcement Director

Jeff Good, IT Specialist

Patti B. Hambright, CPE Administrator

TiNique Stewart, Licensing Support Specialist

Kelsie Mclellan, Enforcement Specialist

Veronica Paulson, Administrative Assistant

Nicole Reynolds, Licensing and Operations Support

Sandra Reynolds, Financial and Procurement Coordinator

Michelle Strudgeon, Accounting Analyst

Nicholas Tazza, Manager, Licensing and Examination

Kelli Yoder, Communications Coordinator

NEWS AND NOTES

New system implementation

At its Feb. 21 meeting, the board approved a contract to implement a new licensing system, Evoke, scheduled to go live before the 2025 renewal season.

The current system, MyLicense Office, has been in place since about 2006.

How will this impact you?

Evoke will improve the user experience with an entirely new, responsive interface, more self-service options and updated security measures.

When the new system launches, licensees and exam candidates logging in for the first time will need to create new usernames and passwords and may be prompted to update certain demographic information. The VBOA will communicate the necessary actions as the launch nears.

Open for comments

The board periodically reviews policies and opens proposed changes for public comment before they become effective. Comments are open to the public on Virginia Regulatory Town Hall for 30 days before the policy goes into effect.

The following policy is open for comments July 15-Aug. 14:

- [“VBOA Enforcement Processes.”](#)

New licenses Jan. 1 - June 30

The VBOA publishes a listing of all newly issued Virginia individual and firm licenses every six months online.

View the 327 individuals and 29 firms licensed from Jan. 1 to June 30, 2024 at boa.virginia.gov/newlicenses.

NEW LICENSEES >>



VBOA Executive Director Nancy Glynn holds a wall certificate to be mailed to one of the newest licensed CPAs in Virginia.

Milestones - 50 years

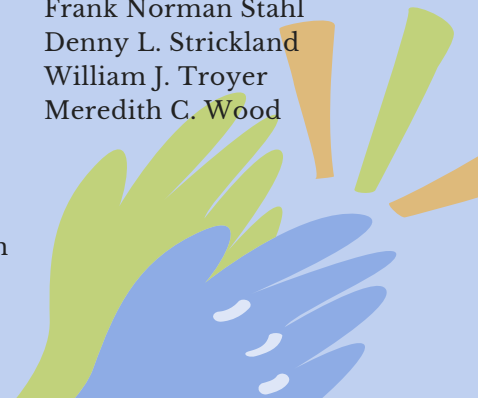
Congratulations to these CPAs licensed in 1974 who have served the profession for 50 years:

John F. Ames
Richard Baccante
Richard S. Badger
Robert L. Barber
William T. Bartelme
Luther A. Bazzle
Walter W. Berry
Linda E. Borstelmann
Robert D. Burke
Joan D. Clarke
J. Phillip Coley
K. David Cranston

Karen K. Daughtrey
Linda Gallien Devine
P. Timothy Dietz
Patrick J. Duffy
Robert B. Easton
Ronald L. Evans
Stephen F. Evans
Roy Douglas Faulkner
Edwin P. Garrigan, Jr.
Howard Goldklang
John T. Hart
William E. Hart, Jr.

Ray Kenneth Heskett
Thomas M. Hicok
Michael J. Klein
Richard D. Knox
Antonio G. Manalo
Frank B. Mitchell
Thomas D. Patrick
Wanda L. Patt
James V. Poti
Henry M. Rackowski, Jr.
Gerald Winkfield Rosson
Louis B. Ruebelmann

Charles T. Saunders
Augustine D. Smith
Clifford A. Smith
Frank Norman Stahl
Denny L. Strickland
William J. Troyer
Meredith C. Wood



NEWS AND NOTES

Laurie Warwick Resolution Day

The board recognized outgoing member Laurie Warwick, CPA, at her final meeting, June 11.

Warwick first joined the board July 1, 2016, and served two four-year terms.

Chair Wendy Lewis proclaimed a resolution that June 11 be Warwick Recognition Day and board members, staff and VSCPA staff shared memories and gratitude for Warwick.

Throughout her two terms, Warwick provided astute and organized leadership, including chairing the board in 2021 and 2022. She served on many committees and is now the Middle Atlantic regional director on NASBA's board. She is an executive director with EY in McLean, Virginia.



Laurie Warwick, CPA, speaks at the June 11 meeting. Warwick completed two, four-year terms on the VBOA.

From outgoing board member Laurie Warwick: A fond farewell

As it is time to bid farewell to the Virginia Board of Accountancy as a board member, I will have many fond memories. It goes without saying that the depth of professionalism, leadership and stewardship runs deep with the board. I have learned so much from my fellow board members and board staff. Personally, these eight years have helped me to broaden my leadership, complex thinking and decision-making skills.

As I reflect, I am very proud of this organization and all that we have accomplished over the past eight years. One of my earliest memories was when the board voted and approved a key change to the Virginia Ethics CPE policy. It was a very close vote, and I was proud to support the change. This change significantly broadened the base of CPE courses that qualify for Virginia Ethics CPE. Please remember to always check our website to ensure the course is listed as Virginia Ethics CPE compliant.

Another area that we have made significant progress in is being good stewards of the profession and trying to get in front of candidates wherever possible—whether hosting several meetings a year on college campuses, going to speak at various events when invited, or answering the phones in person nearly 100 percent of the time. Given that 75 percent of our current CPAs will likely retire in the next 15 years, it is imperative that we all do what we can.

We have made significant strides in our

enforcement process as well—increasing the transparency of our communications, updating our policy manual, and significantly accelerating our timeline in closing cases. Since my time on the board, we have also had many of our members contribute their time and service to NASBA—this allows us the opportunity to liaise with our states more regularly and have more information and insight as we make difficult decisions.

I am very grateful for the opportunity to have been asked to serve on this board and wish the board's next chapter tremendous success. I am very proud of Wendy and Nadia as they continue to lead the board during this upcoming year full of challenges in the profession.

Fondly,

Laurie Warwick



Board Chair Wendy Lewis presents Laurie Warwick with her resolution.

NEWS AND NOTES

Youngkin appoints Anne B. Hagen to VBOA

Governor Glenn Youngkin appointed Anne B. Hagen, CPA, MBA, CGMA, of Moseley, Virginia, to the Virginia Board of Accountancy effective July 1, 2024.



Hagen

A lifelong Virginian, Hagen brings over four decades of experience serving in a variety of leadership positions.

A foundation in internal and external audit provided exposure and opportunities to learn diverse aspects of businesses. Her career of progressive leadership and networking culminated as chief financial officer and chief executive officer of a statewide continuing care retirement community, the Masonic Home of Virginia, and chairing the Virginia Society of CPAs' board of directors.

She has shared her time and talents with the community as a speaker as well as serving on many committees and boards throughout her career, which today includes the VT Accounting and Information Systems Advisory Board.

This appointment is just further evidence of her passion for promoting and preserving this respected and valued profession for those seeking a professionally and personally rewarding career. She is passionate about the CPA profession, writing articles and speaking to groups and individuals to encourage this rich career path.

Recently retired, Hagen enjoys spending more leisure time reading, cooking, biking, and enjoying her family and friends especially on Lake Gaston. She has four sons, two of whom are CPAs, and four grandchildren.

Hagen is a graduate of Virginia Tech. She recently completed her master's degree in business administration from Longwood University. She is a member of the American Institute of CPAs and Virginia Society of CPAs.

Hagen replaces Laurie Warwick on the board, and her first term will expire June 30, 2028. Her first meeting will be Aug. 29.

Lewis and Mullen reappointed to the VBOA



Lewis



Mullen

Governor Glenn Youngkin re-appointed Wendy P. Lewis and Dale G. Mullen to the board effective July 1, 2024.

Lewis is an office managing partner in KPMG's Audit Practice. She was just re-elected for a second year as chair of the VBOA. Her second and final term will expire June 30, 2028.

As a partner at the law firm Whiteford, Taylor & Preston, LLP, Mullen co-chairs the Business and Corporate Law Section. He is the board's public member and his second and final term will expire June 30, 2028.

Chair and vice chair elections



Lewis

At its April meeting, the board re-elected the chair and vice chair for fiscal year 2025.

Wendy Lewis, CPA, will continue as chair.

Nadia Rogers, CPA, will continue as vice chair.

You can find their bios, along with all board member bios at boa.virginia.gov/board.



Rogers

Renewals closed June 30

The license renewal period ended June 30. If you did not renew, your license is expired. Find the process for reinstating your license at boa.virginia.gov/individual-cpas/reinstate.



EXPIRED!

NEWS AND NOTES

VA Code changes: Firms using title must be licensed

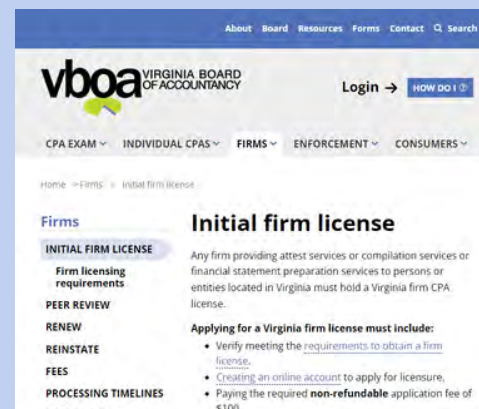
As of July 1, a firm must hold a Virginia firm CPA license or a firm license from another state to use the CPA title in Virginia. This is an update to the [Code of Virginia, Title 54.1, Chapter 44](#), which became effective July 1, 2024.

Under previous law, the ability of a firm to use the CPA title in Virginia was conditioned upon the ownership percentage of the firm. At least 51% of a firm needed to be vested in CPA licensees for the firm to be able to use the CPA title.

Using the CPA title in Virginia means the use of “CPA,” “Certified Public Accountant,” or “public accountant” in any manner of communication by any person, firm or entity to persons or entities located in Virginia portraying such person, firm, or entity as being licensed.

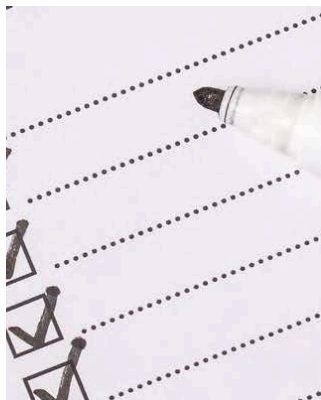
This update does not change the need for a firm to obtain a firm license if it provides attest, compilation, or financial statement preparation services.

You can apply for a firm license by visiting the VBOA [website](#). You will need to submit your organizational documents when you apply. The documents needed will depend on your business structure.



Please visit boa.virginia.gov/initial-firm-license to begin the firm license application process.

Firm reminders: Firm succession planning



Succession planning—preparing for what happens after a firm’s owner or leadership retires, leaves or dies unexpectedly—has become increasingly important as the nation’s largest generation is retiring in big numbers.

Yet, 57 percent of multi-owner firms do not have written and approved succession plans,

according to the [Private Companies Practice Section and Succession Institute’s Succession Planning Survey](#). Additionally, less than 10 percent of solo practitioners/sole proprietors have practice-continuation agreements with another firm.

In Virginia, we sometimes see problems if a licensed CPA firm doesn’t have a succession plan. For example, if the individual licensee responsible for a CPA firm license wants to retire and applies for Inactive status, he or she cannot be granted the status until another CPA at the firm first takes over.

