



**SOUTH DAKOTA  
BOARD OF ACCOUNTANCY**

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Sioux Falls, SD 57104  
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[www.state.sd.us/dol/boards/accountancy](http://www.state.sd.us/dol/boards/accountancy)

Agenda  
South Dakota Board of Accountancy Meeting  
Conference Call  
9:00 a.m. (CT)  
March 19, 2010

A=Action  
D=Discussion  
I=Information

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<b>EXECUTIVE SESSION</b>	
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<b>FUTURE MEETING DATES</b>	
To be set	



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South Dakota Board of Accountancy  
Minutes of Meeting  
Conference Call  
9:00 a.m. (CT)  
January 15, 2010

The Board of Accountancy held a meeting by conference call on Friday, January 15, 2010. Chair Holly Brunick called the meeting to order at 9:03 a.m.

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

Also present were Sherri Sundem Wald, Legal Counsel; Nicole Olson-Kasin, Executive Director and Tricia Nussbaum, Secretary.

Chair Holly Brunick asked if there were any additions to the agenda.

Addition to Certificates & Firm Permits  
Additions to Candidate Experience Verification-Information from John Peterson

A motion was made by John Mitchell and seconded by Marty Guindon to approve the December 4, 2009, meeting minutes. The motion carried; 5 ayes, 1 excused (Olson).

A motion was made by John Linn, Jr. and seconded by Marty Guindon to approve the issuance of individual certificates and firm permits through January 14, 2010. The motion carried; 5 ayes, 1 excused (Olson).

A motion was made by Marty Guindon and seconded by John Mitchell to approve the financial statements through December 31, 2009. The motion carried; 5 ayes, 1 excused (Olson).

The Board discussed a candidate's experience verification in regards to the hours being claimed as academia.

A motion made by John Linn, Jr. and seconded by Marty Guindon to approve 1,443 hours in academia for experience for the candidate to obtain their CPA license. The motion carried; 5 ayes, 1 excused (Olson).

David Olson joined the meeting at 9:18 a.m.

A motion was made by Marty Guindon and seconded by David Olson to approve the CPA Exam scores for the 23rd CPA Exam window through December 2009. The motion unanimously carried.

Nicole Olson-Kasin explained the report on CPE Audits. The Board discussed whether they preferred a hearing on each audit that contains an issue or if they prefer Nicole Kasin to reach a proposed consent agreement with the CPA and bring the agreement for board approval. The Board created a sub-committee with one board member and Nicole Olson-Kasin to create the proposed consent agreements with the CPA.

Nicole Olson-Kasin discussed the importance of public awareness in what the Board of Accountancy does in South Dakota. In research Olson-Kasin came across the Sioux Falls Area Chamber of Commerce and discussed with the board the various topics the membership would cover. The board discussed and felt that they would rather try to represent the state as a whole rather than just one city.

David Olson left the meeting at 10:03 a.m.

Nicole Olson-Kasin discussed with the Board the new changes in tax regulation by the IRS through the Tax Preparer article found in the Argus Leader. The Board agreed that they didn't want to get involved in the regulation of tax preparers.

The Board discussed the changes from the AICPA/NASBA/Prometric contract regarding the CPA Exam Fee Schedule; Prometric is lowering the seat fee due to higher volume of exam candidates. No implementation date has been set for the new fee structure.

The Board was informed of the PCAOB Re-proposing Auditing Standards on Auditor Risk Assessment.

The Board discussed the letter from the Tennessee Board of Accountancy to NASBA in regards to the CPE Expo and NASBA's response to the letter.

The Board discussed the NASBA Vice-Chair Recommendations for 2010-2011.

The Board was informed of NASBA's Blue Ribbon Panel Press Release.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to enter into executive session for the purpose of discussing peer review. The motion carried; 5 ayes, 1 excused (Olson).

The Board came out of executive session.

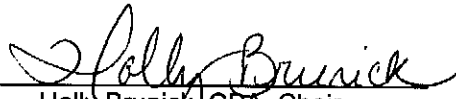
A motion was made by Marty Guindon and seconded by John Mitchell to accept the peer reviews as discussed in executive session. The motion carried; 5 ayes, 1 excused (Olson).

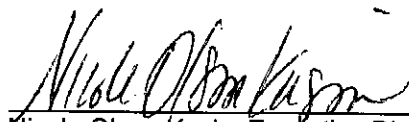
Future meeting dates were discussed and set as follows:

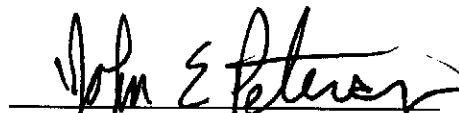
March 19, 2009– Conference Call 9:00 a.m. (CT)

A motion was made by Marty Guindon and seconded John Linn, Jr. to adjourn the meeting. The motion carried; 5 ayes, 1 excused (Olson).

All business having come before the board was concluded and Chair Holly Brunick adjourned the meeting at 10:46 a.m.

  
Holly Brunick, CPA, Chair

Attest:   
Nicole Olson Kasin, Executive Director

  
John Peterson, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES  
BOARD COPY**

**Issued Through March 10, 2010**

<b>Number</b>	<b>Name</b>	<b>Date Issued</b>	<b>Location</b>
2917	Rahul Bansal	1/15/10	Casper, WY
2918	Eric Scott Burnison	1/26/10	Canton, SD
2919	Patrick Joseph McGinnis	1/29/10	Sioux Falls, SD
2920	David A. Schroeder	2/04/10	Rapid City, SD
2921	Jason Matthew Van Sloten	2/05/10	Sioux Falls, SD
2922	Lori Jane Hofer	2/16/10	Freeman, SD
2923	Miranda Lynn Gallagher	3/02/10	Sioux Falls, SD

**FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY  
BOARD COPY**

**Issued Through  
March 10, 2010**

<b>Number</b>	<b>Name</b>	<b>Date Issued</b>	<b>Basis/Comments</b>
1471	UHY LLP Sterling Heights, MI	3/5/10	Additional Location
1472	Dennis & Company, P.C. Tulsa, OK	3/8/10	New Firm

AGENCY: 10 LABOR  
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	1031000061802	1140000	321,370.19	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			321,370.19	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			321,370.19	DR **	
BUDGET UNIT TOTAL 1031			321,370.19	DR ***	

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503										
COMPANY NAME PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX091230	01/06/2010					2,729.76	DR
6503	103100061802	51010100	CGEX100113	01/15/2010					2,977.92	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX091230	01/06/2010					5,707.68	DR *
6503	103100061802	51010200	CGEX100113	01/15/2010					760.64	DR
									814.66	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
6503	103100061802	51010300	CGEX091230	01/06/2010					1,575.30	DR *
									300.00	DR
OBJSUB: 5101030 BOARD & COMM MERS FEES										
6503	103100061802	51020100	CGEX091230	01/06/2010					300.00	DR *
6503	103100061802	51020100	CGEX091230	01/06/2010					7,582.98	DR **
6503	103100061802	51020100	CGEX100113	01/15/2010					275.32	DR
									274.76	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX091230	01/06/2010					550.08	DR *
6503	103100061802	51020200	CGEX100113	01/15/2010					209.43	DR
									227.55	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX091230	01/06/2010					436.98	DR *
6503	103100061802	51020600	CGEX100113	01/15/2010					721.62	DR
									721.62	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	103100061802	51020800	CGEX091230	01/06/2010					1,443.24	DR *
6503	103100061802	51020800	CGEX100113	01/15/2010					1.75	DR
									1.90	DR
OBJSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX091230	01/06/2010					3.65	DR *
6503	103100061802	51020900	CGEX100113	01/15/2010					2.27	DR
									2.47	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION										
6503	103100061802	52041800	DP012100	01/26/2010					4.74	DR *
									2,438.69	DR **
									10,021.67	DR ***
									1,149.00	DR
OBJSUB: 5204180 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	FL012051	01/15/2010					1,149.00	DR *
									127.19	DR
OBJSUB: 5204200 CENTRAL SERVICES										
6503	103100061802	52042200	36719	01/26/2010	01914955	BESTBUSINE	12031022		127.19	DR *
									4.71	DR
OBJSUB: 5204220 EQUIPMENT SERV & MAINT										
6503	103100061802	52043400	16717	01/06/2010	99576053	ELBOCOMPUT	12124520		4.71	DR *
									47.50	DR
OBJSUB: 5204340 COMPUTER SOFTWARE MAINT										
									47.50	DR *



STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 01/31/2010

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	52044600	34274	01/15/2010	01913794	BESTBUSINE	12031022		11.28	DR
6503	103100061802	52044600	36719	01/26/2010	01914955	BESTBUSINE	12031022		93.60	DR
6503	103100061802	52044900	ACCCOUNTRENT10	01/26/2010	01914836	MCGINNISRO	12074040		104.88	DR *
			EQUIPMENT RENTAL						1,269.45	DR
6503	103100061802	52045300	RENTS-PRIVATE OWNED PROP. TL012161	01/22/2010					1,269.45	DR *
6503	103100061802	52045300	111109001 JAN10	01/26/2010	99583979	MIDCONTINE	12023782		59.07	DR
			TELECOMMUNICATIONS SRVCS						95.00	DR
6503	103100061802	52045400	5159417006 DEC10	01/08/2010	01913330	XCELENERGY	12023853		154.07	DR *
			ELECTRICITY						65.09	DR
6503	103100061802	52045600	57612	01/06/2010	99575437	ECOWATER	12035896		65.09	DR *
			WATER						23.35	DR *
6503	103100061802	52047400	CI100A-065	01/08/2010	013890				31.00	DR
			BANK FEES AND CHARGES						31.00	DR
6503	103100061802	52049600	13273620	01/15/2010	99578691	NATLASSNST	12005047		31.00	DR *
			OTHER CONTRACTUAL SERVICE						1,289.18	DR *
6503	103100061802	52053200	32749	01/26/2010	99583862	BUSINESSPR	12003048		4,265.42	DR **
			PRINTING-COMMERCIAL						24.15	DR *
			SUPPLIES & MATERIALS						24.15	DR **
6503	103100061802	52079600	16717	01/06/2010	99576053	ELBOCOMPUT	12124520		199.00	DR
			COMPUTER SOFTWARE						199.00	DR *
			CAPITAL OUTLAY						199.00	DR **
6503	103100061802	5228000	T100-124	01/13/2010					593.62	DR
			OPER TRANS OUT -NON BUDGT						593.62	DR *
			NONOP EXP/NONEGTD OP TR						593.62	DR **
			OPERATING EXPENSES						5,082.19	DR ***
									15,103.86	DR ****
									15,103.86	DR *****
									15,103.86	DR *****
									15,103.86	DR *****

**South Dakota Board of Accountancy**  
**Balance Sheet**  
As of January 31, 2010

	Jan 31, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1130000 · Local Checking - US Bank	1,485.83
1140000 · Pool Cash State of SD	321,370.19
<b>Total Checking/Savings</b>	322,856.02
<b>Total Current Assets</b>	322,856.02
<b>Fixed Assets</b>	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-75,687.71
<b>Total 1670000 · Computer Software</b>	64,375.52
<b>Total Fixed Assets</b>	64,375.52
<b>TOTAL ASSETS</b>	<b>387,231.54</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2110000 · Accounts Payable	8,378.60
<b>Total Accounts Payable</b>	8,378.60
<b>Other Current Liabilities</b>	
2810000 · Amounts Held for Others	13,831.31
<b>Total Other Current Liabilities</b>	13,831.31
<b>Total Current Liabilities</b>	22,209.91
<b>Long Term Liabilities</b>	
2960000 · Compensated Absences Payable	10,038.53
<b>Total Long Term Liabilities</b>	10,038.53
<b>Total Liabilities</b>	32,248.44
<b>Equity</b>	
3220000 · Unrestricted Net Assets	191,983.22
3300100 · Invested In Capital Assets	64,375.52
3900 · Retained Earnings	17,421.83
Net Income	81,202.53
<b>Total Equity</b>	354,983.10
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>387,231.54</b>

# South Dakota Board of Accountancy

## Profit & Loss Budget vs. Actual

July 2009 through January 2010

	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate				
5208001 · Refunds	-25.00			
4293550 · Initial Individual Certificate - Other	2,890.00	2,500.00	390.00	115.6%
<b>Total 4293550 · Initial Individual Certificate</b>	<b>2,865.00</b>	<b>2,500.00</b>	<b>365.00</b>	<b>114.6%</b>
4293551 · Certificate Renewals-Active	54,300.00	62,000.00	-7,700.00	87.6%
4293552 · Certificate Renewals-Inactive				
5208014 · REFUNDS	-50.00			
4293552 · Certificate Renewals-Inactive - Other	19,650.00	24,000.00	-4,350.00	81.9%
<b>Total 4293552 · Certificate Renewals-Inactive</b>	<b>19,600.00</b>	<b>24,000.00</b>	<b>-4,400.00</b>	<b>81.7%</b>
4293553 · Certificate Renewals-Retired	660.00	600.00	60.00	110.0%
4293554 · Initial Firm Permits	800.00	1,500.00	-700.00	53.3%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-50.00			
4293555 · Firm Permit Renewals - Other	19,650.00	20,350.00	-700.00	96.6%
<b>Total 4293555 · Firm Permit Renewals</b>	<b>19,600.00</b>	<b>20,350.00</b>	<b>-750.00</b>	<b>96.3%</b>
4293557 · Initial Audit				
5208011 · REFUNDS	-30.00			
4293557 · Initial Audit - Other	210.00	580.00	-370.00	36.2%
<b>Total 4293557 · Initial Audit</b>	<b>180.00</b>	<b>580.00</b>	<b>-400.00</b>	<b>31.0%</b>
4293558 · Re-Exam Audit	1,170.00	1,660.00	-490.00	70.5%
4293560 · Late Fees-Initial Certificate				
5208013 · REFUNDS	-100.00			
4293560 · Late Fees-Initial Certificate - Other	300.00			
<b>Total 4293560 · Late Fees-Initial Certificate</b>	<b>200.00</b>			
4293561 · Late Fees-Certificate Renewals				
5208006 · REFUNDS	-50.00			
4293561 · Late Fees-Certificate Renewals - Other	5,850.00	6,000.00	-150.00	97.5%
<b>Total 4293561 · Late Fees-Certificate Renewals</b>	<b>5,800.00</b>	<b>6,000.00</b>	<b>-200.00</b>	<b>96.7%</b>
4293563 · Late Fees-Firm Permit Renewals	800.00	800.00	0.00	100.0%
4293564 · Late Fees-Peer Review	250.00	1,050.00	-800.00	23.8%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-260.00			
4293566 · Firm Permit Individual - Other	65,950.00	67,000.00	-1,050.00	98.4%
<b>Total 4293566 · Firm Permit Individual</b>	<b>65,690.00</b>	<b>67,000.00</b>	<b>-1,310.00</b>	<b>98.0%</b>
4293567 · Peer Review Admin Fee	825.00	6,100.00	-5,275.00	13.5%
4293568 · Firm Permit Name Change	130.00	400.00	-270.00	32.5%
4293569 · Initial FAR	540.00	690.00	-150.00	78.3%
4293570 · Initial REG	390.00	380.00	10.00	102.6%
4293571 · Initial BEC	420.00	670.00	-250.00	62.7%
4293572 · Re-Exam FAR	810.00	1,540.00	-730.00	52.6%
4293573 · Re-Exam REG	1,230.00	1,680.00	-450.00	73.2%
4293574 · Re-Exam BEC	1,260.00	2,020.00	-760.00	62.4%
4491000 · Interest and Dividend Revenue	16,687.62	10,000.00	6,687.62	166.9%
4896021 · Legal Recovery Cost	1,047.36	1,000.00	47.36	104.7%
<b>Total Income</b>	<b>195,254.98</b>	<b>212,520.00</b>	<b>-17,265.02</b>	<b>91.9%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	34,258.49	66,239.00	-31,980.51	51.7%
5101020 · P-T/Temp Emp Sal & Wages	9,868.42	19,380.00	-9,511.58	50.9%
5101030 · Board & Comm Mbrs Fees	2,100.00	4,020.00	-1,920.00	52.2%
5102010 · OASI-Employer's Share	3,344.92	6,549.00	-3,204.08	51.1%
5102020 · Retirement-ER Share	2,647.64	5,147.00	-2,499.36	51.4%
5102060 · Health /Life Ins.-ER Share	9,056.33	16,869.00	-7,812.67	53.7%
5102080 · Worker's Compensation	33.92	133.00	-99.08	25.5%
5102090 · Unemployment Insurance	28.73	25.00	3.73	114.9%
5203010 · Auto--State Owned	158.90	500.00	-341.10	31.8%
5203020 · Auto-Private-Ownes Low Mileage	271.20	150.00	121.20	180.8%
5203030 · In State-Auto- Priv. High Miles	446.96	2,100.00	-1,653.04	21.3%

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
 July 2009 through January 2010

	Jul '09 - Jan 10	Budget	\$ Over Budget	% of Budget
5203100 · In State-Lodging	139.50	1,000.00	-860.50	14.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not OverNigt	9.00	100.00	-91.00	9.0%
5203150 · InState-Non-Tax Meals OverNight	166.00	500.00	-334.00	33.2%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,109.48	6,700.00	-4,590.52	31.5%
5203280 · OS-Other Public Carrier	282.50	500.00	-217.50	56.5%
5203300 · OS-Lodging	4,098.20	7,800.00	-3,701.80	52.5%
5203320 · OS-Incidentals to Travel	200.00	200.00	0.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	455.00	1,000.00	-545.00	45.5%
5204010 · Subscriptions	351.84	1,000.00	-648.16	35.2%
5204020 · Dues and Membership Fees	3,350.00	3,900.00	-550.00	85.9%
5204030 · Legal Document Fees	15.00	1,000.00	-985.00	1.5%
5204040 · Consultant Fees-Accounting	0.00	5,000.00	-5,000.00	0.0%
5204160 · Workshop Registration Fees	2,325.00	6,500.00	-4,175.00	35.8%
5204180 · Computer Services-State	270.00	1,000.00	-730.00	27.0%
5204181 · Computer Development Serv-State	3,048.00			
5204200 · Central Services	2,499.38	7,500.00	-5,000.62	33.3%
5204220 · Equipment Service & Maintenance	42.15	500.00	-457.85	8.4%
5204230 · Janitorial/Maintenance Services	819.00	1,680.00	-861.00	48.8%
5204340 · Computer Software Maintenance	137.50	1,500.00	-1,362.50	9.2%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publishing	537.20	1,100.00	-562.80	48.8%
5204460 · Equipment Rental	2,873.52	6,000.00	-3,126.48	47.9%
5204480 · Microfilm and Photography	417.38	700.00	-282.62	59.6%
5204490 · Rents Privately Owned Property	8,835.75	15,531.00	-6,695.25	56.9%
5204530 · Telecommunications Services	1,283.53	2,500.00	-1,216.47	51.3%
5204540 · Electricity	381.39	865.00	-483.61	44.1%
5204560 · Water	70.05	240.00	-169.95	29.2%
5204590 · Insurance PremiLums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	1,654.10	25.00	1,629.10	6,616.4%
5204960 · Other Contractual Services	0.00	2,000.00	-2,000.00	0.0%
5205020 · Office Supplies	743.33	2,000.00	-1,256.67	37.2%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	531.96	1,800.00	-1,268.04	29.6%
5205330 · Supplemental Publications	318.75	700.00	-381.25	45.5%
5205340 · Microfilm Supplies/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	2,799.70	3,100.00	-300.30	90.3%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207960 · Computer Software Expense	346.50	10,000.00	-9,653.50	3.5%
5228000 · Operating Transfers Out-NonBudg	3,685.21	5,000.00	-1,314.79	73.7%
5228030 · Depreciation Expense	7,041.02			
<b>Total Expense</b>	<b>114,052.45</b>	<b>231,763.00</b>	<b>-117,710.55</b>	<b>49.2%</b>
<b>Net Ordinary Income</b>	<b>81,202.53</b>	<b>-19,243.00</b>	<b>100,445.53</b>	<b>-422.0%</b>
<b>Net Income</b>	<b>81,202.53</b>	<b>-19,243.00</b>	<b>100,445.53</b>	<b>-422.0%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**January 2010**

	<u>Jan 10</u>	<u>Jan 09</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	400.00	175.00	225.00	128.6%
4293551 · Certificate Renewals-Active	50.00	0.00	50.00	100.0%
4293554 · Initial Firm Permits	50.00	200.00	-150.00	-75.0%
4293555 · Firm Permit Renewals	0.00	50.00	-50.00	-100.0%
4293556 · Notification	0.00	2,200.00	-2,200.00	-100.0%
4293557 · Initial Audit	0.00	90.00	-90.00	-100.0%
4293558 · Re-Exam Audit	180.00	60.00	120.00	200.0%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293564 · Late Fees-Peer Review	50.00	100.00	-50.00	-50.0%
4293566 · Firm Permit Individual	780.00	1,495.00	-715.00	-47.8%
4293567 · Peer Review Admin Fee	300.00	525.00	-225.00	-42.9%
4293569 · Initial FAR	90.00	90.00	0.00	0.0%
4293570 · Initial REG	30.00	90.00	-60.00	-66.7%
4293571 · Initial BEC	30.00	150.00	-120.00	-80.0%
4293572 · Re-Exam FAR	30.00	150.00	-120.00	-80.0%
4293573 · Re-Exam REG	90.00	90.00	0.00	0.0%
4293574 · Re-Exam BEC	210.00	60.00	150.00	250.0%
<b>Total Income</b>	<b>2,340.00</b>	<b>5,525.00</b>	<b>-3,185.00</b>	<b>-57.7%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	5,707.68	8,437.44	-2,729.76	-32.4%
5101020 · P-T/Temp Emp Sal & Wages	1,575.30	2,285.95	-710.65	-31.1%
5101030 · Board & Comm Mbrs Fees	300.00	240.00	60.00	25.0%
5102010 · OASI-Employer's Share	550.08	799.64	-249.56	-31.2%
5102020 · Retirement-ER Share	436.98	643.41	-206.43	-32.1%
5102060 · Health /Life Ins.-ER Share	1,443.24	2,164.86	-721.62	-33.3%
5102080 · Worker's Compensation	3.65	13.94	-10.29	-73.8%
5102090 · Unemployment Insurance	4.74	6.99	-2.25	-32.2%
5203010 · Auto--State Owned	0.00	238.40	-238.40	-100.0%
5203100 · In State-Lodging	0.00	163.80	-163.80	-100.0%
5204180 · Computer Services-State	45.00	42.00	3.00	7.1%
5204181 · Computer Development Serv-State	1,104.00	672.00	432.00	64.3%
5204200 · Central Services	172.95	241.11	-68.16	-28.3%
5204220 · Equipment Service & Maintenance	4.71	12.80	-8.09	-63.2%
5204230 · Janitorial/Maintenance Services	117.00	120.00	-3.00	-2.5%
5204460 · Equipment Rental	595.83	754.62	-158.79	-21.0%
5204490 · Rents Privately Owned Property	1,269.45	1,244.25	25.20	2.0%
5204530 · Telecommunications Services	181.26	140.90	40.36	28.6%
5204540 · Electricity	65.19	73.63	-8.44	-11.5%
5204740 · Bank Fees and Charges	31.00	0.00	31.00	100.0%
5205320 · Printing/Duplicating/Binding Co	24.15	6.90	17.25	250.0%
5205330 · Supplemental Publications	0.00	275.00	-275.00	-100.0%
5205350 · Postage	0.00	1,000.00	-1,000.00	-100.0%
5228000 · Operating Transfers Out-NonBudg	593.62	486.69	106.93	22.0%
5228030 · Depreciation Expense	1,005.86	0.00	1,005.86	100.0%
<b>Total Expense</b>	<b>15,231.69</b>	<b>20,064.33</b>	<b>-4,832.64</b>	<b>-24.1%</b>
<b>Net Ordinary Income</b>	<b>-12,891.69</b>	<b>-14,539.33</b>	<b>1,647.64</b>	<b>11.3%</b>
<b>Net Income</b>	<b>-12,891.69</b>	<b>-14,539.33</b>	<b>1,647.64</b>	<b>11.3%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
 July 2009 through January 2010

	Jul '09 - Jan 10	Jul '08 - Jan 09	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	2,865.00	1,525.00	1,340.00	87.9%
4293551 · Certificate Renewals-Active	54,300.00	55,750.00	-1,450.00	-2.6%
4293552 · Certificate Renewals-Inactive	19,600.00	21,950.00	-2,350.00	-10.7%
4293553 · Certificate Renewals-Retired	660.00	570.00	90.00	15.8%
4293554 · Initial Firm Permits	800.00	1,375.00	-575.00	-41.8%
4293555 · Firm Permit Renewals	19,600.00	20,050.00	-450.00	-2.2%
4293556 · Notification	0.00	9,400.00	-9,400.00	-100.0%
4293557 · Initial Audit	180.00	330.00	-150.00	-45.5%
4293558 · Re-Exam Audit	1,170.00	840.00	330.00	39.3%
4293560 · Late Fees-Initial Certificate	200.00	0.00	200.00	100.0%
4293561 · Late Fees-Certificate Renewals	5,800.00	4,850.00	950.00	19.6%
4293563 · Late Fees-Firm Permit Renewals	800.00	850.00	-50.00	-5.9%
4293564 · Late Fees-Peer Review	250.00	600.00	-350.00	-58.3%
4293566 · Firm Permit Individual	65,690.00	64,160.00	1,530.00	2.4%
4293567 · Peer Review Admin Fee	825.00	1,500.00	-675.00	-45.0%
4293568 · Firm Permit Name Change	130.00	50.00	80.00	160.0%
4293569 · Initial FAR	540.00	690.00	-150.00	-21.7%
4293570 · Initial REG	390.00	300.00	90.00	30.0%
4293571 · Initial BEC	420.00	330.00	90.00	27.3%
4293572 · Re-Exam FAR	810.00	690.00	120.00	17.4%
4293573 · Re-Exam REG	1,230.00	960.00	270.00	28.1%
4293574 · Re-Exam BEC	1,260.00	870.00	390.00	44.8%
4491000 · Interest and Dividend Revenue	16,687.62	17,244.32	-556.70	-3.2%
4896021 · Legal Recovery Cost	1,047.36	0.00	1,047.36	100.0%
<b>Total Income</b>	<b>195,254.98</b>	<b>204,884.32</b>	<b>-9,629.34</b>	<b>-4.7%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	34,258.49	36,679.76	-2,421.27	-6.6%
5101020 · P-T/Temp Emp Sal & Wages	9,868.42	10,799.47	-931.05	-8.6%
5101030 · Board & Comm Mbrs Fees	2,100.00	2,640.00	-540.00	-20.5%
5102010 · OASI-Employer's Share	3,344.92	3,658.57	-313.65	-8.6%
5102020 · Retirement-ER Share	2,647.64	2,848.78	-201.14	-7.1%
5102060 · Health /Life Ins.-ER Share	9,056.33	9,777.95	-721.62	-7.4%
5102080 · Worker's Compensation	33.92	61.74	-27.82	-45.1%
5102090 · Unemployment Insurance	28.73	30.90	-2.17	-7.0%
5203010 · Auto--State Owned	158.90	643.84	-484.94	-75.3%
5203020 · Auto-Private-Ownes Low Mileage	271.20	248.80	22.40	9.0%
5203030 · In State-Auto- Priv. High Miles	446.96	1,259.48	-812.52	-64.5%
5203100 · In State-Lodging	139.50	591.74	-452.24	-76.4%
5203140 · InState-Tax Meals Not OverNigt	9.00	72.00	-63.00	-87.5%
5203150 · InState-Non-Tax Meals OverNight	166.00	359.00	-193.00	-53.8%
5203260 · OS-Air Commercial Carrier	2,109.48	2,186.50	-77.02	-3.5%
5203280 · OS-Other Public Carrier	282.50	158.65	123.85	78.1%
5203300 · OS-Lodging	4,098.20	4,216.95	-118.75	-2.8%
5203320 · OS-Incidentals to Travel	200.00	79.00	121.00	153.2%
5203350 · OS-Non-Taxable Meals Overnight	455.00	381.00	74.00	19.4%
5204010 · Subscriptions	351.84	507.65	-155.81	-30.7%
5204020 · Dues and Membership Fees	3,350.00	3,350.00	0.00	0.0%
5204030 · Legal Document Fees	15.00	0.00	15.00	100.0%
5204040 · Consultant Fees-Accounting	0.00	5,700.00	-5,700.00	-100.0%
5204080 · Consultant Fees--Legal	0.00	525.00	-525.00	-100.0%
5204160 · Workshop Registration Fees	2,325.00	2,250.00	75.00	3.3%
5204180 · Computer Services-State	270.00	252.00	18.00	7.1%
5204181 · Computer Development Serv-State	3,048.00	1,872.00	1,176.00	62.8%
5204200 · Central Services	2,499.38	2,679.55	-180.17	-6.7%
5204220 · Equipment Service & Maintenance	42.15	60.07	-17.92	-29.8%
5204230 · Janitorial/Maintenance Services	819.00	840.00	-21.00	-2.5%
5204340 · Computer Software Maintenance	137.50	195.00	-57.50	-29.5%
5204360 · Advertising-Newspapers	0.00	927.93	-927.93	-100.0%
5204440 · Newsletter Publishing	537.20	473.55	63.65	13.4%
5204460 · Equipment Rental	2,873.52	3,273.42	-399.90	-12.2%
5204480 · Microfilm and Photography	417.38	0.00	417.38	100.0%
5204490 · Rents Privately Owned Property	8,835.75	8,709.75	126.00	1.5%
5204530 · Telecommunications Services	1,283.53	1,258.38	25.15	2.0%
5204540 · Electricity	381.39	473.18	-91.79	-19.4%

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
July 2009 through January 2010

	<u>Jul '09 - Jan 10</u>	<u>Jul '08 - Jan 09</u>	<u>\$ Change</u>	<u>% Change</u>
5204560 · Water	70.05	91.90	-21.85	-23.8%
5204740 · Bank Fees and Charges	1,654.10	0.00	1,654.10	100.0%
5205020 · Office Supplies	743.33	783.85	-40.52	-5.2%
5205320 · Printing/Duplicating/Binding Co	531.96	440.35	91.61	20.8%
5205330 · Supplemental Publications	318.75	586.25	-267.50	-45.6%
5205350 · Postage	2,799.70	2,462.35	337.35	13.7%
5207900 · Computer Hardware	0.00	360.00	-360.00	-100.0%
5207950 · System Development	0.00	137.50	-137.50	-100.0%
5207960 · Computer Software Expense	346.50	0.00	346.50	100.0%
5228000 · Operating Transfers Out-NonBudg	3,685.21	3,082.27	602.94	19.6%
5228030 · Depreciation Expense	7,041.02	0.00	7,041.02	100.0%
<b>Total Expense</b>	<u>114,052.45</u>	<u>117,986.08</u>	<u>-3,933.63</u>	<u>-3.3%</u>
<b>Net Ordinary Income</b>	<u>81,202.53</u>	<u>86,898.24</u>	<u>-5,695.71</u>	<u>-6.6%</u>
<b>Net Income</b>	<u><b>81,202.53</b></u>	<u><b>86,898.24</b></u>	<u><b>-5,695.71</b></u>	<u><b>-6.6%</b></u>

AGENCY: 10 LABOR  
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	301,767.71	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			301,767.71	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			301,767.71	DR **	
BUDGET UNIT TOTAL 1031			301,767.71	DR ***	



STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 02/28/2010

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPV'L #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503										
COMPANY NAME PROFESSIONAL & LICENSING BOARDS										
6503	1031000061802	51010100	CGEX100128	02/03/2010					2,481.60	DR
6503	1031000061802	51010100	CGEX100211	02/17/2010					2,729.76	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES										
6503	1031000061802	51010200	CGEX100128	02/03/2010					5,211.36	DR *
6503	1031000061802	51010200	CGEX100211	02/17/2010					675.52	DR
6503	1031000061802	51010200	CGEX100211						756.59	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
6503	1031000061802	51010300	CGEX100211	02/17/2010					1,432.11	DR *
6503	1031000061802	51010300	CGEX100211						300.00	DR *
OBJSUB: 5101030 BOARD & COMM MBRS FEES										
OBJECT: 5101 EMPLOYEE SALARIES										
6503	1031000061802	51020100	CGEX100128	02/03/2010					6,943.47	DR **
6503	1031000061802	51020100	CGEX100211	02/17/2010					227.05	DR
6503	1031000061802	51020100	CGEX100211						274.29	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE										
6503	1031000061802	51020200	CGEX100128	02/03/2010					501.34	DR *
6503	1031000061802	51020200	CGEX100211	02/17/2010					189.43	DR
6503	1031000061802	51020200	CGEX100211						209.19	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE										
6503	1031000061802	51020600	CGEX100128	02/03/2010					398.62	DR *
6503	1031000061802	51020600	CGEX100211	02/17/2010					721.62	DR
6503	1031000061802	51020600	CGEX100211						721.62	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	1031000061802	51020800	CGEX100128	02/03/2010					1,443.24	DR *
6503	1031000061802	51020800	CGEX100211	02/17/2010					1.58	DR
6503	1031000061802	51020800	CGEX100211						1.75	DR
OBJSUB: 5102080 WORKER'S COMPENSATION										
6503	1031000061802	51020900	CGEX100128	02/03/2010					3.33	DR *
6503	1031000061802	51020900	CGEX100128	02/17/2010					2.05	DR **
6503	1031000061802	51020900	CGEX100211						2.27	DR ***
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION										
OBJECT: 5102 EMPLOYEE BENEFITS										
GROUP: 51 PERSONAL SERVICES										
6503	1031000061802	52030200	CGEX100218	02/19/2010	469499				4.32	DR *
6503	1031000061802	52030200	CGEX100218						2,350.85	DR **
6503	1031000061802	52030200	CGEX100218						9,294.32	DR ***
6503	1031000061802	52030200	CGEX100218						90.40	DR
OBJSUB: 5203100 AUTO PRIV (IN-ST.) I./RTE										
6503	1031000061802	52031000	CGEX100218	02/19/2010	469499				90.40	DR *
6503	1031000061802	52031000	CGEX100218						50.46	DR
6503	1031000061802	52031500	CGEX100218	02/19/2010	469499				50.46	DR *
6503	1031000061802	52031500	CGEX100218						26.00	DR
OBJSUB: 5203150 NON-TAXABLE MEALS/IN-ST										
OBJECT: 5203 TRAVEL										
6503	1031000061802	52041600	7CNWJCHXH9C	02/28/2010	99594601	NATLASSNST	12005047		166.86	DR **
6503	1031000061802	52041600	7RNYWBVBXCM	02/12/2010	99589865	NATLASSNST	12005047		625.00	DR
6503	1031000061802	52041600	7RNYWBVBXCM						675.00	DR

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 02/28/2010

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	5204180 WORKSHOP REGISTRATION FEE	DP001100	02/23/2010					1,300.00	DR *
									2,157.00	DR
6503	103100061802	5204180 COMPUTER SERVICES-STATE	FM012062	02/23/2010					2,157.00	DR *
			PL001051	02/28/2010					795.59	DR
			RM012004	02/03/2010					158.99	DR
									45.76	DR
6503	103100061802	5204200 CENTRAL SERVICES	40798	02/28/2010	01918144	BESTBUSINE	12031022		1,000.34	DR *
									3.68	DR
6503	103100061802	5204220 EQUIPMENT SERV & MAINT	10SC100032 FEB10	02/23/2010	99593177	SUNSETOFFI	12043890		3.68	DR *
			10SC100032 JAN10	02/03/2010	99586961	SUNSETOFFI	12043890		117.00	DR
6503	103100061802	5204230 JANITORIAL & MAINT SERV	H1347781	02/10/2010	99589465	HASLERFINA	12120693		234.00	DR *
			40798	02/28/2010	01918144	BESTBUSINE	12031022		502.23	DR
									93.60	DR
6503	103100061802	5204460 EQUIPMENT RENTAL	ACCOUNTRENT10	02/23/2010	01917985	MCGINNISRO	12074040		595.83	DR *
									1,269.45	DR
6503	103100061802	5204490 RENTS-PRIVATE OWNED PROP.	TL001161	02/19/2010					1,269.45	DR *
			111109001 FEB10	02/28/2010	99594714	MIDCONTINE	12023782		86.26	DR
									95.00	DR
6503	103100061802	5204530 TELECOMMUNICATIONS SRVCS	5159417006 JAN10	02/10/2010	01916223	XCELEENERGY	12023853		181.26	DR *
									65.19	DR
6503	103100061802	5204540 ELECTRICITY	CI1100A-072	02/10/2010	016233				65.19	DR *
									31.00	DR
6503	103100061802	5204960 BANK FEES AND CHARGES	13279290	02/19/2010	99592041	NATLASSNST	12005047		31.00	DR *
									7,562.16	DR
6503	103100061802	5205020 OTHER CONTRACTUAL SERVICE	CONTRACTUAL SERVICES	02/28/2010	99594759	BROWNSAENG	12028533		7,562.16	DR *
			1378366-0	02/28/2010	99594759	BROWNSAENG	12028533		14,399.91	DR **
			1386968-0	02/28/2010	99594759	BROWNSAENG	12028533		15.00	DR
									1.78	DR
6503	103100061802	5205020 OFFICE SUPPLIES	SUPPLIES & MATERIALS	02/10/2010					16.78	DR *
			T100-140						16.78	DR **
									625.35	DR
6503	103100061802	5228000 OPER TRANS OUT -NON BUDGT	NONOP EXP/NONBGTD OP TR						625.35	DR **
			OPERATING EXPENSES						15,208.90	DR ***
									24,503.22	DR ****
									24,503.22	DR *****

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STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 02/28/2010

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
									24,503.22	DR *****

B. UNIT: 1031

**South Dakota Board of Accountancy**  
**Balance Sheet**  
As of February 28, 2010

	Feb 28, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1130000 · Local Checking - US Bank	1,249.58
1140000 · Pool Cash State of SD	301,767.71
<b>Total Checking/Savings</b>	303,017.29
<b>Total Current Assets</b>	303,017.29
<b>Fixed Assets</b>	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-76,693.57
<b>Total 1670000 · Computer Software</b>	63,369.66
<b>Total Fixed Assets</b>	63,369.66
<b>TOTAL ASSETS</b>	<b>366,386.95</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2110000 · Accounts Payable	6,717.62
<b>Total Accounts Payable</b>	6,717.62
<b>Other Current Liabilities</b>	
2810000 · Amounts Held for Others	11,894.90
<b>Total Other Current Liabilities</b>	11,894.90
<b>Total Current Liabilities</b>	18,612.52
<b>Long Term Liabilities</b>	
2960000 · Compensated Absences Payable	10,038.53
<b>Total Long Term Liabilities</b>	10,038.53
<b>Total Liabilities</b>	28,651.05
<b>Equity</b>	
3220000 · Unrestricted Net Assets	192,989.08
3300100 · Invested In Capital Assets	63,369.66
3900 · Retained Earnings	17,421.83
Net Income	63,955.33
<b>Total Equity</b>	337,735.90
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>366,386.95</b>

# South Dakota Board of Accountancy

## Profit & Loss Budget vs. Actual

July 2009 through February 2010

	Jul '09 - Feb 10	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate				
5208001 · Refunds	-25.00			
4293550 · Initial Individual Certificate - Other	2,915.00	2,500.00	415.00	116.6%
<b>Total 4293550 · Initial Individual Certificate</b>	2,890.00	2,500.00	390.00	115.6%
4293551 · Certificate Renewals-Active	54,350.00	62,000.00	-7,650.00	87.7%
4293552 · Certificate Renewals-Inactive				
5208014 · REFUNDS	0.00			
4293552 · Certificate Renewals-Inactive - Other	19,650.00	24,000.00	-4,350.00	81.9%
<b>Total 4293552 · Certificate Renewals-Inactive</b>	19,650.00	24,000.00	-4,350.00	81.9%
4293553 · Certificate Renewals-Retired	660.00	600.00	60.00	110.0%
4293554 · Initial Firm Permits	800.00	1,500.00	-700.00	53.3%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-50.00			
4293555 · Firm Permit Renewals - Other	19,650.00	20,350.00	-700.00	96.6%
<b>Total 4293555 · Firm Permit Renewals</b>	19,600.00	20,350.00	-750.00	96.3%
4293557 · Initial Audit				
5208011 · REFUNDS	-30.00			
4293557 · Initial Audit - Other	240.00	580.00	-340.00	41.4%
<b>Total 4293557 · Initial Audit</b>	210.00	580.00	-370.00	36.2%
4293558 · Re-Exam Audit	1,320.00	1,660.00	-340.00	79.5%
4293560 · Late Fees-Initial Certificate				
5208013 · REFUNDS	-100.00			
4293560 · Late Fees-Initial Certificate - Other	300.00			
<b>Total 4293560 · Late Fees-Initial Certificate</b>	200.00			
4293561 · Late Fees-Certificate Renewals				
5208006 · REFUNDS	-50.00			
4293561 · Late Fees-Certificate Renewals - Other	5,850.00	6,000.00	-150.00	97.5%
<b>Total 4293561 · Late Fees-Certificate Renewals</b>	5,800.00	6,000.00	-200.00	96.7%
4293563 · Late Fees-Firm Permit Renewals	800.00	800.00	0.00	100.0%
4293564 · Late Fees-Peer Review	300.00	1,050.00	-750.00	28.6%
4293566 · Firm Permit Individual				
5208003 · REFUNDS	-260.00			
4293566 · Firm Permit Individual - Other	66,340.00	67,000.00	-660.00	99.0%
<b>Total 4293566 · Firm Permit Individual</b>	66,080.00	67,000.00	-920.00	98.6%
4293567 · Peer Review Admin Fee	975.00	6,100.00	-5,125.00	16.0%
4293568 · Firm Permit Name Change	130.00	400.00	-270.00	32.5%
4293569 · Initial FAR	600.00	690.00	-90.00	87.0%
4293570 · Initial REG	450.00	380.00	70.00	118.4%
4293571 · Initial BEC	540.00	670.00	-130.00	80.6%
4293572 · Re-Exam FAR	840.00	1,540.00	-700.00	54.5%
4293573 · Re-Exam REG	1,260.00	1,680.00	-420.00	75.0%
4293574 · Re-Exam BEC	1,410.00	2,020.00	-610.00	69.8%
4491000 · Interest and Dividend Revenue	16,687.62	10,000.00	6,687.62	166.9%
4896021 · Legal Recovery Cost	1,047.36	1,000.00	47.36	104.7%
<b>Total Income</b>	196,599.98	212,520.00	-15,920.02	92.5%
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	39,469.85	66,239.00	-26,769.15	59.6%
5101020 · P-T/Temp Emp Sal & Wages	11,300.53	19,380.00	-8,079.47	58.3%
5101030 · Board & Comm Mbrs Fees	2,400.00	4,020.00	-1,620.00	59.7%
5102010 · OASI-Employer's Share	3,846.26	6,549.00	-2,702.74	58.7%
5102020 · Retirement-ER Share	3,046.26	5,147.00	-2,100.74	59.2%
5102060 · Health /Life Ins.-ER Share	10,499.57	16,869.00	-6,369.43	62.2%
5102080 · Worker's Compensation	37.25	133.00	-95.75	28.0%
5102090 · Unemployment Insurance	33.05	25.00	8.05	132.2%
5203010 · Auto--State Owned	158.90	500.00	-341.10	31.8%
5203020 · Auto-Private-Ownes Low Mileage	361.60	150.00	211.60	241.1%
5203030 · In State-Auto- Priv. High Miles	446.96	2,100.00	-1,653.04	21.3%

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
July 2009 through February 2010

	Jul '09 - Feb 10	Budget	\$ Over Budget	% of Budget
5203100 · In State-Lodging	189.96	1,000.00	-810.04	19.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203140 · InState-Tax Meals Not Overnigt	9.00	100.00	-91.00	9.0%
5203150 · InState-Non-Tax Meals OverNight	192.00	500.00	-308.00	38.4%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrler	2,877.88	6,700.00	-3,822.12	43.0%
5203280 · OS-Other Public Carrier	282.50	500.00	-217.50	56.5%
5203300 · OS-Lodging	4,098.20	7,800.00	-3,701.80	52.5%
5203320 · OS-Incidentals to Travel	200.00	200.00	0.00	100.0%
5203350 · OS-Non-Taxable Meals Overnight	455.00	1,000.00	-545.00	45.5%
5204010 · Subscriptions	351.84	1,000.00	-648.16	35.2%
5204020 · Dues and Membership Fees	3,350.00	3,900.00	-550.00	85.9%
5204030 · Legal Document Fees	15.00	1,000.00	-985.00	1.5%
5204040 · Consultant Fees-Accounting	0.00	5,000.00	-5,000.00	0.0%
5204160 · Workshop Registration Fees	3,625.00	6,500.00	-2,875.00	55.8%
5204180 · Computer Services-State	315.00	1,000.00	-685.00	31.5%
5204181 · Computer Development Serv-State	5,160.00			
5204200 · Central Services	3,453.96	7,500.00	-4,046.04	46.1%
5204220 · Equipment Service & Maintenance	45.83	500.00	-454.17	9.2%
5204230 · Janitorial/Maintenance Services	936.00	1,680.00	-744.00	55.7%
5204340 · Computer Software Maintenance	185.00	1,500.00	-1,315.00	12.3%
5204360 · Advertising-Newspapers	0.00	2,100.00	-2,100.00	0.0%
5204440 · Newsletter Publshing	1,032.30	1,100.00	-67.70	93.8%
5204460 · Equipment Rental	2,967.12	6,000.00	-3,032.88	49.5%
5204480 · Microfilm and Photography	417.38	700.00	-282.62	59.6%
5204490 · Rents Privately Owned Property	10,105.20	15,531.00	-5,425.80	65.1%
5204530 · Telecommunications Services	1,378.53	2,500.00	-1,121.47	55.1%
5204540 · Electricity	448.63	865.00	-416.37	51.9%
5204560 · Water	93.40	240.00	-146.60	38.9%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204740 · Bank Fees and Charges	1,685.10	25.00	1,660.10	6,740.4%
5204960 · Other Contractual Services	0.00	2,000.00	-2,000.00	0.0%
5205020 · Office Supplies	814.28	2,000.00	-1,185.72	40.7%
5205310 · Printing State	0.00	500.00	-500.00	0.0%
5205320 · Printing/Duplicating/Binding Co	531.96	1,800.00	-1,268.04	29.6%
5205330 · Supplemental Publications	318.75	700.00	-381.25	45.5%
5205340 · Microfilm Supplles/Materials	0.00	300.00	-300.00	0.0%
5205350 · Postage	2,805.66	3,100.00	-294.34	90.5%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	0.00	6,800.00	-6,800.00	0.0%
5207960 · Computer Software Expense	346.50	10,000.00	-9,653.50	3.5%
5228000 · Operating Transfers Out-NonBudg	4,310.56	5,000.00	-689.44	86.2%
5228030 · Depreciation Expense	8,046.88			
<b>Total Expense</b>	<b>132,644.65</b>	<b>231,763.00</b>	<b>-99,118.35</b>	<b>57.2%</b>
<b>Net Ordinary Income</b>	<b>63,955.33</b>	<b>-19,243.00</b>	<b>83,198.33</b>	<b>-332.4%</b>
<b>Net Income</b>	<b>63,955.33</b>	<b>-19,243.00</b>	<b>83,198.33</b>	<b>-332.4%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
February 2010