We’ve compiled these tips and resources for succession planning:

Make a plan for succession: “[Y]ou should share your retirement plans with the key leaders in your firm and make concrete plans to begin introducing others to

your clients and preparing for a complete transition, which ideally occurs over at least two cycles of service.” —“[Retirement: Avoid the Pitfalls and Plan for the Possibilities](#)” Journal of Accountancy

Transition your clients: “Smaller firms tend to have many more partner-loyal clients, which means their clients are loyal to an individual partner in the firm ... A properly executed transition in this type of firm is critical.” —“[How to price an owner’s interest in a CPA firm](#),” Journal of Accountancy

Put the plan to good use: “Succession plans can be strong recruiting and retention tools, especially as the Great Resignation continues. Rather than keep your plans secret, use them to begin dialogues with your team and recruits. Help them feel a part of the firm’s future.” —“[5 royal tips for your firm’s succession planning](#)” AICPA & CIMA

Be prepared for unexpected transitions: “[Practice-continuation agreements] are contracts that provide for an individual or another CPA firm to assume a CPA practice in the event of another’s death, temporary or permanent disability, military leave of absence, or retirement. They are particularly important for sole practitioners, whose practices and clients often rely completely on the CPA’s expertise to remain successful, and for small firms.” —“[Preparing for What’s Next](#),” Journal of Accountancy

CANDIDATES' CORNER

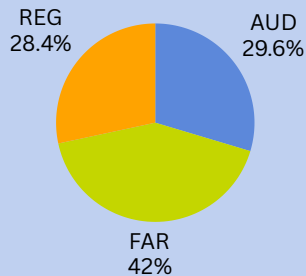
The new CPA Exam by the numbers

Exams delivered and scheduled as of June 13*

Q1, Q2 Core exam sections

- AUD: 27,293
- FAR: 38,703
- REG: 26,134

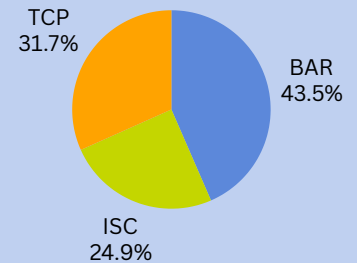
Total: 92,130



Q1, Q2 Discipline exam sections

- BAR: 4,684
- ISC: 2,678
- TCP: 3,414

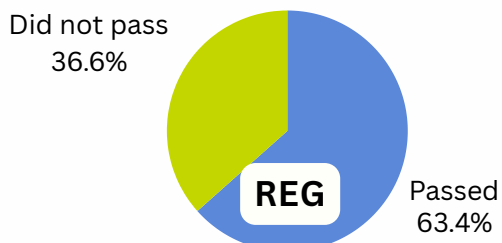
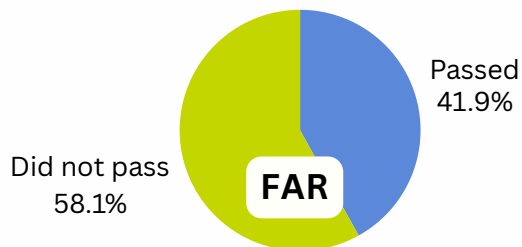
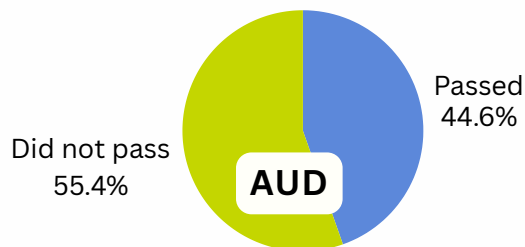
Total: 10,776



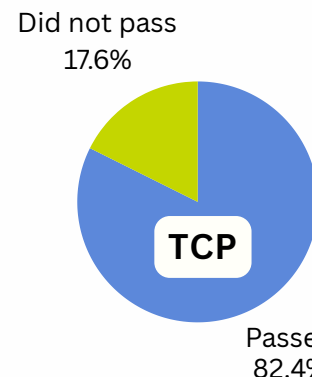
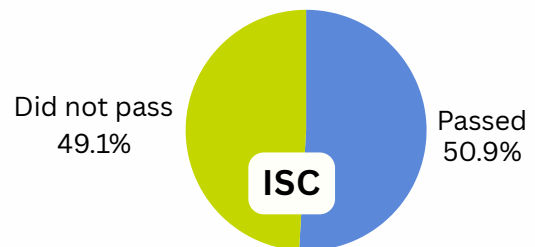
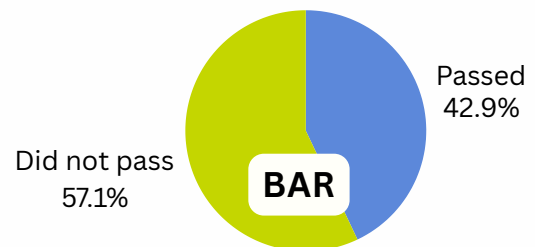
*Numbers provided by NASBA

CPA Exam pass rates from Q1 2024

Core exam sections



Discipline exam sections



You can find analysis of these numbers from their source, AICPA: ["24Q1 CPA Exam Pass Rates"](#)

CANDIDATES' CORNER

Score releases

Both the testing schedules and the score release schedules will be atypical throughout 2024 and are subject to change.

In the first half of 2024, only one date was changed. The June 4 score release was moved up to May 29.

NASBA fee increase

NASBA increased the CPA Exam section fee, effective July 6. The total fees for each exam section are now \$262.64.

VBOA re-exam fee suspension

The suspension of the VBOA's \$20 fee associated with applying to take any section of the CPA Exam after a candidate's initial application has been extended until January of 2025.

The board revisited its "re-exam" fee, initially suspended through March 31, at its June 11 meeting. The fee suspension remains temporary.

CORE Score release schedule (FAR, AUD, REG)

TEST DATES:	SCORES RELEASED:
April 1-June 25	July 31
July 1-Sept. 25	Oct. 31
Oct. 1-Dec. 26	Feb. 2025*
*could be throughout Oct. 1-Dec. 26	

DISCIPLINE Score release schedule (BAR, ISC, TCP)

TEST DATES:	SCORES RELEASED:
July	Sept. 10
October	Dec. 10

Schedules are tentative and subject to change.

Helpful resources

- [VBOA's CPA Evolution page](#)
- [NASBA's Transition FAQs](#)
- [NASBA Candidate Guide](#)

While ultimately you are responsible for understanding what is required of you to pass the CPA Exam and become licensed, we are here to help where we can. [Contact us anytime.](#)

Invite the VBOA to your next event

Did you know board members and staff attend events where they can network with potential CPAs?

Typically this is on college campuses, job fairs, luncheons or at student professional organization meetings.

If you have an event coming up and would like a board member on hand to offer advice, speak or answer questions, we'd love to hear from you.

Email boa@boa.virginia.gov or call 804-367-8505.



VBOA Licensing Manager Nicholas Tazza fields questions at Norfolk State University April 12.

CANDIDATES' CORNER

Norfolk State University hosts April 12 board meeting



Board Chair Wendy Lewis answers questions from accounting students April 12 at Norfolk State University.

The board and staff traveled to Norfolk for its April 12 meeting hosted by Norfolk State University's School of Business.

More than 20 students attended the meeting throughout the day to learn from a student-centered agenda, in which board members and guest speakers shared how the board operates, the value of a CPA license and many relevant resources for students interested in the profession.

The meeting kicked off with NSU President Dr. Javaune Adams-Gaston thanking the board for coming to campus, noting the importance of creating networking opportunities for students.

Four other NSU faculty and staff warmly welcomed the board to campus, including: Vice President for Finance and Administration and Chief Financial Officer Dr. Gerald Hunter, Dr. Moncef Belhadjali, interim dean of the business school, longtime NSU professor, Dr. Jean-Marie Banatte, and NSU alum and associate professor, Dr. Thomas Lewis, CPA.

The meeting also included a presentation from VBOA Chair Wendy Lewis, CPA, on building a career in accounting, dispelling common myths about the profession and sharing some of her own career self-discovery.

Next, Vice Chair Nadia Rogers explained to students the education requirements for sitting for the new CPA Exam in Virginia. She covered changes to the exam and shared strategies and approaches for taking the exam.

The VBOA also welcomed a special guest, the director of NASBA's Center for Public Trust, Alfonzo Alexander. He shared resources the center offers for students, including the Ethical Leadership Certification Program.

Molly Wash, the pipeline and diversity director at the Virginia Society of CPAs, described the support and resources the VSCPA offers specifically to students through its student membership including scholarships and mentorship.

VSCPA's Vice President of Advocacy Emily Walker also shared with the board, students and professors in attendance. She described the role and resources of the VSCPA and her work with the National Pipeline Advisory Group.

Students engaged throughout the day with questions and shared some of their own goals with the board.



The VBOA convene their April 12 meeting held at Norfolk State University.

DISCIPLINARY ACTIONS

POLICY NOTICE

The policy of the Virginia Board of Accountancy is to publish the information of licensees against whom the VBOA has taken disciplinary action resulting in suspensions, revocations and other professional violations. The VBOA publishes information of licensees found to be deficient in CPE credit hours in the event of a previous CPE deficiency or previous professional violation, or a disciplinary action resulting in suspension. The VBOA also publishes information of unlicensed individuals and firms against whom the VBOA has taken a disciplinary action.

Monetary penalties are deposited into the commonwealth's Literary Fund and are not available for use by the VBOA.



VBOA disciplinary actions since 2011 are listed in alphabetical order by name on our website at boa.virginia.gov/enforcement/disciplinary-actions. Contact the VBOA for actions prior to 2011, or if additional information or documentation is needed.

January-June

Richard Charles Aird | License #42337 | 5/15/24 | Midlothian, VA

Unlicensed activity [§54.1-111 \(A\)\(2\) and \(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414\(i\)\(2\) and \(4\)](#)

Richard Charles Aird was fined \$500 for unlicensed use of the CPA title on a social media account.

Paul David Atkisson | License #17935 | 6/11/24 | Alexandria, VA

Unlicensed activity [§54.1-111 \(A\)\(2\) and \(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414\(i\)\(2\) and \(4\)](#)

Paul David Atkisson was fined \$1,800 for unlicensed use of the CPA title as a credential after the expiration of his license in April of 2013.

Dhanashree Gokhale | Delaware License #0014533 | 4/12/24 | Fort Mill, SC

Unlicensed activity [§54.1-4409.1 \(A\)\(1\)](#) [§54.1-4414\(i\)\(1\)](#) [§54.1-111 \(A\)\(1\)](#)

Dhanashree Gokhale was fined \$250 for providing services to the public with a principal place of business in Virginia and using the CPA title without a Virginia CPA license.

Roma Elmeda Hanley-Merchant | License #27965 | 5/15/24 | Charlestown, Nevis

Unlicensed activity [§54.1-111 \(A\)\(2\) and \(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414\(i\)\(2\) and \(4\)](#)

Roma Elmeda Hanley-Merchant was fined \$750 for unlicensed use of the CPA title on social media.

Jin Sung Hong | License #41838 | 5/15/24 | Centerville, VA

Unlicensed activity [§54.1-111 \(A\)\(2\) and \(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414\(i\)\(2\) and \(4\)](#)

Jin Sung Hong was fined \$1,000 for unlicensed use of the CPA title on Hong's social media and resume.

Tera Dawn Kovanes | License #22554 | 5/15/24 | Manakin Sabot, VA

Due professional care [§54.1-4413.3 \(2\), \(4\)-\(6\)](#) [18VAC5-22-90\(A\)](#)

Tera Down Kovanes was fined \$2,167.50 for failing to timely communicate with client and return documentation and continuing professional education non compliance.

DISCIPLINARY ACTIONS

January-June

Christopher Stanley Lyons | Arizona License #14104 | 4/12/24 | Phoenix, AZ

Unlicensed activity [§54.1-4409.1 \(A\)\(1\)](#) [§54.1-4414 \(i\)\(1\)](#)

Christopher Stanley Lyons was fined \$250 for providing services to the public with a principal place of business in Virginia, and using the CPA title without a Virginia CPA license.

Michael John Maccaroni | License #37325 | 5/15/24 | Midlothian, VA

Unlicensed activity [§54.1-111 \(A\)\(2\) and \(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414 \(i\)\(2\) and \(4\)](#)

Michael John Maccaroni was fined \$1,500 for continuing to use the CPA title on social media after his license was suspended due to a prior enforcement matter.

Mahemuti Mayier | California License #141264 | 4/12/24 | Irvine, CA

Unlicensed activity [§54.1-4409.1 \(A\)\(1\)](#) [§54.1-4414 \(i\)\(1\)](#) [§54.1-111 \(A\)\(1\)](#)

Mahemuti Mayier was fined \$250 for providing services to the public with a principal place of business in Virginia, and using the CPA title without a Virginia CPA license.

William Ellis McGregor, II | License #30450 | 4/12/24 | Bolton, MA

Unlicensed activity [§54.1-111 \(A\)\(2\) and \(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414 \(i\)\(2\) and \(4\)](#)

William Ellis McGregor, II was fined \$1,000 for unlicensed use of the CPA title as a credential after his name.

Elizabeth Miller | License #10267 | 6/11/24 | Henrico, VA

Unlicensed activity [§54.1-111 \(A\)\(2\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414 \(i\)\(2\) and \(4\)](#)

Elizabeth Miller was fined \$2,000 for unlicensed use of the CPA title on social media.

Jung Sik Park | License #48333 | 5/15/24 | La Verne, CA

Due professional care [§54.1-4412.1 \(D\)\(7\)](#)

Jung Sik Park was fined \$5,000 for using a misleading firm name.

Javier Jose Pagan | License #47420 | 6/11/24 | Alexandria, VA

Unlicensed activity [§54.1-111 \(A\)\(2\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414 \(i\)\(2\) and \(4\)](#)

Javier Jose Pagan was fined \$750 for unlicensed use of the CPA title on social media.

Ross & Associates, P.C. | License #133279 | 5/15/24 | McLean, VA

Peer review [§54.1-4412.1 \(D\)\(5\)-\(6\)](#)

Ross & Associates, P.C. was fined \$2,500 and terminated from peer review for noncompliance and for continuing to advertise for audit and attest services after being terminated from peer review.

Harry M. Ross | License #8673 | 5/15/24 | McLean, VA

Peer review [§54.1-4412.1 \(D\)\(5\)-\(6\)](#)

Ross & Associates, P.C. was fined \$2,500 and terminated from peer review for noncompliance and for continuing to advertise for audit and attest services after being terminated from peer review. As the individual licensee responsible for the firm, the action and violations also appear against Harry M. Ross.

Fardiss Frank Shafian | License #18943 | 5/15/24 | Arlington, VA

Unlicensed activity [§54.1-111 \(A\)\(2\)-\(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414 \(i\)\(2\) and \(4\)](#)

Fardiss Frank Shafian was fined \$2,000 for using the CPA title on his business website and social media after his license was suspended due to a prior enforcement matter.

DISCIPLINARY ACTIONS

January-June

Devika Sharma | License #37538 | 6/11/24 | Madison, NJ

Unlicensed activity [§54.1-111 \(A\)\(2\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414\(i\)\(2\) and \(4\)](#)

Devika Sharma was fined \$750 for unlicensed use of the CPA title on social media.

Summit Financial Group Inc. | 6/11/24 | No license | Loveland, OH

Unlicensed activity [18VAC5-22-150](#) [§54.1-4412.1\(A\)\(B\) and \(D\)\(6\)](#) [§54.1-4414\(ii\)\(1\) and \(5\)](#) [§54.1-111\(A\)\(1\)\(5\) and \(8\)](#)

Summit Financial Group Inc. was fined \$2,500 for performing an audit for a Virginia business without a CPA firm license or being enrolled in the AICPA peer review monitoring program.

Andrew J. Walker | License #35135 4/12/24 | Washington, D.C.

Unlicensed activity [§54.1-111 \(A\)\(2\) and \(3\)](#) [§54.1-4409.1 \(A\)](#) [§54.1-4414\(i\)\(2\) and \(4\)](#) [§54.1-4412.1\(A\)\(B\) and \(F\)](#)

Andrew J. Walker was fined \$10,000 for (a) using the CPA title in Virginia while not holding an active Virginia CPA license, and (b) having a principal place of business located in Virginia and offering services restricted to licensed CPA firms while not having a Virginia firm CPA license.

Unlicensed activity guidelines

The following individuals entered into consent orders with the VBOA for unlicensed use of the CPA title and their specific conduct fell within the board's unlicensed use of the CPA title guidelines.

Reprimand :

- Yon-Joo Lee - License #27156 | 5/24/24 | Vienna, VA

Reprimand and \$200 fine:

- Molly Kathleen McCall - License #35186 | 4/23/24 | Arnold, MD

Reprimand and \$300 fine:

- John Joseph Foster - License #20433 | 5/13/24 | Sterling, VA
- Saqib Ahmed Siddiqui - License #39297 | 5/24/24 | Dallas, TX
- Ysabella Therese Ballesteros Chua - License #50281 | 5/13/24 | Arlington, VA

Reprimand and \$350 fine:

- Shona Cenese Coleman Bell - License #38616 | 6/5/24 | Ashburn, VA - \$350
- Christian Walter - License #49717 | 5/24/24 | Arlington, VA - \$350

Reprimand and \$600 fine:

- Angel Luis Gonzalez, Jr. - License #33983 | 5/20/24 | Tampa, FL

Reprimand and \$750 fine:

- Carol Bahou - License #30124 | 5/28/24 | Frederick, MD

CPE deficiencies

The following CPAs violated VBOA regulation [18VAC5-22-90](#) by failing to meet the CPE requirements for a three-year reporting period. These disciplinary actions are for CPE violations that resulted in a suspension of the individual's license and/or was the individual's second or subsequent violation.

- M A Bandula P S Gunasekera - License #40580 | 4/16/24 | Rockville, MD (*second offense, \$660 fine*)
- Shinwook Yi - License #36811 | 5/20/24 | Annadale, VA (*second offense, \$850 fine*)

Snapshots

NASBA Executive Director and Board Staff Conference

March 25-26 in Nashville, Tennessee



VBOA Enforcement Director Matt Ross attends the legal counsel conference.



Attendees pose for a group photo.



VBOA Executive Director Nancy Glynn presents at the ED conference.

NASBA Eastern Regional Meeting

June 4-6 in Louisville, Kentucky



Board members Nadia Rogers, Angela Rudolph-Wiseman and Laurie Warwick attended the Eastern Regional Meeting. Pictured from left are VSCPA President and CEO Stephanie Peters, Rudolph-Wiseman, Rogers, NASBA Board Chair Stephanie Saunders (a former VBOA member), and Warwick.



NASBA Middle Atlantic Regional Director Laurie Warwick served as moderator during the Eastern Regional Meeting.

Mark your calendars

Upcoming VBOA meetings:

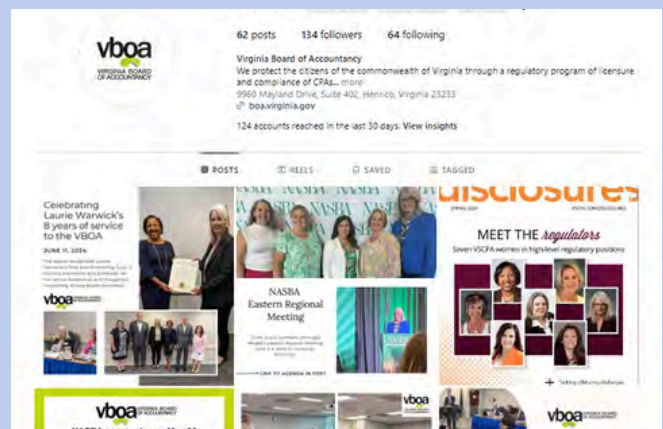
- Aug. 29
- Oct. 22

Important dates for licensees:

- Dec. 31 - End of CPE year deadline

Office closures:

- Sept. 2 - Labor Day
- Oct. 14 - Columbus Day & Yorktown Victory Day
- Nov. 5 - Election Day
- Nov. 11 - Veterans Day
- Nov. 28-29 - Thanksgiving
- Dec. 24-25 - Christmas



Find VBOA on:





TEXAS STATE BOARD REPORT

A Quarterly Newsletter for Licensees

Vol. 160 | August 2024

NEWS & UPDATES

Accountants Confidential Assistance Network

The Accountants Confidential Assistance Network (ACAN) provides free, confidential support to Texas certified public accountants, candidates, and accounting students who are struggling with substance abuse and/or mental health issues. Due to the high-stress nature of accounting work, these issues are not uncommon in the profession. Fortunately, ACAN provides services for alcohol and drug dependency, and wellness resources to help treat stress, depression, anxiety, and more. When someone calls ACAN for help they are matched with a trained mentor who can provide support and referrals to treatment programs. The network also hosts virtual peer assistance meetings that convene regularly via Zoom. Even if someone is not sure if they have a problem, or needs help managing stress and maintaining a healthier lifestyle, the network is available to them.

For over 30 years, ACAN has provided support to hundreds of CPAs and CPA candidates. The CPA volunteers in ACAN understand the unique pressures of the accounting profession. Many are successful CPAs that once faced problems and now want to share solutions by being friends and mentors to others. There is no stigma and there are no judgments in ACAN. Network volunteers have first-hand experience with some of the same issues others may be dealing with and understand what people are going through. Volunteers receive annual training in mental health and addiction issues, intervention methods, and anger management. They are available to motivate affected persons to seek help and to support them in their recovery.

The network is also completely confidential and available at no cost. The identity and communications of anyone contacting or participating in the network are confidential and protected by law under *Chapter 467 of the Texas Health and Safety Code*. ACAN is administered by the Texas Society of Certified Public Accountants (although you don't have to be a Society member to access ACAN services) and funded in part by a large grant from the TSBPA. Board *Rule §502.2* enacted a TSBPA peer assistance program to oversee the activities of ACAN to provide confidential assistance to CPAs with alcohol or drug dependency and/or mental health issues and to protect the public.

Those interested in volunteering to serve as mentors, and those seeking support through this free and confidential service, can contact TXCPA Peer Assistance Program Director Craig Nauta, CAE, by calling **866-766-ACAN** or by emailing cnauta@tx.cpa. ■

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The Texas State Board of Public Accountancy publishes the *Board Report* four times a year for its licensees.

**CONTINUING PROFESSIONAL EDUCATION (CPE) SPONSORS
SUCCESSFULLY COMPLETING REVIEW (as of July 1, 2024)**

Registration Status: A = Currently active E = Currently expired

Sponsor #	Sponsor Name	Date of Next Review	Status
010478	Al Petrie Advisors	6/1/2026 - 5/31/2027	E
010096	Armstrong, Vaughan & Associates, P.C.	7/1/2026 - 6/30/2027	A
010644	Autire Technologies, LLC	7/1/2026 - 6/30/2027	A
010530	Avion Wealth LLC	5/1/2026 - 4/30/2027	A
010107	Boardwalk Pipeline Partners, LP	8/1/2026 - 7/31/2027	A
010646	Bodwell Vasek Wells DeSimone LLP	8/1/2026 - 7/31/2027	A
009210	CalvettiFerguson, P.C.	9/1/2026 - 8/31/2027	A
007716	Center for Public Management	8/1/2026 - 7/31/2027	A
002912	Dimple Bhatia CPA	6/1/2026 - 5/31/2027	A
002985	DRDA, LLC	7/1/2026 - 6/30/2027	A
009617	Federated Hermes Inc	7/1/2026 - 6/30/2027	A
001572	Fox, Byrd & Company, PC	5/1/2026 - 4/30/2027	A
000839	Frost Bank	6/1/2026 - 5/31/2027	A
010541	Haynie & Company	7/1/2026 - 6/30/2027	E
003072	Hess Corporation	8/1/2026 - 7/31/2027	A
004813	Hext & Associates, P.C.	9/1/2026 - 8/31/2027	A
009322	Lauterbach, Borschow & Company, PC	6/1/2026 - 5/31/2027	E
008150	Meadows, Collier, Reed, Cousins, Crouch & Ungerman, LLP	7/1/2026 - 6/30/2027	E
010642	NCTP CPAs, PLLC	6/1/2026 - 5/31/2027	A
009633	Opportune L.L.P.	9/1/2026 - 8/31/2027	A
010500	Oroian, Guest & Little, P.C.	8/1/2026 - 7/31/2027	A
001610	PepsiCo's Finance College	6/1/2026 - 5/31/2027	A
001634	SBNG, P.C.	6/1/2026 - 5/31/2027	A
010545	Sol Schwartz & Associates	8/1/2026 - 7/31/2027	A
003553	Sysco Corporation	7/1/2026 - 6/30/2027	E
009626	TXCPA Central Texas	8/1/2026 - 7/31/2027	A
010100	Vistage - Dallas	7/1/2026 - 6/30/2027	A
003612	Whitley Penn LLP	8/1/2026 - 7/31/2027	A
010114	William B. Larson, CPA, LLC	9/1/2026 - 8/31/2027	A

- Check the Board website at www.tsbpa.texas.gov for qualified CPE sponsors before enrolling in a CPE course.