	Feb 10	Feb 09	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	25.00	225.00	-200.00	-88.9%
4293551 · Certificate Renewals-Active	50.00	0.00	50.00	100.0%
4293552 · Certificate Renewals-Inactive	50.00	0.00	50.00	100.0%
4293554 · Initial Firm Permits	0.00	25.00	-25.00	-100.0%
4293556 · Notification	0.00	1,200.00	-1,200.00	-100.0%
4293557 · Initial Audit	30.00	30.00	0.00	0.0%
4293558 · Re-Exam Audit	150.00	60.00	90.00	150.0%
4293564 · Late Fees-Peer Review	50.00	150.00	-100.00	-66.7%
4293566 · Firm Permit Individual	390.00	575.00	-185.00	-32.2%
4293567 · Peer Review Admin Fee	150.00	75.00	75.00	100.0%
4293569 · Initial FAR	60.00	30.00	30.00	100.0%
4293570 · Initial REG	60.00	30.00	30.00	100.0%
4293571 · Initial BEC	120.00	30.00	90.00	300.0%
4293572 · Re-Exam FAR	30.00	0.00	30.00	100.0%
4293573 · Re-Exam REG	30.00	60.00	-30.00	-50.0%
4293574 · Re-Exam BEC	150.00	120.00	30.00	25.0%
4896021 · Legal Recovery Cost	0.00	1,509.66	-1,509.66	-100.0%
<b>Total Income</b>	<b>1,345.00</b>	<b>4,119.66</b>	<b>-2,774.66</b>	<b>-67.4%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	5,211.36	5,211.36	0.00	0.0%
5101020 · P-T/Temp Emp Sal & Wages	1,432.11	1,410.48	21.63	1.5%
5101030 · Board & Comm Mbrs Fees	300.00	0.00	300.00	100.0%
5102010 · OASI-Employer's Share	501.34	475.86	25.48	5.4%
5102020 · Retirement-ER Share	398.62	397.31	1.31	0.3%
5102060 · Health /Life Ins.-ER Share	1,443.24	1,443.24	0.00	0.0%
5102080 · Worker's Compensation	3.33	8.62	-5.29	-61.4%
5102090 · Unemployment Insurance	4.32	4.30	0.02	0.5%
5203010 · Auto--State Owned	0.00	291.52	-291.52	-100.0%
5203020 · Auto-Private-Ownes Low Mileage	90.40	0.00	90.40	100.0%
5203100 · In State-Lodging	50.46	100.44	-49.98	-49.8%
5203140 · InState-Tax Meals Not OverNigt	0.00	14.00	-14.00	-100.0%
5203150 · InState-Non-Tax Meals OverNight	26.00	52.00	-26.00	-50.0%
5203260 · OS-Air Commercial Carrier	768.40	0.00	768.40	100.0%
5204160 · Workshop Registration Fees	1,300.00	0.00	1,300.00	100.0%
5204180 · Computer Services-State	45.00	42.00	3.00	7.1%
5204181 · Computer Development Serv-State	2,112.00	6,744.00	-4,632.00	-68.7%
5204200 · Central Services	954.58	1,241.41	-286.83	-23.1%
5204220 · Equipment Service & Maintenance	3.68	3.56	0.12	3.4%
5204230 · Janitorial/Maintenance Services	117.00	120.00	-3.00	-2.5%
5204340 · Computer Software Maintenance	47.50	0.00	47.50	100.0%
5204440 · Newsletter Publishing	495.10	0.00	495.10	100.0%
5204460 · Equipment Rental	93.60	252.39	-158.79	-62.9%
5204490 · Rents Privately Owned Property	1,269.45	1,244.25	25.20	2.0%
5204530 · Telecommunications Services	95.00	188.03	-93.03	-49.5%
5204540 · Electricity	67.24	68.71	-1.47	-2.1%
5204560 · Water	23.35	23.35	0.00	0.0%
5204740 · Bank Fees and Charges	31.00	0.00	31.00	100.0%
5205020 · Office Supplies	70.95	0.00	70.95	100.0%
5205310 · Printing State	0.00	181.30	-181.30	-100.0%
5205350 · Postage	5.96	0.00	5.96	100.0%
5207950 · System Development	0.00	452.50	-452.50	-100.0%
5228000 · Operating Transfers Out-NonBudg	625.35	757.34	-131.99	-17.4%
5228030 · Depreciation Expense	1,005.86	0.00	1,005.86	100.0%
<b>Total Expense</b>	<b>18,592.20</b>	<b>20,727.97</b>	<b>-2,135.77</b>	<b>-10.3%</b>
<b>Net Ordinary Income</b>	<b>-17,247.20</b>	<b>-16,608.31</b>	<b>-638.89</b>	<b>-3.9%</b>
<b>Net Income</b>	<b>-17,247.20</b>	<b>-16,608.31</b>	<b>-638.89</b>	<b>-3.9%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
 July 2009 through February 2010

	Jul '09 - Feb 10	Jul '08 - Feb 09	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	2,890.00	1,750.00	1,140.00	65.1%
4293551 · Certificate Renewals-Active	54,350.00	55,750.00	-1,400.00	-2.5%
4293552 · Certificate Renewals-Inactive	19,650.00	21,950.00	-2,300.00	-10.5%
4293553 · Certificate Renewals-Retired	660.00	570.00	90.00	15.8%
4293554 · Initial Firm Permits	800.00	1,400.00	-600.00	-42.9%
4293555 · Firm Permit Renewals	19,600.00	20,050.00	-450.00	-2.2%
4293556 · Notification	0.00	10,600.00	-10,600.00	-100.0%
4293557 · Initial Audit	210.00	360.00	-150.00	-41.7%
4293558 · Re-Exam Audit	1,320.00	900.00	420.00	46.7%
4293560 · Late Fees-Initial Certificate	200.00	0.00	200.00	100.0%
4293561 · Late Fees-Certificate Renewals	5,800.00	4,850.00	950.00	19.6%
4293563 · Late Fees-Firm Permit Renewals	800.00	850.00	-50.00	-5.9%
4293564 · Late Fees-Peer Review	300.00	750.00	-450.00	-60.0%
4293566 · Firm Permit Individual	66,080.00	64,735.00	1,345.00	2.1%
4293567 · Peer Review Admin Fee	975.00	1,575.00	-600.00	-38.1%
4293568 · Firm Permit Name Change	130.00	50.00	80.00	160.0%
4293569 · Initial FAR	600.00	720.00	-120.00	-16.7%
4293570 · Initial REG	450.00	330.00	120.00	36.4%
4293571 · Initial BEC	540.00	360.00	180.00	50.0%
4293572 · Re-Exam FAR	840.00	690.00	150.00	21.7%
4293573 · Re-Exam REG	1,260.00	1,020.00	240.00	23.5%
4293574 · Re-Exam BEC	1,410.00	990.00	420.00	42.4%
4491000 · Interest and Dividend Revenue	16,687.62	17,244.32	-556.70	-3.2%
4896021 · Legal Recovery Cost	1,047.36	1,509.66	-462.30	-30.6%
<b>Total Income</b>	<b>196,599.98</b>	<b>209,003.98</b>	<b>-12,404.00</b>	<b>-5.9%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	39,469.85	41,891.12	-2,421.27	-5.8%
5101020 · P-T/Temp Emp Sal & Wages	11,300.53	12,209.95	-909.42	-7.5%
5101030 · Board & Comm Mbrs Fees	2,400.00	2,640.00	-240.00	-9.1%
5102010 · OASI-Employer's Share	3,846.26	4,134.43	-288.17	-7.0%
5102020 · Retirement-ER Share	3,046.26	3,246.09	-199.83	-6.2%
5102060 · Health /Life Ins.-ER Share	10,499.57	11,221.19	-721.62	-6.4%
5102080 · Worker's Compensation	37.25	70.36	-33.11	-47.1%
5102090 · Unemployment Insurance	33.05	35.20	-2.15	-6.1%
5203010 · Auto--State Owned	158.90	935.36	-776.46	-83.0%
5203020 · Auto-Private-Ownes Low Mileage	361.60	248.80	112.80	45.3%
5203030 · In State-Auto- Priv. High Miles	446.96	1,259.48	-812.52	-64.5%
5203100 · In State-Lodging	189.96	692.18	-502.22	-72.6%
5203140 · InState-Tax Meals Not Overnight	9.00	86.00	-77.00	-89.5%
5203150 · InState-Non-Tax Meals OverNight	192.00	411.00	-219.00	-53.3%
5203260 · OS-Air Commercial Carrier	2,877.88	2,186.50	691.38	31.6%
5203280 · OS-Other Public Carrier	282.50	158.65	123.85	78.1%
5203300 · OS-Lodging	4,098.20	4,216.95	-118.75	-2.8%
5203320 · OS-Incidentals to Travel	200.00	79.00	121.00	153.2%
5203350 · OS-Non-Taxable Meals Overnight	455.00	381.00	74.00	19.4%
5204010 · Subscriptions	351.84	507.65	-155.81	-30.7%
5204020 · Dues and Membership Fees	3,350.00	3,350.00	0.00	0.0%
5204030 · Legal Document Fees	15.00	0.00	15.00	100.0%
5204040 · Consultant Fees-Accounting	0.00	5,700.00	-5,700.00	-100.0%
5204080 · Consultant Fees--Legal	0.00	525.00	-525.00	-100.0%
5204160 · Workshop Registration Fees	3,625.00	2,250.00	1,375.00	61.1%
5204180 · Computer Services-State	315.00	294.00	21.00	7.1%
5204181 · Computer Development Serv-State	5,160.00	8,616.00	-3,456.00	-40.1%
5204200 · Central Services	3,453.96	3,920.96	-467.00	-11.9%
5204220 · Equipment Service & Maintenance	45.83	63.63	-17.80	-28.0%
5204230 · Janitorial/Maintenance Services	936.00	960.00	-24.00	-2.5%
5204340 · Computer Software Maintenance	185.00	195.00	-10.00	-5.1%
5204360 · Advertising-Newspapers	0.00	927.93	-927.93	-100.0%
5204440 · Newsletter Publishing	1,032.30	473.55	558.75	118.0%
5204460 · Equipment Rental	2,967.12	3,525.81	-558.69	-15.9%
5204480 · Microfilm and Photography	417.38	0.00	417.38	100.0%
5204490 · Rents Privately Owned Property	10,105.20	9,954.00	151.20	1.5%
5204530 · Telecommunications Services	1,378.53	1,446.41	-67.88	-4.7%
5204540 · Electricity	448.63	541.89	-93.26	-17.2%



**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
 July 2009 through February 2010

	Jul '09 - Feb 10	Jul '08 - Feb 09	\$ Change	% Change
5204560 · Water	93.40	115.25	-21.85	-19.0%
5204740 · Bank Fees and Charges	1,685.10	0.00	1,685.10	100.0%
5205020 · Office Supplies	814.28	783.85	30.43	3.9%
5205310 · Printing State	0.00	181.30	-181.30	-100.0%
5205320 · Printing/Duplicating/Binding Co	531.96	440.35	91.61	20.8%
5205330 · Supplemental Publications	318.75	586.25	-267.50	-45.6%
5205350 · Postage	2,805.66	2,462.35	343.31	13.9%
5207900 · Computer Hardware	0.00	360.00	-360.00	-100.0%
5207950 · System Development	0.00	590.00	-590.00	-100.0%
5207960 · Computer Software Expense	346.50	0.00	346.50	100.0%
5228000 · Operating Transfers Out-NonBudg	4,310.56	3,839.61	470.95	12.3%
5228030 · Depreciation Expense	8,046.88	0.00	8,046.88	100.0%
<b>Total Expense</b>	<b>132,644.65</b>	<b>138,714.05</b>	<b>-6,069.40</b>	<b>-4.4%</b>
<b>Net Ordinary Income</b>	<b>63,955.33</b>	<b>70,289.93</b>	<b>-6,334.60</b>	<b>-9.0%</b>
<b>Net Income</b>	<b>63,955.33</b>	<b>70,289.93</b>	<b>-6,334.60</b>	<b>-9.0%</b>

**REPORT TO BOARD ON NASBA REGIONAL CONFERENCE**

Nicole Olson-Kasin 3-11-10

The NASBA Western Regional Conference will be held in Seattle, WA, June 23-25, 2010

The tentative agenda follows.

This is a request for the Board to approve travel for the Executive Director and Board members that will be attending.

# NASBA

National Association of State Boards of Accountancy

## 2010 Regional Meeting Agenda June 9 - 11, Charleston, SC June 23 - 25, Seattle, WA

### Tentative Agenda

#### Wednesday

- 8:00 – 9:00 a.m. **New Accountancy Board Member Breakfast**
- 9:00 a.m. - 3:00 p.m. **New Accountancy Board Member Orientation Program**
- 4:00 – 5:00 p.m. **Regional Meeting Registration**
- 6:00 – 8:00 p.m. **Welcome Reception**

#### Thursday

- 7:15 – 8:15 a.m. **Board Communications Officers Breakfast Meeting**
- 7:30 – 8:30 a.m. **Breakfast (All Welcome)**
- 8:30 – 8:50 a.m. **Welcome from Regional Directors (All Regions)**
- 8:50 – 9:00 a.m. **Welcome**  
*(John M. Greene – East  
Washington speaker to be named – West)*
- 9:00 – 9:30 a.m. **Update from NASBA Leadership on NASBA Activities**  
*(Billy M. Atkinson and David A. Costello)*
- 9:30 – 10:50 a.m. **Ongoing Initiatives**
- **Peer Review Oversight**  
*(Kenneth R. Odom)*  
Questions and Answers – 9:45 - 10:00 a.m.
  - **International Standards Update/Comparison**  
*(Gaylen R. Hansen)*  
Questions and Answers – 10:15-10:30 a.m.
  - **Education “Pathways Commission”**  
*(Mark P. Harris)*  
Questions and Answers – 10:40 - 10:50 a.m.
- 10:50 – 11:15 a.m. **Break**

- 11:15 – 11:30 a.m. **Uniform Accountancy Act and Rules**  
*(Laurie J. Tish – West, Andrew L. DuBoff – East)*
- **Clearing Up Firm Names**
  - **Proposals Under Consideration**
- Questions and Answers – 11:25 - 11:30 a.m.
- 11:30 – Noon **Working with Small and Medium-Size Entities**
- **Blue Ribbon Panel – GAAP for Non-Publics?**  
*(Billy M. Atkinson – Panel member)*
- Questions and Answers - 11:50 – Noon
- Noon – 12:15 p.m. **Report on Examination Review Board Changes**  
*(Speaker to be named)*
- 12:15 – 1:15 p.m. **Lunch (Meeting Attendees Only)**
- 1:15 – 3:40 p.m. **Meet with Your Region**  
 (Participation limited to state board members, staff and former state board members. Each Region will meet in a separate room with Regional Director leading the discussion. Election of Nominating Committee Representatives in Central, Pacific, Southeast and Middle Atlantic Regions.)
- 3:45 – 4:00 p.m. **Raffle – Part I**

## **Friday**

- 7:30 – 8:50 a.m. **State Board Chairs' and Presidents' Breakfast Meeting**
- 7:30 – 8:50 a.m. **State Board Executive Directors' Breakfast Meeting**
- 8:00 – 9:00 a.m. **Breakfast (All Welcome)**
- 9:00 -9:15 a.m. **Report from Regional Breakouts**
- 9:15 – 10:15 a.m. **CPA Firms' Liability Challenge**  
*(Eastern Panel – Michael R. Young and Noel L. Allen*  
*Western Panel – Scott Kallander and Noel L. Allen )*
- 10:15 – 10:45 a.m. **Break**

- 10:45 – Noon      **Breakout Sessions (Select one)**
- 1- **Legal Update/ Overview of Recent National Legislation**  
*(Noel L. Allen – East and West a.m., Gaylen R. Hansen – West p.m.)*
  - 2- **Best Enforcement Practices** (Draft manual to be discussed)  
*(Michael Weinschel – East, Harry O. Parsons – West)*
  - 3- **Achieving Board Independence** (Draft act to be discussed)  
*(Carlos E. Johnson )*
  - 4- **Uniform Approach to Independence** (Ethics draft for discussion)  
*(Kent Bailey and Raymond Johnson)*
- Noon – 1:00 p.m.      **Lunch (Meeting Participants Only)**
- 1:00 – 2:15 p.m.      **Breakout Sessions**  
*(Select one from breakouts listed for morning. Participants asked to select different session from one attended earlier.)*
- 2:15 – 2:30 p.m.      **Break**
- 2:30 – 3:30 p.m.      **The Uniform CPA Examination – Present and Future**  
*(Joseph T. Cote - Moderator)*
- 1 - **Report on New Examination Agreements**  
*(Ken L. Bishop – East and West, Robert Harris – West)*
  - 2 - **Reports from CLEC, BOE and Prometric**  
*(Panelists to be named)*
- 3:30 – 3:50 p.m.      **Questions and Answers for NASBA**  
*(Billy M. Atkinson, David A. Costello)*
- 3:50 – 4:00 p.m.      **Raffle Drawing – Part II**
- 6:30 p.m.              **GALA**