Sponsor Review Program Contact Information:
Email: RFellner@tsbpa.texas.gov • Phone: (512) 305-7802

**TEXAS STATE BOARD OF
PUBLIC ACCOUNTANCY**

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Individual Licensing Fee Increase

As a result of the Board's projected revenue, expenditures, and fund balances, modest fee increases are necessary to maintain the same level of operations for Texas licensees. Effective September 1, 2024, the annual individual license fee will increase from \$97 to \$112 (includes \$10 scholarship fee). All other fees will remain the same. The Board is self-sustaining. All direct and indirect costs must be paid from what it collects in license renewal fees, firm registrations, exam fees, sponsor registrations, and other collections. The following table can be used as a general guide, but your individual fees may vary depending on your specific circumstances, the timing of your previous payments, and your current status with the Board. Please refer to [Online Services](#) for Individuals to check your specific status.

License Fee Schedule Beginning September 2024

FEES FOR ACTIVE LICENSE HOLDERS	Fees as of 9/1/2024	Reference Rule
Individual annual license (includes \$10 scholarship fee)	\$112.00	§521.1
Individual annual license (Retired or Disabled Status)	\$15.00	§521.8
Firm annual license*	\$60.00/office*	§521.13
Transfer of earned exam credits from Texas	\$40.00	§521.7
Replacement certificate	\$50.00	§521.11
Certification by an out-of-state CPA to Texas by reciprocity	\$100.00	§521.3

*In addition to the annual fee per office, an organization fee based on the count of CPAs and non-CPA owners for each registered firm will also apply per the following schedule. Please refer to [Rule §521.13](#) for detailed instructions:

CPAs and Non-CPA Owners	Fee Per Individual
1	\$ 0.00
2 to 5	\$10.00
6 to 9	\$15.00
10 to 49	\$20.00
50 or more	\$25.00

MISCELLANEOUS FEES	Fees as of 9/1/2017	Reference Rule
Duplication and other charges and refund of Board fees	As determined	§521.6
Letters of good standing	No charge	—
Supervision verification	No charge	—
Copies of licensee records	No charge	—

Swearing-In Ceremony, June 22, 2024 — Austin, TX



Outstanding candidates who attended the ceremony were recognized for their high achievement on the Uniform CPA Exam.

They included, from **L-R**:

Cheuk Hei Wu

Cody Conway

Linh Huynh

Carly Mika

Yesenia Garcia

Gisela Rodriguez

John Gerling

Board members who welcomed the new CPAs to the profession were, from **L-R**:

Susan Warren

Sherri Merket

Debra D. Seefeld

Olivia Espinoza-Riley

Thomas Neuhoff



Members of the Austin CPA Chapter who generously volunteered their time at the event were, from **L-R**:

Nancy Foss

Stacey Mahajan

Jan Keeling

Dunia Aguero

Sarah Loghin

Kara Hamann

Doug Wilkins

Mei-Feng Lu

Jeremy Myers

Tony Ross



Fifty-Year Licensees from the June Ceremony



FIFTY-YEAR LICENSEES IN ATTENDANCE

Carlos Alvarado Jr.

Michael Arnold

Leonard Bedell

Carl Bowles

Lynda Armstrong Cohalla

Michael Conaway

James Cooper

Jim Day Jr.

Garland Dieringer

James D. (J.D.) Faircloth

Ray Geistweidt

Sam Gordon

James Hayes

Philip Courtney Hogan

Jean Marie Baldwin Hudson

John Ivy

Jacob Mitrani Leon

Kevin McMahon

Robert Palmer

David Rader

Richard Royall

Susan Krueger Smith

Robert Sweeney

George "Ken" Watkins

ENFORCEMENT ACTIONS

Ratified at the May 16, 2024 Board Meeting

AGREED CONSENT ORDERS BEHAVIORAL ENFORCEMENT COMMITTEE

1. **Investigation No.: 23-10-06L**
Respondent: Rachel Katherine D'Addesio
Hometown: Dallas, TX
Certificate No.: 099859
Rule Violations: 501.90(4), 501.90(5)
Act Violations: 901.502(6), 901.502(11)

Respondent entered into an agreed consent order (ACO) with the Board whereby Respondent's certificate was suspended for two years. Following the suspension, Respondent's certificate will be revoked for a period of eight years; however, this revocation will be stayed and Respondent will be placed on probation to run concurrently with her criminal probation. In addition, Respondent will be required to participate in the Accountants Confidential Assistance Network and Alcoholics Anonymous. Respondent has a history of alcohol related convictions including a felony driving while intoxicated (DWI) 3rd in 2023 as well as a deferred adjudication for felony evading arrest in 2023.

2. **Investigation Nos.: 23-05-06L & 23-05-07L**
Respondents: Timothy Whittridge Hald & Timothy W. Hald
Hometown: Austin, TX
Certificate No.: 040547
Firm License No.: S08097
Rule Violation: 501.74(b)
Act Violation: 901.502(6)

Respondents entered into an ACO with the Board whereby Respondents were reprimanded. In addition, Respondents must pay an administrative penalty of \$1,000 and \$935.20 in administrative costs.

Respondent Hald shall complete eight hours of technical continuing professional education (CPE) in the area of individual tax.

Respondents failed to properly report the sale of a personal residence on a client's tax return.

3. **Investigation No.: 22-09-60L**
Respondent: James Brandon Neff
Hometown: Kingwood, TX
Certificate No.: 073539
Rule Violations: 501.90(4), 501.90(5)
Act Violations: 901.502(6), 901.502(11)

Respondent entered into an ACO with the Board whereby Respondent's certificate was revoked; however, the revocation was stayed and Respondent placed on probation for four years. In addition, Respondent will be required to participate in the Accountants Confidential Assistance Network.

Respondent failed to report DWI convictions to the Board. Respondent was convicted of felony DWI 3rd in 2022.

4. **Investigation No.: 23-12-01L**
Respondent: Ronald Erwin Stepp
Hometown: Harker Heights, TX
Certificate No.: 031054
Rule Violation: 501.74(b)
Act Violation: 901.502(6)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded. In addition, Respondent must pay an administrative penalty of \$25,000 and \$819.70 in administrative costs. Respondent shall complete eight hours of CPE in the area of real estate tax, eight hours of CPE in the area of IRS representation and four hours of CPE in ethics.

The IRS determined entries on tax returns prepared by Respondent, while he held a majority share of the stock of the client, were not supportable and this failure contributed to additional taxes, penalties, and interest being assessed against the client.

PROPOSALS FOR DECISION

1. **Investigation No.: 23-08-11L**
Respondent: Douglas Marshall McKelvey
Hometown: Trophy Club, TX
Certificate No.: 052512
Rule Violations: 501.90(2), 501.93
Act Violations: 901.502(2), 901.502(6), 901.502(11)

Respondent failed to respond to an offer of an ACO by Board staff revoking the certificate of Respondent in lieu of further disciplinary action. Respondent was convicted of money laundering for misappropriating at least \$1,500,000 of investor funds as a financial advisor. A hearing under Board *Rule 519.24(f)* was held before the executive director of the Board on March 29, 2024.

The Board approved Staff's recommendation and ordered that the certificate of Respondent be revoked, and that the Respondent be assessed an administrative penalty of \$10,000 and administrative costs of \$663.11.

2. **Investigation No.: 23-09-01L**
Respondent: Christiane Kathleen Irwin
Hometown: Rockwall, TX
Certificate No.: 110503
Rule Violations: 501.90(2), 501.93
Act Violations: 901.502(2), 901.502(6), 901.502(11)

Respondent failed to respond to an offer of an ACO by Board staff revoking the certificate of Respondent in lieu of further disciplinary action. Respondent was convicted of wire fraud for misappropriating at least \$1,480,000 by inflating her salary from her employer. A hearing under Board *Rule 519.24(f)* was held before the executive director of the Board on March 29, 2024.

The Board approved Staff's recommendation and ordered that the certificate of Respondent be revoked, and that the Respondent be assessed an administrative penalty of \$10,000 and administrative costs of \$506.70.

Ratified at the July 11, 2024 Board Meeting

AGREED CONSENT ORDERS TECHNICAL STANDARDS REVIEW COMMITTEE

- 1. Investigation No.: 23-11-06L**
Respondent: Ericka Jeanean Williams
Hometown: Houston, TX
Certificate No.: 068362
Rule Violations: 501.60, 501.61, 501.81
Act Violations: 901.460, 901.502(6), 901.502(11)

Respondent entered into an agreed consent order (ACO) with the Board whereby Respondent was reprimanded, assessed an administrative penalty of \$5,000 and administrative costs of \$705.64 to be paid within 30 days of the date of the Board Order, and placed on limited scope requiring pre-issuance reviews of any audits, compilations, and reviews prior to being issued through a licensed firm enrolled in a peer review program. In addition, Respondent is required to notify her clients that any attest work done through the unlicensed entity is not valid and the clients should be given the option of requesting a refund of the fees paid to Respondent or have the attest work reissued through a licensed firm enrolled in a peer review program as long as that attest work was subject to pre-issuance review.

Respondent issued audited financial statements for two employee benefit plans through an unlicensed entity and which failed to meet professional standards.

- 2. Investigation No.: 23-11-07L**
Respondent: Gregory Lance Lamb
Hometown: Colleyville, TX
Certificate No.: 054333
Rule Violations: 501.60, 501.61, 501.81
Act Violations: 901.460, 901.502(6), 901.502(11)

Respondent entered into an ACO with the Board whereby Respondent would be reprimanded and assessed an administrative penalty of \$2,500 and administrative costs of \$864.54 to be paid within 30 days of the date of the Board Order.

In addition, Respondent and Respondent's new firm would be placed on limited scope prohibiting performing audits, compilations, and reviews until the limitation of scope is lifted by the Board.

Respondent issued audited financial statements for an employee benefit plan which failed to meet generally accepted auditing standards as well as U.S. Department of Labor regulations when he did not have a licensed CPA firm.

PROPOSALS FOR DECISION

- 1. Investigation No.: 23-08-07L**
Respondent: Kevin Hardin
Hometown: Fort Worth, TX
Certificate No.: 079044
Rule Violations: 501.74(b), 501.76, 501.90(12), 501.93
Act Violations: 901.502(6), 901.502(11)

Respondent failed to respond to an offer of an ACO by Board staff revoking the certificate of Respondent in lieu of further disciplinary action. Respondent failed to respond to numerous client inquiries regarding status of work to be done, failed to provide a copy of a tax return, failed to complete an engagement in a timely manner, and failed to respond to Board communications. A hearing under Board *Rule 519.24(f)* was held before the executive director of the Board on June 20, 2024.