## AICPA BOARD OF EXAMINERS (BOE)

January 8-9, 2010

Dallas, TX

### MEETING HIGHLIGHTS

#### Participants

**BOE Members:** Douglas Warren, Chair, Colleen Conrad, Immediate Past Chair, Ken Askelson, O. Whitfield Broome, Kenneth Clark, Ruben Davila, Gary Fish, James Calvin Flagg, Suzanne Lane, Gary Lubin, Wendy Perez, Richard Piluso, John Roemer, Sharon T. Walters, Viki Windfeldt

**AICPA Staff:** Craig N. Mills, Michael A. Decker, John Mattar, Elaine Rodeck, Joshua Stopek (1/8)

**NASBA Committee Representatives:** Toerien DeWit (Examination Review Board); Walter Davenport (CPA Licensing Examinations Committee)

**Guests:** Frank R. Ross, Director, Center for Accounting Education, Howard University, and Gregory Johnson, Executive Director, National Association of Black Accountants, Inc. (NABA)

At the January 8-9, 2010 BOE meeting, BOE members:

- Began a new committee year by welcoming five new BOE members. An orientation for the new members was held on January 7, before the BOE meeting, and included a CPA Examination testing experience at a Prometric test center in Dallas. Mr. Douglas Warren officially began his term of office as BOE Chair at this meeting.
- Voted to approve the recommendation from the Psychometric Oversight Committee (POC) that Multistage Adaptive Testing (MST) be used for the delivery of Multiple-Choice Question (MCQ) testlets in the Business Environment and Concepts (BEC) section of the CPA Examination. (MST is the delivery model already in use for the other three examination sections.)
- Voted to approve the recommendation from its Executive Committee that BOE members who are project sponsors may continue to serve in this capacity after their terms as BOE members expire, if the BOE determines that their services are important to the successful completion of projects.
- Voted to approve the recommendation that the feasibility of replacing IQEX with the Regulation (REG) section of the CPA Examination be determined.
- Heard the Vice-President's report from Dr. Craig Mills on the general state of the program. Dr. Mills provided an overview of the FY'10 domestic and international program budgets, and mentioned that examination volume appears to be stabilizing after years of consistent growth. With regard to compliance with findings from reviews by the Examination Review Board (ERB) and other auditing bodies, all necessary corrective actions have either been completed or are on target for completion on schedule.

- Heard an operations and staffing plan report from Mr. Michael Decker, Director of Operations and Development, covering the metrics used to assess progress toward meeting goals. In view of simultaneous activity on several major projects, some in preparation for the implementation of significant examination changes in 2011, the BOE considered the operational and staffing issues in detail, and provided guidance with respect to contingency measures.
- Heard reports on BOE Committee activities. Dr. O. Whitfield Broome, Chair of the State Board Committee (SBC), reported on the highly successful Western Regional CPA Examination Forum, which was held on December 7, 2009 in Salt Lake City, UT under the sponsorship of SBC. Dr. Suzanne Lane, Chair of the Psychometric Oversight Committee (POC), spoke about the activities of the POC, including preparations for standard-setting, and the issues currently on POC agenda. Mr. Ken Clark, Chair of the Content Committee, reported on the joint orientation meeting held in December for new preparation subcommittee members, and on the issues considered at the December Content Committee meeting.
- Heard a report from Dr. Mills about the recommendation from state board participants at the CPA Examination Forum in Salt Lake City to inform all state boards about the rationale for the inclusion of IFRS on the examination. (Dr. Mills gave a presentation on this topic at the Forum and the participants suggested that the information be shared with all state boards.)
- Heard status reports from Mr. Clark on CBT-e and from Mr. Decker on Authoritative Literature projects. Also, witnessed a demonstration of the Complex Content Management System (CCMS), the item bank recently developed by the AICPA to house CPA Examination questions and eventually provide a streamlined automated environment for all activities from question development through scoring.
- Heard a report from Dr. John Mattar on plans for standard-setting – the process for setting a new passing score on the CPA Examination. The significant examination changes to be introduced in 2011 will require that a new passing score be set.
- Heard presentations from Frank R. Ross of Howard University and Gregory Johnson of NABA. Mr. Ross stated that because the percentage of African-American CPAs is low, Howard University is committed to encouraging and assisting minority students to enter the profession. Howard is also fostering the development of minority faculty in accounting. Mr. Johnson spoke about the programs and activities of NABA, and especially its outreach to students with information about CPA career opportunities.
- Heard a contract status update from Dr. Mills. The new CPA Examination contract is close to being signed by the three parties – AICPA, NASBA, and Prometric – for the US program, and the signing of the separate international program contract will follow.
- Heard reports from NASBA committee representatives. Mr. Toerien DeWit spoke about current Examination Review Board (ERB) activities, and Mr. Walter Davenport on the work of the CPA Licensing Examinations Committee (CLEC).

February 3, 2010

Dear State Board Chairs and Executive Directors:

The State Board Committee of the AICPA Board of Examiners (BOE) recently sponsored a CPA Examination Forum for chairs and executive directors of state boards of accountancy in western states. During that meeting, some board representatives requested an explanation of the rationale for testing International Financial Reporting Standards (IFRS) on the CPA Examination. They also questioned whether the inclusion of IFRS on the examination indicated that the BOE supports the SEC Roadmap and the adoption of IFRS in the United States. Following the discussion, the Forum attendees expressed appreciation for the information shared and suggested that all state boards be advised of the BOE's rationale for including IFRS on the CPA Examination. This letter is in response to that suggestion.

Since the CPA Examination is a licensure examination, the knowledge and skills tested must be those that are important for entry-level CPAs. Thus, the key question to be answered is whether or not some knowledge of IFRS is important at entry. Best practice in testing defines the entry-level knowledge and skills to be tested through the conduct of a practice analysis or other techniques to determine the knowledge and skills needed for safe and effective practice<sup>1</sup>. The inclusion or exclusion of content on the CPA Examination represents the BOE's conclusions with respect to whether the content is relevant to entry-level practice. The BOE, with a majority of its members having state board experience, strives diligently to be objective and impartial as to non-examination issues, such as the adoption of IFRS in the U.S. However, the BOE must be alert to how these types of issues impact the examination of entry-level CPAs.

The recently issued *Content and Skill Specification Outlines (CSOs/SSOs) for the Uniform CPA Examination* were developed through a practice analysis study authorized by the BOE. The Psychometric Oversight Committee of the BOE developed the methodology for the practice analysis and oversaw its implementation. The practice analysis approach included a large-scale survey and consultations with many panels of subject-matter experts, the Content Committee of the BOE and its preparation subcommittees for the individual sections of the CPA Examination, panels of supervisors of entry-level CPAs from a range of practice settings, educators, accounting standard-setting bodies, and regulatory agencies.

The Content Committee of the BOE supervised the conduct of the practice analysis. Oversight of the detailed process was provided by the Practice Analysis Oversight Group, comprised of members selected to provide broad stakeholder representation, including state board members. The results of the practice analysis, which was completed in 2008, supported the conclusion that international standards are appropriate for inclusion on the CPA Examination (i.e., they are relevant, important, and frequently used by entry-level CPAs). The Content Committee and its preparation subcommittees concluded that the results of the practice analysis, supported by the AICPA Council's recognition of the International Accounting Standards Board as an approved standard-setter, warranted inclusion of IFRS in the specifications for the CPA Examination.

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<sup>1</sup> "Standards for Educational and Psychological Testing" 1999 American Educational Research Association, American Psychological Association, National Council on Measurement in Education.



During the course of the practice analysis, an Exposure Draft entitled "Proposed Content and Skill Specifications for the Uniform CPA Examination" was distributed in April, 2008, soliciting feedback from stakeholders, and any interested parties from the general public. Of the fifty responses to the Exposure Draft, over one-third of the respondents commented specifically about IFRS, and most of those responses either supported the inclusion of IFRS in the CSOs/SSOs or recommended monitoring IFRS and including questions on IFRS on a timely basis.

- Nine respondents voiced support for the inclusion of IFRS.
- Four respondents expressed the need for the BOE to closely monitor IFRS and react on a timely basis to include them in the examination when appropriate.
- Five respondents expressed varying degrees of concern about the inclusion of IFRS.

Following the completion of the practice analysis, an Advisory Group was established to further evaluate IFRS and other international standards, in order to ensure that topics from those standards that are relevant and frequently used by entry-level CPAs are appropriately included in the scope of the CSOs/SSOs. The Advisory Group included CPAs who use IFRS and are familiar with the work performed by entry-level CPAs with respect to IFRS. This group also confirmed that entry-level CPAs work with IFRS and, in fact, have been doing so for some time. For example, U.S. companies with foreign subsidiaries or foreign companies that have U.S. subsidiaries often have to convert financial statements from IFRS to US GAAP, or vice versa, for consolidation purposes. The Advisory Group noted that CPAs have been working with both US GAAP and IFRS and will continue to do so for the foreseeable future.

The BOE remains committed to ensuring that the content of the CPA Examination is regularly updated to reflect changes impacting entry-level practice. It is the conclusion of the BOE, as a result of the practice analysis and responses to the Exposure Draft, that IFRS is entry-level and should be included on the CPA Examination when the new Content and Skills Specification Outlines become effective in 2011. At this time, U.S. GAAP will remain the principal accounting standards tested, but IFRS will be covered to a lesser extent.

I trust that this information will be useful in understanding the process leading to the inclusion of IFRS on the CPA Examination.

Sincerely,



O. Whitfield Broome, CPA, Ph.D.  
Chair, State Board Committee

cc: Douglas Warren, Chair, Board of Examiners  
Ken Bishop, Senior Vice President, NASBA  
Craig N. Mills, Vice President – Examinations, AICPA

February 5, 2010

To Accountancy Board Chairs/Presidents, Executive Directors, and Other Interested Parties:

Significant changes in Uniform CPA Examination content, structure, and format will be implemented when CBT-e is launched on January 1, 2011. As a result, a new CPA Examination passing score will need to be determined. Planning for “standard-setting” – as the process of establishing a new passing score is sometimes called – is now under way, and we are writing to advise you about the standard-setting components and schedule. In addition, we seek your help in identifying CPAs who may be qualified to play a key role in the standard-setting process.

#### **Purpose of Standard-Setting**

For any licensure examination, a formal process to set the passing score is needed in order to establish the level of performance candidates must meet to demonstrate that they have the knowledge and skills necessary for licensure. When there are major examination changes – as there will soon be on the CPA Examination – the passing score needs to be reconsidered to ensure that legally defensible pass/fail decisions are made in protection of the public interest.

#### **Roles and Responsibilities**

The AICPA Board of Examiners (BOE) has the authority to set the passing score on the CPA Examination. The Psychometric Oversight Committee (POC) of the BOE is responsible for recommending methods and procedures for setting the passing standard, overseeing the analysis of data generated by content experts, and reviewing the results for psychometric validity before they are presented to the BOE. The current plan for setting passing scores is similar to the one used in 2003-2004, when standard-setting last took place in conjunction with the implementation of CBT (Computer-Based Testing). It calls for panels of content experts to review candidate performance on the examination and make judgments about it.

#### **Standard-Setting Panels of CPAs**

Four panels of CPAs – one for each examination section – will be convened this summer as the first step in the standard-setting process. At each panel meeting, training will be provided to the panelists on how to rate candidate performance profiles, which will consist of examination questions and candidate responses to them. Initial ratings by question type – Multiple-Choice Questions (MCQs), Simulations, and Written Communication tasks – will then be developed by the panelists. The panelists will review and discuss the initial results before assigning final ratings of candidate performance profiles.

#### **Standard-Setting Timeline**

The POC is scheduled to present the data developed by standard-setting panels for initial review by the BOE in October or November 2010. Final review by the BOE and the determination of the new passing score will take place in the spring of 2011, after scores from the first 2011 testing window become available.

**Request for Standard-Setting Panel Nominations**

We are currently seeking nominations of CPA volunteers who would be willing to serve on standard-setting panels and able to participate in an August 2010 two-day meeting in Chicago, IL at the expense of the AICPA. Please help us identify prospective panelists by nominating CPAs who:

- have been licensed for between three and five years
- have supervised entry-level CPAs during the past year, and
- have NO affiliation with CPA Examination review courses.

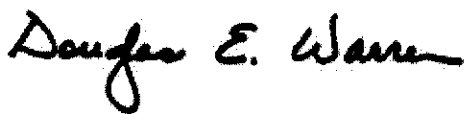
The nomination process is streamlined, and multiple nominations – as well as self-nominations – are welcome. Nomination forms are available at <http://vovici.com/wsb.dll/s/4e5ag3f124>. Completed forms may be submitted online – or by FAX to 609-671-2922 – or the names of nominees and contact information may be submitted by e-mail to [passingscorepanel@aicpa.org](mailto:passingscorepanel@aicpa.org). We ask that nominations be provided by March 31, 2010.

The information collected about nominees will remain secure and will be used solely for the purpose of identifying prospective standard-setting panelists. Panelists will be selected with the goal of ensuring broad representation of all segments of the profession and demographic categories.

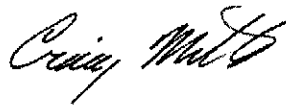
We are providing an announcement in the hope that you will be able to publish it in your newsletter, or post it on your website, or distribute it as an e-mail attachment to anyone able to submit nominations. The work of the panels will be extremely important to the continued success of the CPA Examination and its role in the CPA licensure process. Thank you in advance for helping to identify CPAs who have both the required qualifications and the willingness to contribute their time and expertise to standard-setting.

We would be happy to provide additional information about any aspect of standard-setting and to respond to questions.

Sincerely,



Douglas E. Warren, CPA  
Chair, Board of Examiners



Craig N. Mills, Ed.D.  
Vice President - Examinations

**THE AICPA EXAMINATIONS TEAM IS SEEKING  
CPA NOMINEES TO SERVE ON CPA EXAMINATION PANELS**

When the new Uniform CPA Examination is launched on January 1, 2011, changes in content, format, and structure will be introduced. These changes will require the current passing score to be re-examined. The process to do so will include convening four panels of CPAs – one for each examination section – to prepare the groundwork for the passing score decision by the AICPA Board of Examiners. A new passing score determination is necessary in conjunction with the new examination to ensure that legally defensible CPA Examination pass/fail decisions continue to be made in protection of the public interest.

**Panel Nominees**

The AICPA is seeking nominations for passing score panel membership. Nominees should be CPAs who:

- have been licensed for between 3 and 5 years
- have supervised entry-level CPAs during the past year
- have NO affiliation with CPA Examination review courses, and
- are willing to participate in an August 2010 two-day meeting in Chicago, IL at the expense of the AICPA.

The selection of panelists from among qualified nominees will be made to ensure broad representation from all segments of the profession and demographic categories. Panelists will be given training at the August meetings on their responsibilities as panel participants.

**Submitting Nominations**

Nominations may be submitted online at <http://vovici.com/wsb.dll/s/4e5ag3f124> or the forms completed and returned by FAX to 609-671-2922. Or, the names and contact information of nominees may be sent by e-mail to [passingscorepanel@aicpa.org](mailto:passingscorepanel@aicpa.org). The information collected about nominees will be used only for the purpose of selecting panel participants.

**The deadline for submitting nominations is MARCH 31, 2010.**

**PLEASE SUBMIT AS MANY NOMINATIONS AS YOU CAN AND URGE YOUR  
COLLEAGUES TO DO THE SAME. THANK YOU!**

## **PCAOB Addresses Emerging Audit Issues In 2010 Forum on Auditing in the Small Business Environment**

**Washington, DC, March. 5, 2010** – The Public Company Accounting Oversight Board today announced the 2010 schedule of its Forum on Auditing in the Small Business Environment. The first of seven events will be held on Thursday, April 29, in Charlotte, N.C.

As in the past, the forums are designed to share important information about PCAOB activities with registered public accounting firms operating in the small business community. They also provide a unique opportunity for PCAOB Board members and staff to hear the comments and concerns of auditors working with small businesses.

"This year's forum is particularly valuable to both the PCAOB and the audit firms working in the small business community, because of the difficult financial reporting issues that arise in the current economic environment," said PCAOB Board Member Bill Gradison, who will be hosting the Charlotte forum.

The 2010 forum agenda features several case studies and the following discussion topics that address audit issues for small business public clients:

- Current economic issues and trends
- Auditing Standard No. 7, Engagement Quality Review
- Proposed standards on risk assessment
- Auditing internal control over financial reporting (ICFR) for non-accelerated filers
- Information technology issues
- Future standard-setting priorities
- Recent implementation of annual and special reporting rules

In addition, staff from the U.S. Securities and Exchange Commission Division of Corporation Finance will provide an update on recent SEC activities and observations of common financial reporting issues facing smaller public companies.

"The Small Business Forum is an effective way to share timely information about PCAOB activities with smaller audit firms," said Daniel L. Goelzer, PCAOB Acting Chairman. "In addition, the forum provides an opportunity for auditors to discuss with us issues facing the small business community."

Each forum is hosted by a member of the PCAOB Board and is open to PCAOB registered firms. There is no fee charged to participate in these events but pre-registration is required. Attendees also have the opportunity to earn continuing professional education credits.

The PCAOB held its first Small Business Forum in late 2004 and has continued to hold forums since that time in cities across the country meeting with more than 3,700 representatives of smaller registered accounting firms.

Feedback received from these forums assists the PCAOB to understand and consider the unique needs and challenges of the small business community in its inspection and standard-setting processes.

The 2010 schedule is as follows:

- Charlotte, N.C. – April 29, 2010

- San Francisco, Calif. – May 20, 2010
- New York, N.Y. – July 29, 2010
- Jersey City, N.J. – July 30, 2010
- Irvine, Calif. – September 30, 2010
- Dallas, Texas – November 2, 2010
- Miami, Fla. – December 1, 2010

For more information, including a detailed agenda, please visit the Forum on Auditing in the Small Business Environment on the PCAOB Web site. If you have further registration questions, please contact Margaret Hopkins at [forum@pcaobus.org](mailto:forum@pcaobus.org) or (202) 207-9081.

**Media Inquiries: Public Affairs, 202-207-9227**

**CBT Steering Group**  
**CPA Exam**  
**Quarterly Summary Report to the State Boards**  
**Fourth Quarter, 2009**

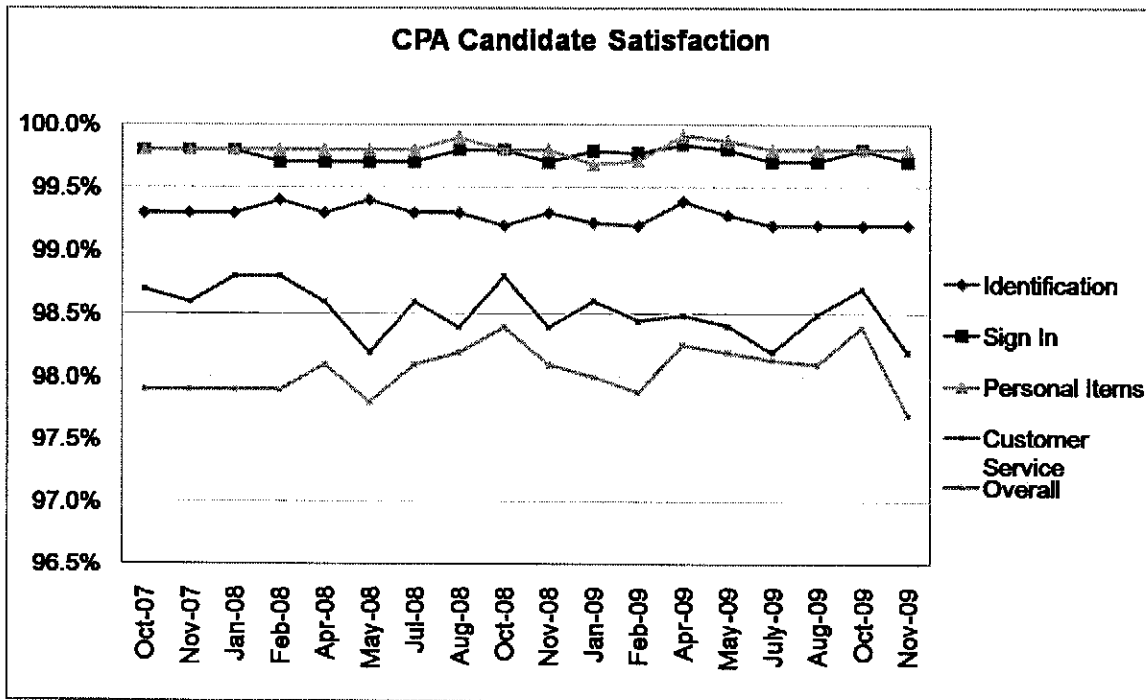
**Executive Summary**

Fourth quarter 2009 volume for the exam was 5.3% above fourth quarter 2008, with a total of 75,261 exams delivered. This brings the total number of computer-based exams delivered to date to 1,149,948. The Exam platform was stable and the frequency and severity of technical issues was small. Candidate Satisfaction remains high, and test availability and testing patterns remain consistent.

Testing for the CPA Exam and other types of licensure and certification exams has historically shown growth during poor economic conditions, so it was anticipated that CPA Exam volumes would increase during 2009. However, the growth rate for the fourth quarter was more moderate, as was expected (5.3% versus 8.1% for the third quarter).

## Candidate Satisfaction

Overall candidate satisfaction continues to hover around the 98% mark, with the subset indicators remaining fairly consistent.



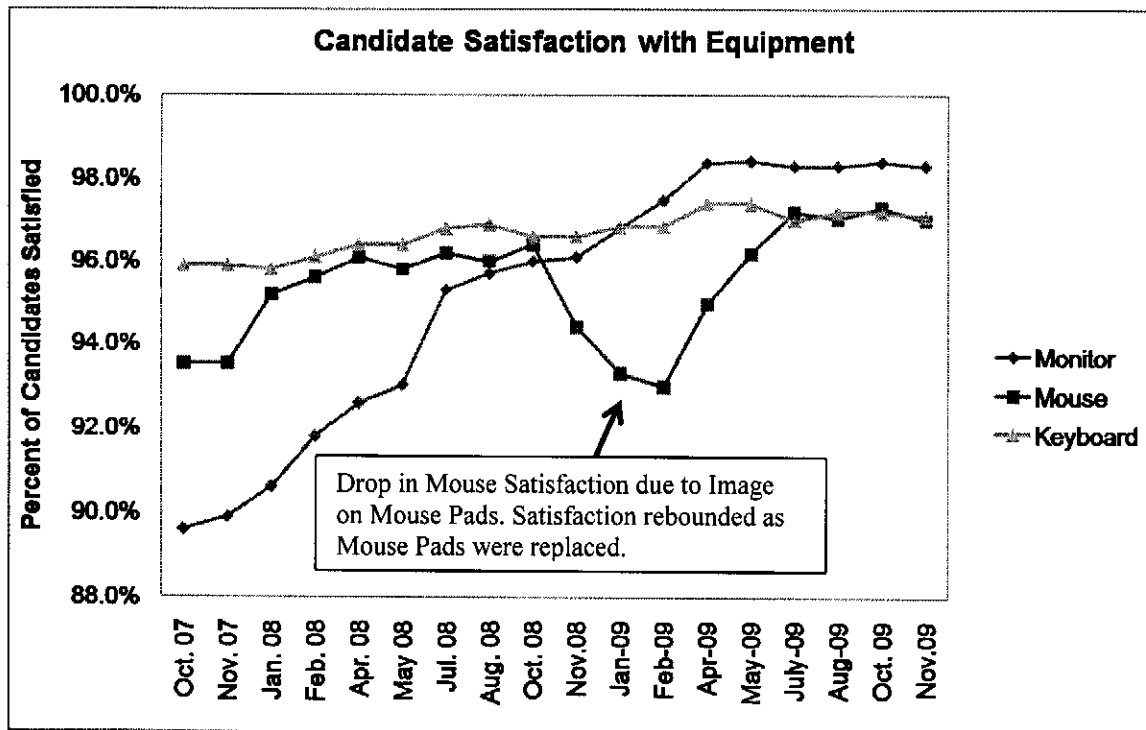
**NOTE:** In order to provide better definition among the data points, the scale of this graph has been adjusted to show the upper end of the comparative scale.



## Equipment Satisfaction

Candidates are satisfied with the equipment at the testing centers with satisfaction well above 95% for the past several quarters.

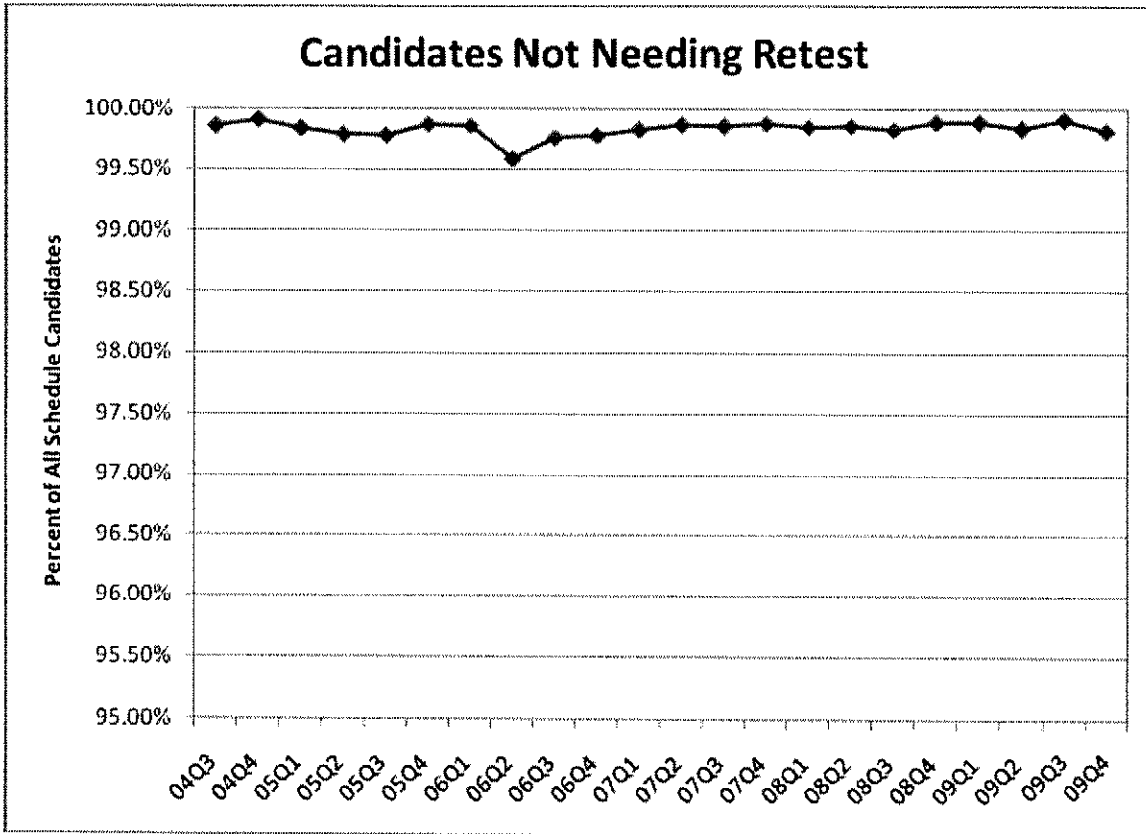
The recent two-percentage-point drop in satisfaction with computer mouse equipment abated in 09Q2. It was determined that the root cause of this negative trend was new Prometric mouse pads recently distributed throughout the company's test centers; the graphic on the pads interfered with the functionality of the optical mouse sensors, causing the cursor to fail to keep pace with candidates' mouse movements. The pads have been replaced with a new design, and the mouse satisfaction scores are now back in line with those previously recorded.



**NOTE:** In order to provide better definition among the data points, the scale of this graph has been adjusted to show the upper end of the comparative scale.

## Test Availability

The Exam continues its high degree of technical reliability over the course of its history, with 99.91% of all 09Q3 candidates able to complete their tests as scheduled.

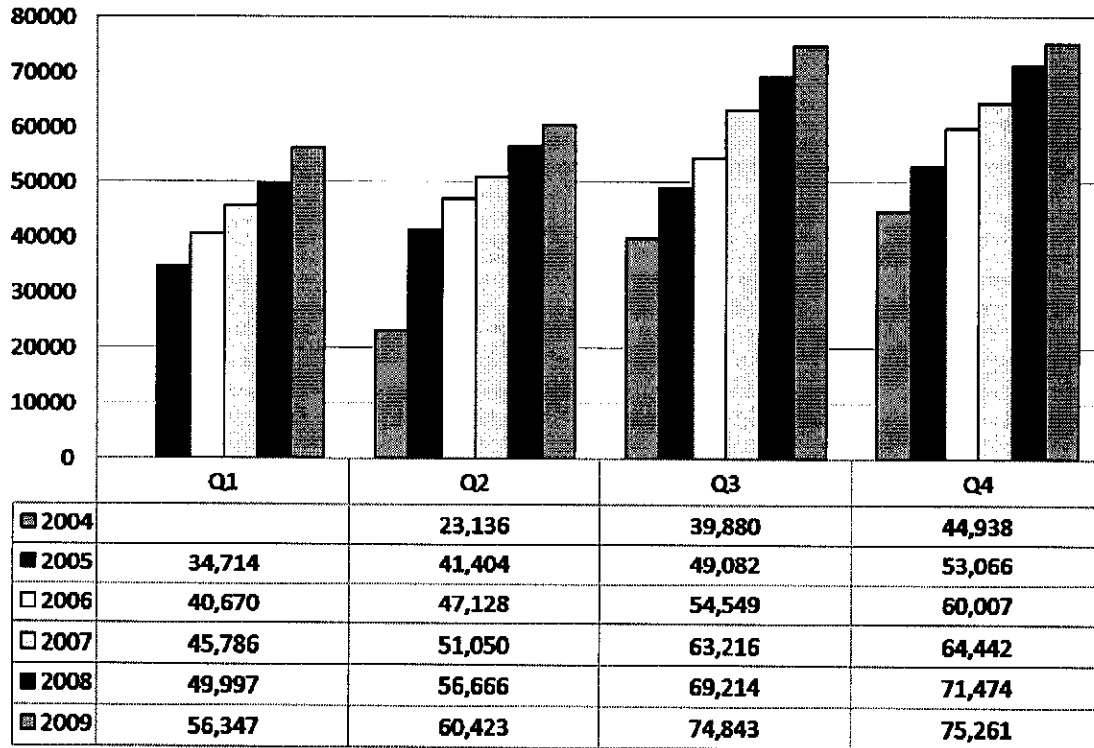


**NOTE:** In order to provide better definition among the data points, the scale of this graph has been adjusted to show the upper end of the comparative scale.

## Volume

The candidate volume for 09Q4 was 75,261 – which represents an 5.3% increase over the same period in 2008. This result continues the ongoing growth trend that has been experienced for some time.