The Board approved Staff's recommendation that the certificate and license of Respondent be revoked, and that the Respondent be assessed an administrative penalty of \$10,000 and administrative costs of \$2,813.46.

- 2. Investigation Nos.: 23-08-12L & 23-08-13L**
Respondents: Nathaniel Jon Pringle & Pringle CPA LLC
Hometown: Waco, TX
Certificate No.: 087788
Firm License No.: C09489
Rule Violations: 501.74(b), 501.76, 501.90(12), 501.93
Act Violations: 901.502(6), 901.502(11)

Respondents failed to respond to an offer of an ACO by Board staff revoking the certificate and licenses of Respondents in lieu of further disciplinary action. Respondents failed to respond to numerous client inquiries

regarding status of work to be done, failed to return client records, failed to complete an engagement in a timely manner, and failed to respond to Board communications. A hearing under Board *Rule 519.24(f)* was held before the executive director of the Board on June 20, 2024.

The Board approved staff's recommendation that the certificate and licenses of Respondents be revoked, and that the Respondents be assessed an administrative penalty of \$10,000 and administrative costs of \$2,496.51.

Interested in Becoming A Peer Reviewer?



The Texas Society of CPAs is always looking for qualified peer reviewers with experience in accounting and auditing engagements. To learn more about becoming a qualified peer reviewer, visit the Peer Review section of [tx.cpa](https://www.tx.cpa) (under the "Advocacy" tab) or contact Dipesh Patel, CPA, Director of Peer Review (dpatel@tx.cpa or 972-687-8617).

Continuing Professional Education Actions

The respondents listed below were not in compliance with the Board's continuing professional education (CPE) requirements as of the date of the Board meeting. Each respondent was suspended for the earlier of a period of three years, or until the respondent complies with the licensing requirements of the Act. Additionally, a \$100 penalty was imposed for each year the respondent continues to be in non-compliance with the Board's CPE requirements. The respondents were found to be in violation of Board Rules 523.111 (*Required CPE Reporting*) and 501.94 (*Mandatory Continuing Professional Education*), as well as Section 901.411 (CPE) of the Act.

Respondent / Location	Board Date
Berta Aguiar, Carrollton, TX	5/16/2024
John Akard Jr., Cypress, TX	7/11/2024
Matthew Joseph Avalos, Austin, TX	5/16/2024
Ethan Christopher Balsamo, Austin, TX	5/16/2024
Mellonie A. Bartlett, Lindale, TX	7/11/2024
Houston Edwards Beasley, Midland, TX	7/11/2024
Timothy Brian Boobar, Plano, TX	7/11/2024
Jason Lee Booker, Fort Worth, TX	7/11/2024
John Dean Havel Brock, Houston, TX	5/16/2024
Mary Gail Buck, Somerville, TX	5/16/2024
James C. Cagle, Westwood, NJ	5/16/2024
Liu Jin Carl, Cypress, TX	7/11/2024
Spencer Frank Carlton, Austin, TX	5/16/2024
Benjamin Andrew Carter, Fulshear, TX	7/11/2024
Thomas Gordon Chapline, Dallas, TX	7/11/2024
Timothy Don Conner, Shallowater, TX	7/11/2024
John Emery Davis, Orange, TX	7/11/2024
Stephen Taylor Douglas, Little Rock, AR	5/16/2024
Candace Emily Dwyer, Austin, TX	7/11/2024
Debra Jo Patterson Engberg, San Antonio, TX	7/11/2024
Paul Allen Farr, Wills Point, TX	5/16/2024
Mary Lue Farrell, Fort Worth, TX	5/16/2024
Michael Allen Findeisen, San Antonio, TX	5/16/2024
Micah Curtis Foster, Odessa, TX	5/16/2024
Leanne Michelle Brown Furlow, Mount Pleasant, TX	7/11/2024
Ashley Yelton Ginty, Prosper, TX	7/11/2024
Lauren Jennings Godwin, Midland, TX	5/16/2024
Michael Wayne Goodwin, The Woodlands, TX	5/16/2024
Qing Yue Graves, Dallas, TX	5/16/2024
William Charles Graves, Fort Worth, TX	5/16/2024
Christopher Robert Gray, Schertz, TX	5/16/2024
Jacob Taylor Green, Austin, TX	7/11/2024
Bobbie Jo Harper, Spring, TX	5/16/2024
Ying He, Houston, TX	7/11/2024
Thomas Richard Hegi, Fort Worth, TX	7/11/2024
Harold Hopkins II, Desoto, TX	7/11/2024
Justin Wankun Huang, Dallas, TX	7/11/2024
David Dale Hughes, El Paso, TX	5/16/2024
Kristen Lorene Hughes, Leander, TX	5/16/2024
Brett Alan Huisman, Frisco, TX	7/11/2024
Kristen Hingle Ilgenstein, Wimberley, TX	5/16/2024
Rey David Jaquez, McAllen, TX	7/11/2024
Evelyn Anthony Jones, Rockwall, TX	7/11/2024
Timothy F. Jones, Lubbock, TX	7/11/2024
Jacob Andrew Kenagy, Houston, TX	

Respondent / Location	Board Date
Kelli Lyn Kennedy, Fort Worth, TX	7/11/2024
Samiullah Khan, Rossharon, TX	7/11/2024
Lisa Marie King, The Woodlands, TX	5/16/2024
Brandon Gary Knott, Fort Worth, TX	7/11/2024
Leonard M. Koblenz, Houston, TX	5/16/2024
Anna Jewel Koscielniak, Manor, TX	5/16/2024
Hilda Marie Da Graca Kouvelis, Rockwall, TX	7/11/2024
Donald Lane Lackey Jr., Sugar Land, TX	7/11/2024
Mary Ann Victoria Landicho, Sugar Land, TX	7/11/2024
Mary Kathleen Leboeuf, Groves, TX	5/16/2024
Erica Walvoord Lewin, Balmain, Australia	5/16/2024
Chris Chapman Linsteadt, Richardson, TX	7/11/2024
Abraham Lux, Haslet, TX	7/11/2024
Amanda Rose Lyle, Chicago, IL	5/16/2024
Kathryn D. Capps Mason, Fort Worth, TX	7/11/2024
Marilyn Matthews, Midland, TX	7/11/2024
Carla Seth McCordic, Sugar Land, TX	7/11/2024
Jordan Anne McLeod, Wichita Falls, TX	5/16/2024
Dawn McMurtrey, Leander, TX	7/11/2024
Sameer Alimohammed Mithani, Coppell, TX	5/16/2024
Stephanie Howeth Moore, Trophy Club, TX	7/11/2024
Paul Richard Moser, Dallas, TX	7/11/2024
Elizabeth Anna Moyer, Houston, TX	5/16/2024
Ashley Slaughter Munson, San Antonio, TX	5/16/2024
Carla Sofia Murguia, El Paso, TX	7/11/2024
Ruth L. Sholl Nixon, San Antonio, TX	7/11/2024
Thomas Michael Nunamaker, Katy, TX	7/11/2024
Dustin Ray Odom, Houston, TX	7/11/2024
Ronnie Sam Patel, Sugar Land, TX	5/16/2024
Kyle Gregory Redman, Lewisville, TX	5/16/2024
Todd Michael Richards, Houston, TX	5/16/2024
Wendy Harker Risdon, Denton, TX	7/11/2024
Roman Rodriguez, Mesquite, TX	5/16/2024
Mylinh Sada, Houston, TX	5/16/2024
Derek Walter Sample, Fort Worth, TX	7/11/2024
Elizabeth Diane Sams, Allen, TX	7/11/2024
Debra L. Sandoval, Sugar Land, TX	7/11/2024
Nicholas Sylvester Sandoval, Houston, TX	5/16/2024
Elizabeth James Schwieder, Houston, TX	7/11/2024
Victor Shayne Seaman, League City, TX	5/16/2024
Ian Michael Shaw, Fort Worth, TX	5/16/2024
Priya V. Soni, Cypress, TX	7/11/2024
Melissa June Sowell, San Antonio, TX	7/11/2024
Traci Hargis Spratt, Lancaster, TX	5/16/2024
Kathleen Heard Spurck, Austin, TX	5/16/2024
Andrea Mobley St. Martin, Houston, TX	7/11/2024
Katrina Anastasia Stevens, Desoto, TX	7/11/2024
Logan Brian Stevens, Dallas, TX	7/11/2024
Natalie Alexis Storey, Wrightsboro, TX	5/16/2024
Faisal Sundrani, Irving, TX	7/11/2024
Thoma John Thekkekkara, Missouri City, TX	7/11/2024
Alfred Nathaniel Trotter, Coppell, TX	5/16/2024
Hershell Lyle Troxell, Fort Worth, TX	7/11/2024
Gregory Lynn Turner, Kapolei, HI	5/16/2024
Marcus Benedict Vajdos, Houston, TX	5/16/2024
Stephen Edward Wedemeyer, Houston, TX	5/16/2024
Bodo Karl Wiesner Jr., San Antonio, TX	5/16/2024
Susan Edwards Williams, Austin, TX	7/11/2024
Melinda Ann Wolf, Buda, TX	7/11/2024
Kevin Michael Yeaglin, Houston, TX	7/11/2024

Three-Year Delinquent Actions

The respondents listed below violated *Section 901.502(4)* of the *Act* when they failed to pay license fees for three consecutive license periods. The certificate of each respondent was revoked without prejudice as the respondent was not in compliance as of the Board meeting date. Each respondent may regain his or her certificate by paying all the required license fees and late fees and by otherwise coming into compliance with the *Act*.

Respondent / Location	Board Date
Susan Vail Ackerman, Houston, TX	7/11/2024
Yinka Adeyemi, Lathrop, CA	5/16/2024
George Bramald Amery Jr., Katy, TX	7/11/2024
Loretta Gaffney Anderson, Dallas, TX	5/16/2024
Rodney Lynn Anderson, Houston, TX	7/11/2024
Robert Mayo Angerstein, Victoria, TX	5/16/2024
Charles Chris Apple, Plano, TX	7/11/2024
Najeh M. Awad, Abu Dhabi, UAE	7/11/2024
Jeffrey Shane Baggett, Dallas, TX	5/16/2024
Stephen Thomas Ball, Chicago, IL	5/16/2024
Thomas Ray Ballard, Richmond, TX	7/11/2024
Monica Lorainne Barber, Jacksonville, FL	5/16/2024
Amy L. Barrett, Punta Gorda, FL	5/16/2024
Charles Thomas Barrett, Del Rio, TX	7/11/2024
James P. Barsness, Tulsa, OK	5/16/2024
Chad Samuel Baze, Houston, TX	5/16/2024
Joanne Beck, Quinlan, TX	5/16/2024
Sheryl Lynn Beckman, Dallas, TX	7/11/2024
Katherine Elizabeth Bender, El Paso, TX	7/11/2024
Roberta Mott Berenson, Union Valley, TX	5/16/2024
Carl Robert Bertoneclj, Angleton, TX	7/11/2024
Leah Ann Bianchi, San Ramon, CA	5/16/2024
Christine Irene Blacksmith, Maple Grove, MN	5/16/2024
Sharon Ann Blazey, Stamford, CT	7/11/2024
Elizabeth Baldwin Bleggi, Farmers Branch, TX	5/16/2024
Robert Jay Bliton, Katy, TX	5/16/2024
Dale Frank Bohman, San Antonio, TX	5/16/2024
Norman Earl Bonner, Frisco, TX	7/11/2024
Charles Medearis Boto, Southlake, TX	7/11/2024
Thomas Lee Boudreaux, Bellville, TX	7/11/2024
Jason Charles Brandt, Austin, TX	5/16/2024
Marina Ilinichna Brodsky, Plano, TX	7/11/2024
Emily Vincent Brooker, Carrollton, TX	5/16/2024
Cameron Tate Brown, Denver, CO	7/11/2024
Mark Edward Bryant, Mineral Wells, TX	7/11/2024
Duke Burgess III, Glenn Heights, TX	5/16/2024
Amanda Lou King Burns, Mesquite, TX	7/11/2024
Judith Adell Williams Busch, Spring, TX	7/11/2024
Beini Cao, Austin, TX	5/16/2024
Charles Russell Carney III, St Thomas, Virgin Islands, U.S.	7/11/2024
Barbara Jean Cavallo, Spring, TX	7/11/2024
Philip Shu Wah Chan, Katy, TX	5/16/2024
Cynthia Shian-Shi Liu Chang, Spring, TX	5/16/2024
Tim Phoon Cheng, Wichita, KS	7/11/2024
Gwendolyn J. Smith Clapp, Kingwood, TX	5/16/2024
Pamela Ann Cobb, Sugarland, TX	5/16/2024
Todd A. Coffee, Trophy Club, TX	5/16/2024
James Raymond Corn Jr., Spring, TX	7/11/2024
Jordan Alan Cosart, Canyon Lake, TX	5/16/2024
Thomas David Cowart, Dallas, TX	7/11/2024