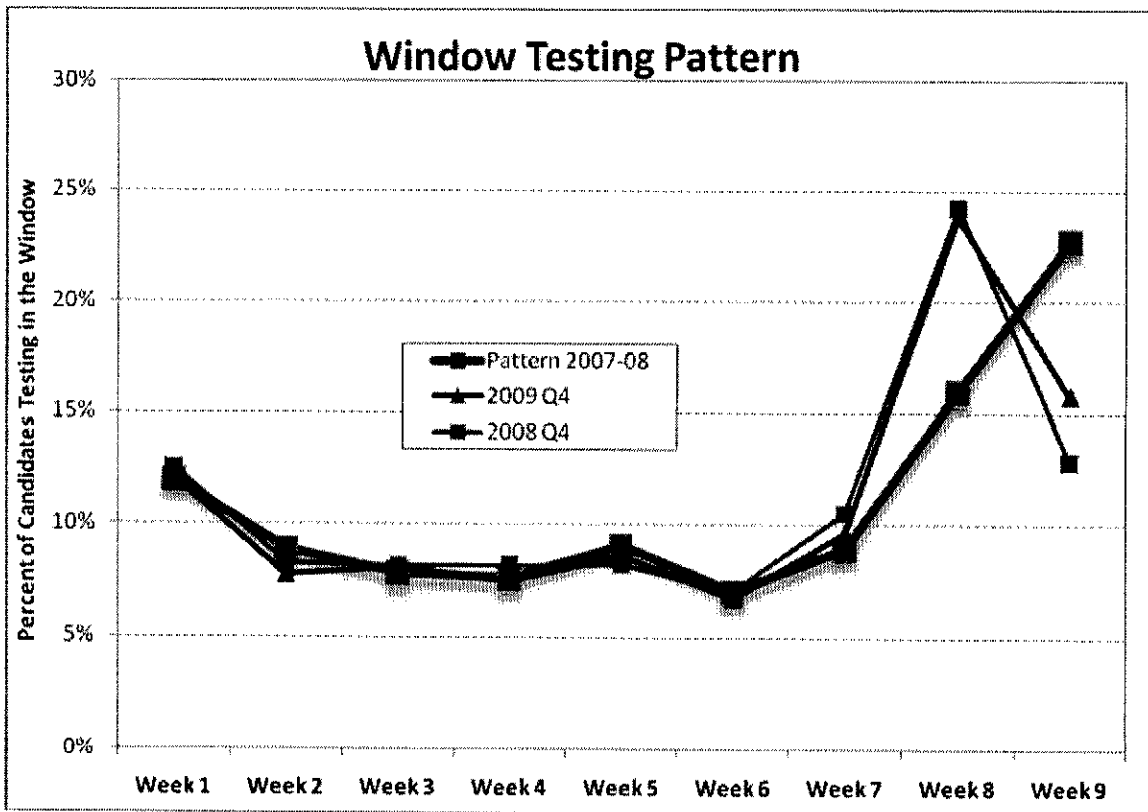
**Window-over-Window Total Volume**



## Testing Patterns

The graph below shows the percent of candidates testing each week within a given window. The dark line shows the average percentage for each week across all windows in 2007 and 2008 – which represents the typical candidate scheduling pattern.

The patterns for 08 Q4 (shown in blue) and 09 Q4 (shown in red) closely follow the broader pattern except for the last two week. Both windows show a spike in week 8 followed by a compensating fall in week 9 – a typical pattern for fourth quarters.



## **Looking Forward**

Candidate volume levels grow throughout 2009 despite overall poor economic conditions – although growth rates have declined. The fourth quarter was characterized by strong exam performance and Candidate Satisfaction. No equipment issues have been experienced.

As of October 2009, all workstations in Prometric's Global AP&C Network have been upgraded to LCD Monitors. This move provides an overall better-quality display for candidates and more space in the testing work areas for scratch paper. It also eliminates "screen flickering" complaints and gives the test centers a more modern, state-of-the-art look.

# NASBA

National Association of State Boards of Accountancy

150 Fourth Avenue North, Suite 700 Nashville, TN 37219-2417 Tel 615/880-4200 fax 615/880-4290  
Web [www.nasba.org](http://www.nasba.org)

**CANDIDATE CARE DEPARTMENT**

**CANDIDATE CONCERNS**

**09Q4**

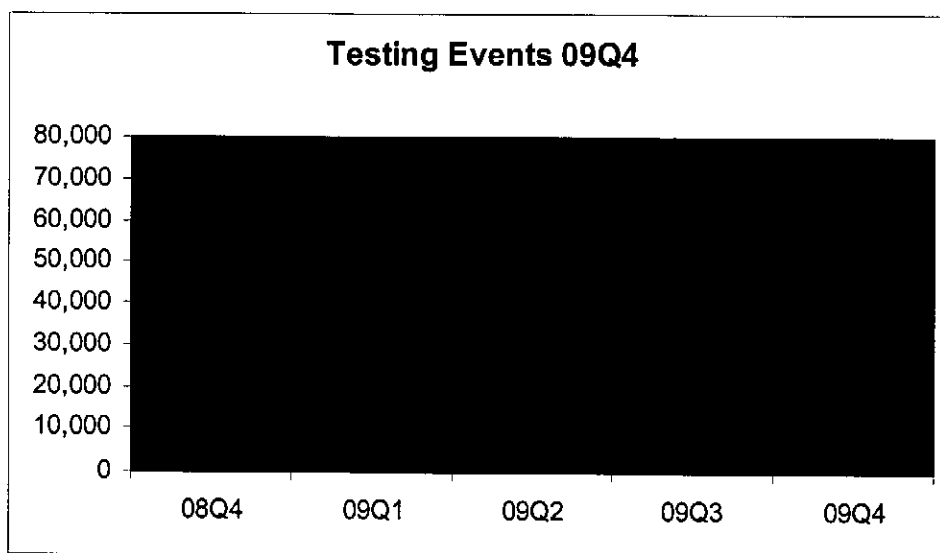
**OCTOBER 01- NOVEMBER 30, 2009**

**Penny Vernon, Manager**  
**Eletta Niles, Security Specialist**  
**Bruce Costain, Candidate Advocate**

**NASBA'S CANDIDATE CARE DEPARTMENT  
CANDIDATE CONCERNS  
09Q4  
OCTOBER 01-NOVEMBER 30, 2009**

**(Draft)**

**This report highlights concerns expressed by CPA candidates to NASBA's Candidate Care Department during the fourth window of the 2009 administration of the CPA Examination.**



**Calculator Issue:**

**At the beginning of the 09Q4 window candidates began reporting a new functionality issue with the onscreen calculator.**

**While testing, when a candidate clicked the calculator icon on the helm the calculator would not 'pop-up'.**

**Some candidates reported that if they moved on to the next question and returned to the initial question, the calculator would then appear.**

**Many candidates simply could not get the calculator to appear, gave up trying, and used the scratch paper for manual calculations. They reported to NASBA that this caused frustration and time loss.**

**This difficulty occurred across all sections and question types (MCQs & Simulations).**

**The issue was investigated by the AICPA and Prometric. It was determined that the description presented by the candidates indicated that this was a “Z-order” issue. The term “Z-order” refers to the order of objects along the A-axis. It was further realized that this issue was occurring on local workstations where SP2 software had been loaded.**

**It was decided that candidates, who reported difficulty using the on-line calculator to NASBA, would be offered free retests.**

**In addition, it was decided that if a candidate reported an issue with the calculator to the TCA, they would be given a hand-held calculator.**

**The AICPA plans to start distribution of new Plugins on 3/1/10. Prior to 4/1/10 Prometric will ensure all SP2 workstations will have the new Plugins.**

### **Spreadsheet Tutorial:**

**NASBA’s Candidate Care Department received an increase in the number of concerns regarding an inability to use the spreadsheet in the Simulations.**

**The AICPA updated the spreadsheet tutorial and added screens to explain how to clear a cell and also to illustrate the longer spreadsheet. Additional edits were made to existing screens so the image more closely reflects the descriptive text.**

### **Confirmation of Attendance:**

**Candidates often hit the ‘quit’ button when they are finished taking the examination instead of the ‘continue’ button which takes them to the survey. When they hit the ‘quit’ button and go to check-out, the screen on the TCA’s administrative computer indicates that the exam is incomplete (this is due to the fact that the candidate did not complete the survey.)**

**Candidates become concerned that their examinations were not transmitted or that part of their testlets may not have been saved.**

**These candidates are encouraged by Prometric to contact NASBA’s Candidate Care Department for reassurance. We are able to check the candidates’ files and report back to the candidates that all of their answers were captured, saved and successfully transmitted to the AICPA for scoring.**



## SUMMARY OF CANDIDATE CONCERNS:

<b>Mantis Categories &amp; Totals</b>	
<b>Window</b>	<b>09Q4</b>
<b>Category</b>	
AICPA & Test Content	28
Calculator	38
Candidate Error	40
Confirmation of Attendance	78
Environment	36
Latency/Time Loss	3
Other	19
Prometric Scheduling Issues	12
Prometric Site Issues	30
Security/ID Issues	7
Software - Auth. Lit.	29
Software - error messages	7
Software - other	3
Technical - shutdown	71
Technical - other	15
<b>Total – Mantis</b>	<b>416</b>
Coordinator followup	112
CPAES & NCD	206
<b>TOTAL</b>	<b>734</b>
Total Testing Events	69,820

**\*Note: The Coordinator Follow-up and CPAES & NCD categories primarily consist of inquiries made by candidates with questions and/or concerns about the entire process of taking the CPA Examination. Each is responded to either directly by the Candidate Care Department or transferred to the appropriate examination coordinator for follow-up.**

### **Mantis:**

**At the start of the 06Q3 window Candidate Care began archiving candidate emails electronically to replace the previous system of printing and filing hardcopies of the correspondence.**

**With respect to a candidate's concern, the electronic archiving allows for email correspondence from a variety of sources to be entered. These sources include the candidate, NASBA, the AICPA, Prometric, the Board and are compiled and kept together concisely under the particular item. Included in the record are the dates and times of the correspondence.**

**In addition, the Mantis record keeping system allows for the expeditious retrieval of concerns as well as total number summaries. This is achieved through the use of 'filtering' based on a variety of key categories: such as, candidate's name, CES number, category of concern, section, examination date, window and jurisdiction.**

**The structure of the Mantis template permits ease of data entry thereby allowing records to be kept current whether the status is either "open" or "resolved".**

### **Gateway:**

**At present State Boards of Accountancy have access to Gateway for viewing "CPRs". Additionally, Boards can benefit by keeping current through accessing Gateway 'Notes' where they will find notations pertaining to:**

- Whether a candidate has contacted Candidate Care; and if so, a summary of the outcome and resolution.**
- Whether a candidate's issue warranted consideration of a free retest. And if so, the status of the offer as it progresses from contacting the candidate with the offer to noting whether the candidate accepted or declined the offer.**
- Notations of an NTS eligibility extension and the accompanying reason for the extension.**
- Each issue is identified and specified through the recording of the section, it's related ID number, plus the date of the examination.**

### **Conclusion:**

**NASBA's Candidate Care Department is preparing for the launch of the CBT-e in 2011. Currently candidates with questions are being referred to the appropriate resources.**

**We continue in our mission to provide support and act as advocates for your candidates and welcome any suggestions that may assist us in doing so.**

**If you have any questions or concerns please contact Penny Vernon at [pvernon@nasba.org](mailto:pvernon@nasba.org) or directly at 615-880-4209.**

**FOR IMMEDIATE RELEASE**

**CONTACT:**

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**NASBA Signs CBT Agreement with Partners AICPA and Prometric**

NASHVILLE, TN (March 5, 2010) –The National Association of State Boards of Accountancy, Inc. (NASBA) announced today the signing of an amended and restated Computer Based Testing (CBT) Agreement between NASBA, the American Institute of Certified Public Accountants (AICPA) and Prometric.

David Costello, CPA, President and CEO of NASBA, and Billy Atkinson, CPA, 2009-2010 NASBA Chair, represented NASBA as signatories on the agreement. The signing took place on Thursday, March 4, in New York, NY.

The CBT Agreement is consistent with the terms and conditions that were shared with State Boards of Accountancy during NASBA's 2009 Annual Meeting. One of the key provisions extends the term of the Agreement to 2024.

"NASBA looks forward to a continued and successful relationship with our partners, AICPA and Prometric, and is pleased to participate in an examination agreement that provides further confidence in the marketplace as to quality of content, delivery and administration," said Costello.

**About NASBA**

Celebrating 102 years of service, the National Association of State Boards of Accountancy (NASBA) serves as a forum for the nation's state boards of accountancy, which administer the Uniform CPA Examination, license over 600,000 certified public accountants and regulate the practice of public accountancy in the United States. NASBA's mission is to enhance the effectiveness of state boards of accountancy in meeting their regulatory responsibilities. The Association promotes the exchange of information among the accountancy boards, serving the needs of the 55 U.S. jurisdictions.

NASBA is headquartered in Nashville, TN, with a satellite office in New York, NY and a Computer Testing Center in Guam. To learn more about NASBA, visit [www.nasba.org](http://www.nasba.org).

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# **National Association of State Boards of Accountancy, Inc.**

**Meeting of the Board of Directors  
October 30, 2009 – Desert Ridge JW Marriott – Scottsdale, AZ**

## 1. Call to Order

A duly scheduled meeting of the Board of Directors of the National Association of State Boards of Accountancy was called to order by Chair Thomas J. Sadler at 9:10 a.m. on Friday, October 30, 2009 at the Desert Ridge JW Marriott in Scottsdale, Arizona. He offered NASBA's condolences to Director-at-Large Kathleen Smith, whose father had recently passed away, and to former Director-at-Large Will Pugh, whose wife had just passed away.

## 2. Report of Attendance

President David A. Costello reported the following were present:

### Officers

Thomas J. Sadler, CPA (WA), Chair  
Billy M. Atkinson, CPA (TX), Vice Chair  
Samuel K. Cotterell, CPA (ID), Past Chair  
Leonard R. Sanchez, CPA (NM), Treasurer, Director-at-Large  
Gaylen R. Hansen, CPA (CO), Secretary, Director-at-Large

### Directors-at-Large

Walter C. Davenport, CPA (NC)  
Sally Flowers (CA)  
Richard Isserman, CPA (NY)  
Theodore W. Long, Jr., CPA (OH)  
Robert A. Pearson, CPA, Esq. (MO)  
Kathleen J. Smith, CPA, Esq. (NE)

### Regional Directors

Donald H. Burkett, CPA (SC), Middle Atlantic  
Claireen L. Herting, CPA, Esq. (IL), Great Lakes  
Carlos E. Johnson, CPA (OK), Southwest  
Kenneth R. Odom, CPA (AL), Southeast  
Harry O. Parsons, CPA (NV), Mountain  
E. Kent Smoll, CPA (KS), Central  
Laurie J. Tish, CPA (WA), Pacific  
Michael Weinshel, CPA (CT), Northeast

### Executive Directors' Liaison

Edith Steele (OK)

### Member Absent

Mark P. Harris, CPA (LA), Director-at-Large (joined briefly by phone)

### Guests

Michael T. Daggett, CPA (AZ) – Nominee Vice Chair

David Duree, CPA (TX) – Nominee Southwest Regional Director

Telford A. Lodden, CPA (IA) – Nominee Central Regional Director

Daniel Sweetwood (NE) – Executive Directors' Liaison 2009-10

### Staff

David A. Costello, CPA, President and Chief Executive Officer

Joseph T. Cote, CPA, Executive Vice President and Chief Operating Officer

Ken Bishop, Senior Vice President

Alfonzo Alexander, Chief Relationship Officer

Ed Barnicott, Chief Technology Officer

Michael R. Bryant, CPA, Chief Financial Officer

Louise Dratler Haberman, Director - Information and Research

Thomas G. Kenny, Director – Communications

Troy A. Walker, CPA, Controller

Noel L. Allen, Esq., Legal Counsel

### 3. Approval of Minutes

NASBA Secretary Gaylen Hansen presented the minutes of the July 17, 2009 meeting. On a motion by Ms. Herting, seconded by Mr. Davenport, the minutes of the July NASBA Board of Directors' meeting were approved with corrections.

### 4. Report of the Chair

Chair Sadler reported Nicholas Mastracchio (NY) had been appointed to the Examination Review Board and Gaylen Hansen (CO) had been reappointed to the Public Company Accounting Oversight Board's Standing Advisory Committee and to the AICPA's Professional Ethics Executive Committee.

He briefly summarized the meetings attended by NASBA representatives over the past quarter:

- President Costello made a presentation to IFAC's conference on the G-20 meeting.
- On August 14 NASBA and AICPA leaders met for their biennial summit.
- Messrs. Allen and Sadler met on August 4 with representatives of The Accountants Coalition to discuss "piling on."
- The AICPA Council Meeting was attended by Messrs. Atkinson, Costello and Daggett.
- A meeting was held with Director of the IRS Office of Professional Responsibility Karen Hawkins, Chair Sadler, President Costello and NASBA Director of Government Relations Linda Biek.