Respondent / Location	Board Date
Ezra Spike Cox, Frederick, CO	5/16/2024
Iser Cukierman, Austin, TX	5/16/2024
Michael Swingley Cummings, San Antonio, TX	5/16/2024
Ashley Lynn Dana, Dallas, TX	5/16/2024
Mary Ellen Davenport, Merritt Island, FL	7/11/2024
Kenneth Ray Dean, Midland, TX	7/11/2024
Rita Michelle Dickson, Fulshear, TX	7/11/2024
James Francis Dolan, Wetumpka, AL	7/11/2024
Kenneth Lynn Drozd, Reno, NV	5/16/2024
Hanh Thuy Duong, Sugar Land, TX	5/16/2024
Matthew Brock Dushkin, New York, NY	5/16/2024
Santiago Echeverry, Miami, FL	7/11/2024
Isimeme Emafor, Alexandria, VA	5/16/2024
Susan Eason Emery, San Juan Capistrano, CA	7/11/2024
Sharon Ferguson Erskine, Houston, TX	5/16/2024
Robert Avalos Estrada, El Paso, TX	5/16/2024
Martha Scott Failing, Houston, TX	5/16/2024
Daniel Joseph Farabaugh, Miami, FL	5/16/2024
Charles Greg Felt, Midway, UT	5/16/2024
Arthur A. Fili, Cohasset, MA	7/11/2024
James Joseph Finan, Fishers, IN	5/16/2024
Gail Hessler Finley, League City, TX	5/16/2024
Lois Ruth Wells Finley, Burleson, TX	7/11/2024
Brian Richard Flanner, San Antonio, TX	5/16/2024
Alison Elizabeth Flinn, Dallas, TX	5/16/2024
Larry King Ford, Tyler, TX	7/11/2024
Christopher Edward Frawley, Houston, TX	7/11/2024
William Boyd Fry Jr., Bellaire, TX	7/11/2024
David Anthony Garza, Houston, TX	7/11/2024
Andrea Veronica Gatti, Santiago De Chile, Chile	5/16/2024
Bradley Colin Geary, Houston, TX	5/16/2024
Rebecca Susan Lehmann Geihlsler, Santa Rosa Beach, FL	5/16/2024
John W. Gilbert, San Antonio, TX	5/16/2024
Joan Hightower Gillett, Kyle, TX	5/16/2024
Janet Marie Gittemeier, Dallas, TX	7/11/2024
Kimberly Lanette Cotton Godwin, Frisco, TX	7/11/2024
Qing Gong, Wuhan, China	5/16/2024
Nicole Marie Goszyk, Sugar Land, TX	7/11/2024
James Gregory Grace, Austin, TX	5/16/2024
Joanna Campbell Grayson, Southlake, TX	7/11/2024
Ramona D. Griffith, Plano, TX	5/16/2024
Grover Sebron Grimes Jr., Houston, TX	7/11/2024
Nir Grossman, Houston, TX	5/16/2024
Jessica Kay Harding, Round Rock, TX	5/16/2024
Richard Anthony Hargarten Jr., San Francisco, CA	7/11/2024
Bobby Don Hart, Liberty Hill, TX	5/16/2024
Jessica A'avia Haynes Hawkins, Houston, TX	5/16/2024
George Jeffrey Hebel, Austin, TX	7/11/2024
Kevin Patrick Hegarty, Austin, TX	7/11/2024
Christopher L. Hellyer, Denver, CO	5/16/2024
Laura Lyn Holakovsky, New Lenox, IL	5/16/2024
Gregory F. Holtzauer, Tryon, NC	5/16/2024
Joseph Anthony Hoofnagle, Rockwall, TX	5/16/2024
John Allen Huggins Jr., Hutto, TX	5/16/2024
Mary Claire Hutchison, Southlake, TX	5/16/2024
Stephanie Everett Jackson, Brookhaven, GA	7/11/2024
Carrie Louise Jaehning, Seguin, TX	7/11/2024
Sadaf Meghani Jaffery, Memphis, TN	7/11/2024

Respondent / Location	Board Date	Respondent / Location	Board Date
Jing Jiang, Plano, TX	5/16/2024	Norman Haden Ransleben, Corpus Christi, TX	7/11/2024
Adrian Dantrell Johnson, Austin, TX	7/11/2024	John Michael Ratcliff, Round Rock, TX	5/16/2024
Billy Steele Johnson Jr., Houston, TX	7/11/2024	Jane Ellen Haley Reed, Abilene, TX	7/11/2024
Kim Dearing Jones, Sunrise Beach, TX	5/16/2024	Mark Henry Reed, Huntsville, TX	7/11/2024
Debra Diana Juarez, San Antonio, TX	5/16/2024	Shan Ren, Austin, TX	7/11/2024
Priya Jyothi, The Colony, TX	7/11/2024	Mary Ann Repman, San Antonio, TX	7/11/2024
Susan Seward Kelly, Arlington, TX	7/11/2024	Cynthia Kaye Reynolds, Orlando, FL	7/11/2024
Thomas Malone Kilpatrick, Coppell, TX	5/16/2024	Robin Renee Ricci, Houston, TX	5/16/2024
Frankie Belton Kimmell, Granbury, TX	5/16/2024	Daniel Anthony Riddlesperger, Grand Prairie, TX	5/16/2024
Connie Mae Kinsey, Converse, TX	5/16/2024	Craig Allen Ritter, Fort Worth, TX	5/16/2024
Gregory Alan Kline, Dallas, TX	5/16/2024	Valerie Arieux Robichau, Houston, TX	7/11/2024
David Gerhard Korman, Richmond, TX	7/11/2024	Craig Edward Rones, Austin, TX	5/16/2024
Christopher Joseph Kozlowski, Irving, TX	5/16/2024	Estefani Lorena Ruiz, Dallas, TX	5/16/2024
Bruce Truman Kyckelhahn, Houston, TX	5/16/2024	Abigail Lynn Russell, Houston, TX	7/11/2024
Amit Minoo Lalvani, Denver, CO	7/11/2024	William Lloyd Russell, Houston, TX	7/11/2024
Michael Yimbiu Lam, Austin, TX	5/16/2024	Michael Wayne Sanders, Dripping Springs, TX	5/16/2024
Julie Renee Larson-Ehlers, Herdecke, Germany	7/11/2024	Henry Otto Schaffer, Danbury, CT	7/11/2024
Maiduyen Tran Le, Sugar Land, TX	5/16/2024	Robert Michael Seale, Houston, TX	5/16/2024
Joshua Ryan Leduff, Irvine, CA	7/11/2024	Cynthia Crisp Sharpnack, Round Rock, TX	7/11/2024
Dongho Lee, McKinney, TX	5/16/2024	Everett Clyde Sheble Jr., Martindale, TX	7/11/2024
Jack Kuang-Chun Lee, Austin, TX	7/11/2024	Maxwell William Shill, Austin, TX	7/11/2024
Cynthia Dawn Leslie, Houston, TX	5/16/2024	John Kendall Shirley, The Woodlands, TX	5/16/2024
Francis Ronald Lewis III, Houston, TX	7/11/2024	Stacy Lynn Skibsted, College Station, TX	7/11/2024
Lawrence Alfred Lucas, Kingwood, TX	5/16/2024	Elliott Ryan Smith, Dallas, TX	7/11/2024
Jeffrey Todd Maddox, Houston, TX	5/16/2024	Rebecca Anne Siddons Smith, Aledo, TX	5/16/2024
Gibran Mahmud, Dallas, TX	7/11/2024	Abel Yibao Sng, Flower Mound, TX	5/16/2024
Marie Cenac Mann, Houston, TX	7/11/2024	Robert Frederick Stevens Jr., Spring, TX	5/16/2024
John Wayne Manning, Richmond, TX	5/16/2024	Stephen David Taylor, Houston, TX	7/11/2024
Matthew Evan Manning, Houston, TX	5/16/2024	George Joseph Terpack Jr., Central Point, OR	7/11/2024
John Francis Mares, Coppell, TX	5/16/2024	Nabin Thapa, Fort Worth, TX	5/16/2024
Brett Gordon Martin, Houston, TX	5/16/2024	Kathleen M. Tomasovich, Houston, TX	5/16/2024
Tyler Hoyt McBrayer, Denver, CO	7/11/2024	Lyndal Jean Cann Tracy, N. Richland Hills, TX	7/11/2024
Jason Campbell McCarty, West Allis, WI	5/16/2024	Dawn M. Trimmel, Wadsworth, IL	7/11/2024
Teresa Elaine McCormick, Amarillo, TX	5/16/2024	Dane Aleksandar Truxell, Austin, TX	5/16/2024
Candiss L. McCrary, Crystal Beach, TX	7/11/2024	Jack Calvin Turner Jr., Kingwood, TX	7/11/2024
Sean Alden McNelis, Austin, TX	7/11/2024	Gary Edward Vasichko, Houston, TX	5/16/2024
Jacqueline M. Miller, Mesquite, TX	7/11/2024	Evaline Elswick Ventress, Dothan, AL	7/11/2024
Vivian Nguyen Miller, Cypress, TX	7/11/2024	Jacob Jules Villere, Los Angeles, CA	7/11/2024
Andrew Lee Millet, Austin, TX	5/16/2024	Jason Donald Voth, Ewa Beach, HI	5/16/2024
Melissa Kelley Mills Milner, Corinth, TX	7/11/2024	John Allen Wagner, Spring, TX	5/16/2024
Cheryl Minotti, Sugar Land, TX	5/16/2024	Tommy Lynn Weaver, Woodville, TX	5/16/2024
Tod Bradley Mitchell, Naples, FL	5/16/2024	Stephen Mark Wegener, Plymouth, MI	7/11/2024
Ramon Morffi, Pembroke Pines, FL	7/11/2024	Jake Welker, Dallas, TX	7/11/2024
David Anthony Naab, Houston, TX	7/11/2024	Melody Lou McKnight Westlake, Amarillo, TX	7/11/2024
Anthony Alan Nichols, Richardson, TX	7/11/2024	Blakney Lee White, Fort Worth, TX	5/16/2024
Jessica Catherine Nishizaki, Morrow, OH	5/16/2024	Darrin Whitney, Frisco, TX	5/16/2024
Shawn Robert O'Brien, Houston, TX	7/11/2024	Joseph Patrick Wiesner, Dallas, TX	7/11/2024
Christopher James O'Neill, Denver, CO	7/11/2024	David Michael Williamson, Austin, TX	7/11/2024
Emmanuel Olajide Ojobar Jr., San Francisco, CA	5/16/2024	Mark Eliot Wilson, Trinidad, TX	5/16/2024
Alexander Hamilton Oliver, San Antonio, TX	5/16/2024	Leigh Allyson Wolfe, Pasadena, CA	7/11/2024
Shushma Pabbathi, Houston, TX	7/11/2024	Hua Yang, Campbell, CA	7/11/2024
Frank Nicholas Patete, Englewood, CO	7/11/2024	Liping Yin, Houston, TX	7/11/2024
Deborah Lynn Patlovany, Houston, TX	7/11/2024	Jianlin Zhao, Plano, TX	7/11/2024
Catherine Hsin-Hui Pearson, Carson, CA	7/11/2024	Karen Lynn Zuercher, San Antonio, TX	7/11/2024
Jodi Monk Peduzzi, Sugar Land, TX	5/16/2024	Eduardo Homar Zuniga, Laredo, TX	7/11/2024
Mary Faith Phillips, Texarkana, TX	5/16/2024	Shelby Lynn Zuniga, Great Bend, KS	5/16/2024
James Willis Pickett Jr., Fort Worth, TX	7/11/2024		
Julie Lynn Prellop, Berkeley, CA	5/16/2024		
Nolan Lee Preston, Dallas, TX	5/16/2024		
Van-Lan T. Quan, Huntington Beach, CA	5/16/2024		
Pamela Ragon, Maryville, TN	5/16/2024		

Failure to Renew Actions

The respondents listed below failed to complete their license renewal notices in accordance with Board *Rule 515.3*. The certificates of the Respondents were revoked for failing to complete their license renewal applications until such time as the Respondents come into compliance with the *Rules* and the *Act*.

Respondent / Location	Board Date
Jervon Dwayne Graves, Martinez, CA	7/11/2024
David Edward Hall II, Dallas, TX	5/16/2024
Sylvia Lynn Harvey, Fredericksburg, TX	7/11/2024
Emily Caroline Johns, Dallas, TX	5/16/2024
Justin Michael Kapp, Tyler, TX	5/16/2024
Misty Dawn Kawecki, Frisco, TX	5/16/2024
Zurmineh Khan, Katy, TX	7/11/2024
Janet Maxim, Round Rock, TX	5/16/2024
Lisette May, Atlanta, GA	7/11/2024
Niki Duyen Mai Thi Nguyen, Arlington, TX	5/16/2024

Limited Scope Actions

In accordance with Board *Rule 527.5*, the Respondents are prohibited from performing one or more of the following attest services; audits, compilations, or reviews, until granted permission to do so by the Board.

For additional information please see the Board's website.

- **Respondents:** Lange & Associates, P.C.
Firm license number: C04898

Did you change your mailing or email address?



To ensure you continue to receive important Board communications, please notify us if your mailing address or email address has changed!

Here's how:

- **Online** under "Online Services" at www.tsbpa.texas.gov
- **Email:** licensing@tsbpa.texas.gov

UNAUTHORIZED PRACTICE OF PUBLIC ACCOUNTANCY



Help Us Identify Unlicensed Individuals and Firms Offering Accounting Services

Over the last three years, the Board's Unauthorized Practice of Public Accountancy Program has identified more than **1,700** unlicensed individuals and firms claiming to be CPAs or offering accounting or attest services to the public.

Although this program has been very successful, we know that there continues to be false or misleading advertising. There are approximately 75,000 licensed CPAs in Texas who can help protect the public from individuals and firms misrepresenting their qualifications.

If you suspect websites, signage, business cards, letterheads, or other marketing materials that are false or misleading, you may report it by calling:

(512) 305-7853 or email: licensing@tsbpa.texas.gov

Texas State Board of Public Accountancy
505 E. Huntland Drive, Suite 380
Austin, Texas 78752-3757

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ACCOUNTANTS CONFIDENTIAL ASSISTANCE NETWORK

For over 30 years, the Accountants Confidential Assistance Network (ACAN) has provided support for CPAs with substance abuse and/or mental health issues or concerns.

ACAN services are available at no charge to every Texas CPA.

TXCPA
ACAN

Contact ACAN to participate in ongoing support meetings with other CPAs in recovery, mentor candidates who need recovery support, or talk about your wellness concerns.

Call **866-766-2226** or visit tx.cpa/resources/acan

BOARD BUSINESS



U.S. Department of Justice

Civil Rights Division

Servicemembers and
Veterans Initiative
servicemembers.gov

Portability of Professional Licenses and Certificates for Servicemembers and Their Spouses

The Department of Justice's Servicemembers and Veterans Initiative (SVI) is committed to protecting those who serve and their families. The Civil Rights Division enforces the Servicemembers Civil Relief Act (SCRA), which provides servicemembers and their dependents with certain civil protections related to military service.

New SCRA Amendment

In January 2023, Congress added a new provision to the SCRA that allows servicemembers and their spouses to use their professional licenses and certificates when they relocate due to military orders, in certain circumstances.



U.S. DEPARTMENT OF JUSTICE
**SERVICEMEMBERS &
VETERANS INITIATIVE**

To Qualify for Professional License Portability under the SCRA, You Must:

1. Have moved to a location outside the jurisdiction of the licensing authority that issued the covered license or certificate because of orders for military service.
2. Provide a copy of the military orders to the licensing authority in the new jurisdiction.
3. Have actively used the license or certificate during the two years immediately preceding the move.
4. Remain in good standing with:
 - a. the licensing authority that issued the covered license or certificate; and
 - b. every other licensing authority that issued a license or certificate valid for a similar scope of practice and in the discipline applied for in the new jurisdiction.
5. Submit to the authority of the licensing authority in the new jurisdiction for the purposes of standards of practice, discipline, and fulfillment of any continuing education requirements.

If these five criteria are met, the servicemember's or spouse's covered license or certificate **shall be considered valid** at a similar scope of practice and in the discipline applied for in the new jurisdiction for the duration of the military orders.



Frequently Asked Questions About Professional License Portability

- **What is license portability and why is it important?**

Military spouses have reported difficulty transferring their professional licenses from one jurisdiction to another, hindering their ability to find jobs when moving due to military orders. The new SCRA provision on license portability helps servicemembers and their spouses to use their licenses and certificates in certain circumstances when they relocate due to military orders.

- **Who and which licenses are eligible for license portability under the SCRA?**

Servicemembers and their spouses are eligible. Licenses to practice law are not eligible for portability under the new law.

- **When is the new law on license portability effective?**

The new part of the SCRA went into effect on January 5, 2023. Servicemembers and their spouses can now take advantage of this benefit under the SCRA.

- **What are interstate licensure compacts and how do I determine if my license is governed by one?**

Some states have contracts with other states—known as interstate licensure compacts—to allow licensed practitioners to work in other compact-member states without needing a new license.

If servicemembers or their spouses are uncertain as to whether their professional license is covered by an interstate licensure compact, they should contact their licensing authority. They can also refer to [Department of Defense's Fact Sheet on Occupational Licensure](#), as well as [CareerOneStop](#), a Department of Labor sponsored website with information on state licensing requirements, interstate compacts, and licensing authority contact information.

- **How does this new SCRA law affect interstate licensure compacts?**

The new law applies if: (1) your license is not covered by any interstate compacts; or (2) your license was issued by a state that is covered by an interstate compact, but is not covered by the same compact in the state to which you are relocating.

The new law does NOT apply if your license is covered by the same interstate compact for both the state that issued your license AND the state that to which you are relocating. In this situation, the interstate compact will control whether and how you can practice in the new location.

Where should servicemembers and their spouses go for assistance?

- Servicemembers and their spouses who are covered by this new law are likely eligible for military legal assistance and can contact their local legal assistance office for help. Office locations can be found at <http://legalassistance.law.af.mil/>.
- Servicemembers and their spouses can learn more about license portability and find links to helpful resources at servicemembers.gov. If servicemembers or their spouses are not eligible for military legal assistance services, they may request that the Justice Department review their claim by submitting a complaint through <https://civilrights.justice.gov/link/4025A>.

To report a violation of the SCRA's license portability provision to the Civil Rights Division, visit <https://civilrights.justice.gov/link/4025A>.

ED Report

Boards & Commissions Update

THREE seats currently vacant (2 public members & 1 CPA)

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 will be down to one recently hired paralegal starting Sept. 1st. This position assists with CPE issues and negotiating consent agreements, so there may be some delays moving forward.

Investigator – CPA program - staffing changes ongoing.

Misc

- Update/reminder on exam score release dates.
 - No new dates have been released yet – copy of existing schedule in packet.
- Do we feel like there are fewer out-of-country people applying to take CPA exam in Alaska given new regs?
 - The exam process did not change; NASBA/CPAES processes all exam applications, so likely many out-of-country applications still being received. Copy of FY24 exam revenue in packet.
- Comparison of applications for licensure to last year at this time – any sense of whether the new process has reduced # of applicants?
 - FY23 and FY24 data in packet; data reflects in state, out of state and out of country addresses. We will need to review FY25 data to determine the impacts of the going forward.
- If someone from a foreign country had been accepted to take the exam in Alaska, what happens when they don't qualify to be licensed in Alaska because of new questions?
 - They would need to check with other jurisdictions to determine where they qualify. There are other jurisdictions that do not have residency or SSN requirements.
- How is the new background check process going?
 - Seems to be going fine; Board members will see the criminal history reports in the applications at this meeting.
- How is the new application process going?

- o There are applications at this meeting before the Board from people with non-AK addresses, but an explanation of why they don't meet the requirements of 12 AAC 04.151. Board will need to determine if the reasons listed are acceptable.

Division Staffing Shortages

Due to staffing shortages, I will be assisting with other programs until positions are filled. Time spent on another program is directly charged to that program.

2024 Test Administration Schedule / Score Release Timeline*

QUARTER	CORE TEST DATES	CORE SCORE REPORTS	DISCIPLINE TEST DATES	DISCIPLINE SCORE REPORTS
24Q1	JAN 10 - MAR 26	JUN 4	JAN 10 - FEB 6	APR 24
24Q2	APR 1 - JUN 25	JUL 31	APR 20 - MAY 19	JUN 28
24Q3	JUL 1 - SEP 25	APPROX NOV 1	JUL 1 - 31	SEP 10
24Q4	OCT 1 - DEC 26	EARLY FEB 2025**	OCT 1 - 31	DEC 10

**All dates are subject to change*

***Could be throughout the 24Q4 window*

CURRENT - CPA/PA – Active and Inactive	
AK address	724
US address (not AK)	353
Out of Country address	189
TOTAL	1266

CPAs issued 7/1/22 to 6/30/23	
AK address	25
US address (not AK)	20
Out of Country address	10
TOTAL	55

CPAs issued 7/1/23 to 6/30/24	
AK address	23
US address (not AK)	23
Out of Country address	7
TOTAL	53

Board of Public Accountancy	FY 18FY 19Biennium			FY 20FY 21Biennium			FY 22FY 23Biennium			FY 24
										1st - 3rd QTR
Revenue										
Revenue from License Fees	\$ 730,935	\$ 155,871	\$ 886,806	\$ 763,235	\$ 164,635	\$ 927,870	\$ 646,145	\$ 136,860	\$ 783,005	\$ 352,068
General Fund Received				\$ -	\$ -	\$ -	\$ 17,196	\$ 3,621	20,817	\$ -
Allowable Third Party Reimbursements	6,580	2,241	8,821	\$ 1,465	\$ -	1,465	\$ 720	\$ 6,304	7,024	\$ -
TOTAL REVENUE	\$ 737,515	\$ 158,112	\$ 895,627	\$ 764,700	\$ 164,635	\$ 929,335	\$ 664,061	\$ 146,785	\$ 810,846	\$ 352,068
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	125,721
2000 - Travel	24,125	12,902	37,027	6,800	278	7,078	2,175	11,617	13,792	3,155
3000 - Services	15,356	8,138	23,494	8,448	4,960	13,408	8,473	8,049	16,522	18,124
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	147,001
Investigation Expenditures										
1000-Personal Services	52,645	75,518	128,163	55,363	59,205	114,568	61,298	89,609	150,907	55,989
2000 - Travel		-	-	-	-	-	-	-	-	-
3023 - Expert Witness	-	-	-	-	-	-	-	-	-	2,700
3088 - Inter-Agency Legal	16,670	33	16,703	-	5,034	5,034	17	-	17	3,555
3094 - Inter-Agency Hearing/Mediation	8,260	-	8,260	-	7,725	7,725	-	-	-	3,576
3000 - Services other		501	501	273	60	333	51	70	121	1,316
4000 - Commodities		-	-	-	-	-	-	-	-	-
Total Investigation Expenditures	77,575	76,052	153,627	55,636	72,024	127,660	61,366	89,679	151,045	67,137
Total Direct Expenditures	265,624	248,291	513,915	195,371	212,245	407,616	230,968	238,569	469,537	214,138
Indirect Expenditures										
Internal Administrative Costs	60,154	58,864	119,018	58,556	48,282	106,838	60,652	60,404	121,056	45,303
Departmental Costs	43,238	46,280	89,518	29,179	27,972	57,151	33,998	29,377	63,375	22,033
Statewide Costs	22,452	22,975	45,427	23,694	26,652	50,346	27,683	23,797	51,480	17,848
Total Indirect Expenditures	125,844	128,119	253,963	111,429	102,906	214,335	122,333	113,578	235,911	85,184
TOTAL EXPENDITURES	\$ 391,468	\$ 376,410	\$ 767,878	\$ 306,800	\$ 315,151	\$ 621,951	\$ 353,301	\$ 352,147	\$ 705,448	\$ 299,322
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)		52,746
Ending Cumulative Surplus (Deficit)	\$ 302,519	84,221		\$ 542,121	\$ 391,605		\$ 702,365	\$ 497,003		\$ 549,749
Statistical Information										
Number of Licenses for Indirect calculation	1,816	1,709		1,793	1,719		1,859	1,680		
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 FY22 - 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.										

Appropriation Name (Ex)	(Multiple Items)
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	95,259.06			95,259.06
1016 - Other Premium Pay	81.75			81.75
1021 - Allowances to Employees	256.39			256.39
1023 - Leave Taken	18,805.82			18,805.82
1028 - Alaska Supplemental Benefit	7,003.11			7,003.11
1029 - Public Employee's Retirement System Defined Benefits	24,356.01			24,356.01
1030 - Public Employee's Retirement System Defined Contribution	908.93			908.93
1034 - Public Employee's Retirement System Defined Cont Health Reim	527.40			527.40
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	172.31			172.31
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	2,683.69			2,683.69
1040 - Group Health Insurance	22,630.00			22,630.00
1041 - Basic Life and Travel	11.18			11.18
1042 - Worker's Compensation Insurance	776.72			776.72
1047 - Leave Cash In Employer Charge	2,634.36			2,634.36
1048 - Terminal Leave Employer Charge	1,824.99			1,824.99
1053 - Medicare Tax	1,328.33			1,328.33
1063 - GGU Business Leave Bank Usage	-			-
1077 - ASEA Legal Trust	31.56			31.56
1079 - ASEA Injury Leave Usage	3.62			3.62
1080 - SU Legal Trst	21.23			21.23
1970 - Personal Services Transfer	2,394.23			2,394.23
2007 - In-State Non-Employee Lodging		229.00		229.00
2008 - In-State Non-Employee Meals and Incidentals		90.00		90.00
2009 - In-State Non-Employee Taxable Per Diem		96.00		96.00
2010 - In-State Non-Employee Non-Taxable Reimbursement		261.36		261.36
2013 - Out-State Employee Surface Transportation		156.72		156.72
2014 - Out-State Employee Lodging		1,459.85		1,459.85
2015 - Out-State Employee Meals and Incidentals		261.50		261.50
2016 - Out-State Employee Reimbursable Travel Costs		600.52		600.52
3000 - Training/Conferences			795.00	795.00
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
3044 - Courier			12.33	12.33
3045 - Postage			114.94	114.94
3046 - Advertising			1,305.75	1,305.75
3057 - Structure, Infrastructure and Land - Rentals/Leases			119.68	119.68
3085 - Inter-Agency Mail			269.66	269.66
3088 - Inter-Agency Legal			14,426.37	14,426.37
3094 - Inter-Agency Hearing/Mediation			5,050.50	5,050.50
Grand Total	181,710.69	3,154.95	29,272.23	214,137.87

NASBA - Exam Reimbursement - FY24

MONTH	AMOUNT
July-23	\$8,825.00
August-23	\$9,825.00
September-23	\$14,480.00
October-23	\$8,185.00
November-23	\$7,850.00
December-23	\$6,670.00
January-24	\$7,850.00
February-24	\$5,855.00
March-24	\$7,105.00
April-24	\$7,305.00
May-24	\$9,635.00
June-24	\$8,400.00
GRAND TOTAL FY24	\$101,985.00

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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CHAPTER 04. ACCOUNTANTS

Article

1. **Board of Public Accountancy (§§ 08.04.005 — 08.04.080)**
2. **Certified Public Accountants and Practice of Public Accounting (§§ 08.04.100 — 08.04.240)**
3. **Regulation of Accountants (§§ 08.04.360 — 08.04.495)**
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ARTICLE 1. BOARD OF PUBLIC ACCOUNTANCY

Section

05. **Purpose**
10. **Creation of board**
20. **Appointment and qualifications of board**
25. **Meetings of board**
30. **Removal of members**
40. **Vacancy on board**
50. **Quorum**
55. **Executive secretary of board**
70. **Functions of board**
75. **Substantial equivalency**
80. **Adoption of rules**

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

100. Certificate granted

105. License for individual to practice as a public accountant

110. Personal requirements

120. Educational and experience requirements

130. Examination

150. Qualifications to take examination

190. Examination fee

195. Reciprocity with other states

200. Use of title "certified public accountant" by individual

210. Effect on certificates existing on April 26, 1960

240. Application of partnerships, limited liability companies, corporations, and other legal entities for permits

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

- 360. Supervision required
- 370. Use of title "certified public accountant" by office of firm
- 410. Inactive license for person not engaged in practice
- 420. Practice privileges
- 422. Conditions of practice privileges
- 423. Competency requirement after licensing
- 425. Continuing education
- 426. Quality review
- 440. Effect of failure to obtain license or permit
- 450. Revocation or suspension of license, practice privilege, permit, or out-of-state exemption
- 470. Revocation of a firm permit
- 480. Grounds for censure of, or the revocation, suspension, or refusal to renew a permit for, a firm
- 490. Reinstatement
- 495. Fees

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

500. Individual posing as a certified public accountant

505. Issuance of reports

510. Partnership, limited liability company, corporation, or other legal entity posing as a certified public accountant

520. Individual posing as a public accountant

530. Firm posing as public accountant

540. Use of deceptive title or abbreviation

560. Individual may not assume title

565. Prohibited acts

570. Acts not prohibited

600. Disclosure of lack of license or permit

610. Deceptive use of title or designation by firm

620. Exceptions

630. Injunction against unlawful act

640. Penalty

650. Single act evidence of practice

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.

- 660. Ownership of accountant's working papers**
- 661. Previous licensure**
- 662. Confidential communications**
- 670. Construction**

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.

680. Definitions

690. Short title

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 attestations 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

1. Rules of Professional Conduct (12 AAC 04.004 – 12 AAC 04.120)
2. The Board (12 AAC 04.130 – 12 AAC 04.145)
3. License and License Renewal Requirements (12 AAC 04.150 – 12 AAC 04.189)
4. Examination (12 AAC 04.190 – 12 AAC 04.235)
5. Permits and Practice Privileges (12 AAC 04.240 – 12 AAC 04.285)
6. Continuing Education (12 AAC 04.300 – 12 AAC 04.440)
7. Disciplinary Guidelines (12 AAC 04.500 – 12 AAC 04.530)
8. Quality Review (12 AAC 04.600 – 12 AAC 04.690)
9. General Provisions (12 AAC 04.900 – 12 AAC 04.990)

ARTICLE 1.
RULES OF PROFESSIONAL CONDUCT.

Section

04. Code of professional conduct
05. (Repealed)
10. (Repealed)
15. (Repealed)
20. (Repealed)
30. (Repealed)
33. (Repealed)
36. (Repealed)
38. Attest functions
40. (Repealed)
50. (Repealed)
60. (Repealed)
70. (Repealed)
80. (Repealed)
90. (Repealed)
100. (Repealed)
110. (Repealed)
120. (Repealed)

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

130. Meetings

140. Special meeting

145. Executive secretary

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

- 150. (Repealed)**
- 151. Qualifications for licensure**
- 155. Denial of license**
- 160. References**
- 161. Background check**
- 165. Application for licensure by reciprocity**
- 170. (Repealed)**
- 175. Application for licensure by examination**
- 180. Documentation of experience**
- 181. (Repealed)**
- 183. (Repealed)**
- 184. Temporary military courtesy license**
- 185. Education defined for certified public accountant applicants**
- 187. Education verified**
- 189. License renewal**

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

- 190. Application for examination**
- 193. (Repealed)**
- 195. Qualifications for examination**
- 200. Examination**
- 205. (Repealed)**
- 210. (Repealed)**
- 220. (Repealed)**
- 230. (Repealed)**
- 235. Reexamination**

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

240. (Repealed)

245. Firm permits

250. (Repealed)

251. Practice privilege

255. Firm ownership

260. (Repealed)

270. (Repealed)

280. Applications for firm permits and renewal of firm permits

285. Substantial equivalency

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

- 300. Hours of continuing education required**
- 310. Computation of nonacademic continuing education hours**
- 320. Computation of academic continuing education hours**
- 330. Challenged courses**
- 340. Approved subjects**
- 350. Nonacademic program criteria**
- 360. Approved nonacademic continuing education programs**
- 370. (Repealed)**
- 380. Instructor or discussion leader**
- 390. (Repealed)**
- 400. Report of continuing education**
- 410. (Repealed)**
- 420. (Repealed)**
- 430. Inactive licenses**
- 440. Reinstatement of lapsed license**

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

(1) 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

500. Purpose of disciplinary guidelines

510. (Repealed)

520. Disciplinary guidelines

530. Definitions for disciplinary guidelines

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

600. Peer review requirements

610. (Repealed)

620. Exceptions to peer review reporting requirements

630. (Repealed)

690. (Repealed)

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

900. Complaints

920. Current address

930. Articles of incorporation and articles of organization

940. Use of title "enrolled agent"

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		

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

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JULY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY

S	M	T	W	T	F	S
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25	26	27	28	29		

AUGUST

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25	26	27	28	29	30	31

MARCH

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24	25	26	27	28	29	30
31						

SEPTEMBER

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

APRIL

S	M	T	W	T	F	S
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

MAY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JUNE

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
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DECEMBER

S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

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

Please refer to appropriate collective bargaining unit agreement for more information regarding holidays.

 Holiday



JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

AUGUST

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					1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

MARCH

S	M	T	W	T	F	S
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER

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	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

APRIL

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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER

S	M	T	W	T	F	S
			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

MAY

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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER

S	M	T	W	T	F	S
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JUNE

S	M	T	W	T	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

ALASKA BOARD OF PUBLIC ACCOUNTANCY

TASK LIST

Beth Stuart:

VACANT:

Mark Diehl:

Rachel Hanks:

Steven Jordan:

Vacant (Public Member):