-The 100<sup>th</sup> anniversary of the Missouri Board of Accountancy was attended by Chair Sadler and Mr. Bishop.

- The second Forum of International Accounting Regulators was very well rated and included 25 foreign representatives.

- Mr. Allen developed two very effective amicus briefs for NASBA in support of the PCAOB and of the Texas Board.

- Mr. Atkinson and Mr. Costello are scheduled to make a presentation at the AICPA's SEC Conference in December 2009.

Mr. Hansen asked what NASBA's position was on the IRS registration of tax preparers. President Costello said NASBA would not oppose such registration, but would not want to have CPAs retested. Chair Sadler said that during NASBA's meeting with Ms. Hawkins, he had reported on three years of disciplinary actions taken by the Washington Board, which surprised her. President Costello added that, during the meeting, he told the IRS that NASBA has significant experience with registration systems and could help them if they wanted assistance.

## 5. Report of the President

President Costello called on Executive Vice President Cote to assist in his presentation reviewing NASBA's current operations. He referred the Board to the 2009 Annual Report's theme: "Opening Doors." He said this metaphor would be used throughout the Annual Meeting and reflects what NASBA has been doing throughout the year.

The Forum of International Accounting Regulators (FIAR) evidenced that NASBA was opening the doors to the world. President Costello called it an outstanding conference and summarized the presentations. Mr. Cote said representatives from the Philippines who attended FIAR told NASBA they needed help with their regulation and he would follow up on that conversation.

President Costello had told the Financial Accounting Foundation that NASBA has concerns about IFRS. He pointed out the IASB is neither independently composed nor financed. Misinformation about adoption of IFRS is rampant, he said, as only about 47 countries have fully adopted IFRS as issued by the IASB, and their combined GDP is equal to only approximately 4 percent of the world's GDP.

A mutual recognition agreement with the New Zealand Institute of Chartered Accountants (as approved by the NASBA and AICPA Boards of Directors in July) had been signed on August 12 by NASBA/AICPA International Qualifications Appraisal Board Chair William Treacy, NZICA President Linda Turner and NZICA CEO Terry McLaughlin, and sent to the State Boards for their adoption. IQAB is currently working on an agreement with the Hong Kong Institute of CPAs, President Costello said.

Progress with the extension of the AICPA/NASBA computer-based-testing agreement is being made, Messrs. Costello and Cote reported, as well as the plan for international delivery of the Uniform CPA Examination. Pilot sites for the examination are being considered in Japan, Lebanon, Israel, Bahrain and the United Arab Emirates. In mid-January 2010 a decision on the sites is expected. Currently revenue and expense ratios for the international examination are being worked on.

Vice President Cote reported NASBA had its best operating year, with revenues of \$31.5 million, compared to expenses of \$30 million. CPA Examination Services continues to be strong, as do candidate fees, and Professional Credential Services is doing better each year, he said.

A video showing highlights of the CPE Expo was presented by President Costello. NASBA staff is planning for next year's conference in Boston to combine a focus on ethics, leadership and continuing professional education, he said. He told the Board NASBA's losses directly attributable to the CPE Expo totaled \$250,000, with other marketing costs of another \$230,000. Vice President Cote recalled attendees had praised it as a high quality event, but attendance figures did not reach the 1,000 projected. He said he was optimistic about future conferences, which will continue to showcase National CPE Sponsor Registry members.

The Board discussed factors that worked against the Expo's success including bad timing for tax accountants, the economic downturn, lack of support from certain state societies, and length of the event. President Costello said all these factors are being weighed by staff and the conference will be revamped and retooled. He will bring conference details to the next Board meeting.

For the fifth year in a row, NASBA has been named one of the best places to work by the *Nashville Business Journal*, President Costello reported. He noted the results of several recent employee contests: NASBA logo contest won by Brandi Ray, and favorite reading lists from Carolyn Hobson, Sheena Murphy and Kathryn Turner.

#### 6. Report from Vice Chair

Vice Chair Atkinson reported he had attended the American Accounting Association's Annual Meeting in August, with Education Committee Chair Melanie Thompson and NASBA Chief Relations Officer Alfonzo Alexander. Mr. Atkinson said he had good interaction with the AAA's executive committee and had told them to expect to address NASBA meetings on a recurring basis. He had attended the summit meeting with the AICPA in Durham and had spent a week in Nashville becoming better acquainted with NASBA staff and committees. Vice President Atkinson had also attended FIAR, the CPE Expo and the AICPA Council Meeting.

#### 7. Report of the Administration and Finance Committee

Treasurer Sanchez reported NASBA had a great year. The A&F Committee met on September 28, primarily to review the final audited financial results. He thanked Messrs. Bryant, Walker and their staff for their work. NASBA had experienced the highest level of operating income in its history. Revenue increased 11.3 percent over the prior year, while expenses were up 10.3 percent. Income before investments was \$1.5 million, Mr. Sanchez reported, and there was a \$700,000 investment loss. Overall there was \$800,000 net excess for the year, he said.

Mr. Burkett asked where the losses from CPE Expo were shown. Treasurer Sanchez said that the expense was incurred in September 2009, when the event was held; consequently the losses will be recorded in the fiscal year ending July 31, 2010.

A draft of a revised investment policy had been distributed to the Board. Mr. Bryant explained it included changes suggested by NASBA's investment adviser, Jim Meek, which had been reviewed and edited by the Investment Committee, the A&F Committee and Noel Allen, before presentation to the Board in the current proposed version. Mr. Sanchez moved that the investment policy as presented be approved for adoption by the board and Mr. Weinschel seconded. All approved the revised policy.

## 8. Report of the Audit Committee

Mr. Davenport reported the Audit Committee had met twice during the year. The initial meeting was a planning meeting with the independent auditors. The second meeting occurred on September 29, 2009, for the purpose of reviewing and accepting the completed audit report. NASBA received an unqualified opinion from the outside auditors. The only issue of significance that arose was the appropriate treatment of expenses in excess of revenues that had resulted from the post-year end CPE Expo. In light of NASBA's accounting policy of conference event revenue and expense, it was determined that recognition should not occur until the event has taken place. CFO Bryant explained that this policy has been followed historically for all NASBA conferences. Ms. Tish added that such treatment complies with GAAP. Vice Chair Atkinson reported the A&F and Audit Committees had held healthy discussions about this issue.

The Audit Committee met with the outside auditors, without the presence of management, and were comfortable with the discussions, Mr. Davenport stated. He made a motion that the Board accept the report of the Audit Committee and their recommendation that Lattimore Black Morgan & Cain be reappointed to provide NASBA's 2010 auditing services. Mr. Johnson seconded.

In 2007 the Audit Committee had looked at the qualifications of Lattimore and determined they were an excellent, well-recognized firm, Mr. Johnson, who chaired the Audit Committee at that time, recalled. He added that in 2007, in a meeting with the auditors without management present, the Audit Committee had asked that the audit partner assigned to NASBA be rotated. CFO Bryant indicated he was not aware of that being a directive of the Audit Committee, although consideration had been given to the need for rotation in several prior years' meetings. Chair Sadler asked that this point be considered by the Audit Committee for next year.

Vice Chair Atkinson asked that the motion be amended to state that NASBA retain Lattimore Black with the understanding that there be partner rotation this year. Mr. Isserman opined that the motion made was not relevant to the signing of the engagement letter, although he did agree it was good policy to rotate the partner after 10 years. President Costello cautioned the Board against directing the Audit Committee. Vice Chair Atkinson agreed that the Audit Committee should consider the recommendation for the next meeting. Past Chair Cotterell said while he favored the recommendation, it was an item the Audit Committee could handle. The motion, as originally stated, was approved by all.

Mr. Hansen suggested that the engagement of the outside auditor should be decided in advance of the printing of NASBA's Annual Report. In the 2009 Annual Report the recommended retention of Lattimore appears on page 48. Mr. Isserman saw no reason for the Audit Committee's recommendation for the next year's auditor to appear in the Annual Report. Ms. Tish agreed that the recommendation is to the Board and does not need to appear in the Report.

## 9. Report on the Examination Contract Extension

Vice President Bishop directed the Board to the PowerPoint in the 2009 Annual Meeting's materials. He pointed out that when the computer-based-testing contract was formulated, nine states noted their concerns. Mr. Bishop said most of those concerns have been taken care of by the NASBA/AICPA negotiating team in this extension of the contract with the



AICPA. A ten-year extension of the AICPA's contract is being developed, with significant control of the examination assigned to NASBA, he said. There will be five-year look backs he stated. Prometric's existing contract, which runs until 2014, will not be looked at until 2012, Mr. Bishop said.

Under the extended contract, NASBA will submit 1.5 times the number of nominees for existing openings on the AICPA Board of Examiners. NASBA will have the majority on the BOE, Mr. Bishop assured the NASBA Board, and every other BOE Chair appointed will be a NASBA BOE member.

Ms. Smith said it did not appear that NASBA has control of the cost of the Uniform CPA Examination. She asked about the budgeted expense for the exam. Mr. Bishop said that would be a consistent rate into the future. Executive Vice President Cote thought the future increased volume from international candidates should bring the cost down to domestic candidates.

Mr. Bishop said the AICPA is looking for more NASBA volunteers with different skill sets to serve on the BOE and its committees and task forces.

#### 10. Report of the Compliance Assurance Committee

Via phone, Compliance Assurance Committee Chair Harris reported his committee had met via conference call on October 5. The peer review system in place in 10 countries is being studied by the group, and they are considering how some of the other countries' best practices could be emulated in the United States. Over the last five years, the transparency of the AICPA's peer review program has increased, but improvements still need to be made, Mr. Harris observed. The State Boards still lack oversight of the AICPA's program. The Committee submitted a report to the NASBA Board stating their concerns, with the expectation that it would be posted on the NASBA Web site so that the AICPA Peer Review Board would address those concerns.

Chair Sadler agreed that transparency had improved, but it is still far from what NASBA would like. In January 2009, CAC Chair Harris wrote to the AICPA's Peer Review Oversight Task Force chair to offer assistance with their oversight process and he has received no response, Mr. Sadler said. He suggested that the submitted Compliance Assurance Committee's report be issued unilaterally to the State Boards for their consideration. He commended Mr. Harris on the excellent report. President Sadler noted Janice Gray has been appointed to be the State Boards' representative on the AICPA Peer Review Board and Alicia Foster and Rob Zurich are to serve as the Boards' representatives on the National Peer Review Committee.

There is a perceived lack of independence in the peer review oversight process, Mr. Harris said. A fully independent Peer Review Oversight Board is called for in the Committee's report. In Ontario, there is a 20-member oversight panel, all government appointees, a majority of whom are not members of the profession, he noted.

Mr. Odom made a motion to accept the Compliance Assurance Committee's report, then share it for a comment period with the AICPA Peer Review Board, and finally post the report on the NASBA Web site. The motion was seconded by Mr. Smoll and all voted in favor. Chair Sadler said he believes this would be a way to move the dialog forward.

## 11. Report of the Regulatory Response Committee

Regulatory Response Committee Chair Isserman reviewed the three comment letters drafted by the Committee in the last few months. One was to the Securities and Exchange Commission, another drafted to State Boards in response to the AICPA's Accounting and Review Services Committee's (ARSC) intention to disregard an earlier NASBA comment letter to ARSC about their proposal to permit non-independent review services, and the third to the AICPA Professional Ethics Executive Committee (PEEC).

The letter sent to the SEC was along the same lines as the one sent to them in February 2009, which was basically complimentary but asking them to focus on convergence. SEC Commissioner Mary Schapiro will be the deciding factor as to whether the SEC pushes forward with convergence or adoption of IFRS, Mr. Isserman said.

The letter to PEEC was developed with the assistance of Mr. Allen. It was in response to an omnibus proposal that included a definition allowing a CPA to share information without letting the client know the information was now in the public domain. If something is in the public domain, an academic researcher can find it without asking the CPA to release it, Mr. Isserman stated.

As for the letter drafted to the State Boards about ARSC's proposed non-independent review standards, he described it as a "letter in waiting." The appropriate action for the State Boards to take might be just a simple statement that no licensee may issue an assurance report if he is not independent, Mr. Isserman said, noting that Chair Sadler had spoken on this issue at the recent AICPA Council meeting.

Chair Sadler said he had told the Council that the non-independent review standard sets off a "confluence of conflict." It is in conflict with the Professional Ethics Executive Committee's ET 101-3 covering non-attest services. He maintained that the current standards have served the profession well for 30 years and the proposed change is unnecessary. However, he does believe compilation standards need to be updated.

President Costello reported that the AICPA had been alerted about the draft letter to State Boards and he had been asked by the Institute to hold up issuing it. After the NASBA Annual Meeting, AICPA will meet with a representative group from NASBA to come to an agreement on this matter. Mr. Hansen said the Boards should be determining independence, not ARSC. This needs to be conveyed to the AICPA, he said.

## 12. Report of the Education Committee

Vice Chair Atkinson reported the Ethics Committee had sent a comment letter to the International Ethics Standards Board, which was included in the Board's agenda materials. The NASBA white paper on 150/120 and comments on that paper have been archived, he noted. He distributed a report from the Education Committee on potential research regarding the 150-hour requirement, such as how many hours the candidates had when they took the exam.

At the August American Accounting Association Annual Meeting, Mr. Atkinson spoke to AAA Past President Gary Previts about a study similar to the "Horizon" study done in 1967 on accounting education. This would be in line with the U.S. Treasury Department's Advisory Committee on the Auditing Profession's report's recommendation to study the possible future structure of higher education for the accounting profession. Professor Previts estimated it would

involve five commissioners and work groups costing about \$75-100,000 for a three-year period, which would be followed by government funding. Vice Chair Atkinson said he believes NASBA should participate in the seed funding, as this would be a good way to affect change. The commissioners would be very independent people representing different professional bodies. Dr. Previts is drafting a proposal and Mr. Atkinson expects to meet with him. He anticipated there would be funding from other stakeholders as well, including AICPA.

### 13. Report of the Uniform Accountancy Act Committee

UAA Committee Chair Tish reported the NASBA and AICPA UAA Committees had held a joint conference call on September 24. Most of the discussion was on firm names, including fictitious names, common names and brand names. The UAA Committee is going to work on revising Model Rules to make any needed changes relative to firm names. The joint committee will meet in Chicago on November 18.

The NASBA UAA Committee voted to approve New Hampshire and Vermont as substantially equivalent states, based on legal counsel's recommendations reflecting recent law changes in both states.

### 14. Report of the Executive Directors' Committee

Executive Directors Committee Chair Steele reported the 2010 Executive Directors Conference will cover topics including: mobility, background checks, enforcement, and international CPA examination administration. The Committee will next meet on November 4, following the Annual Meeting.

### 15. Report of the CPA Licensing Examination Committee (CLEC)

Committee Chair Pearson said CLEC had received the management letter from the Examination Review Board (ERB) and the matrix, a 40- page document. CLEC held a conference call and determined the answers given to the ERB were adequate. They talked about the new cut score and the joint committee on international delivery. CLEC sent a letter to NASBA leadership about being able to get the demographic information needed to conduct a DIF (Differential Item Functioning) study.

The North Dakota Board had questioned if simulations offered any value in differentiating among candidates. The AICPA's psychometricians responded that they did make as much as a 30 percent difference, Mr. Pearson said. The simulations test the application of knowledge.

The Board of Examiners has projected the examination volume will continue to increase and expenses are being curtailed, Mr. Pearson said. Over 250,000 sections of the examination are now being administered and the numbers are expected to be stable through 2024.

There was a grading problem with the IQEX which changed the status of 21 candidates, moving 16 from fail to pass and five from pass to fail. Only one of the five had applied to a State Board for licensing. Mr. Pearson said the AICPA has put in new quality control measures and will reimburse the examination fees for those who passed. The AICPA attributed the errors to a new person being assigned to the IQEX grading.

Mr. Hansen referred to the letter sent by the Colorado Board to the Board of Examiners arguing against the inclusion of IFRS questions on the Uniform CPA Examination. It is questionable whether IFRS has the support of the profession and the public, he said, and including IFRS on the Examination is another way the AICPA is promoting IFRS. The Colorado Board's letter was sent to NASBA because NASBA has remained silent on this topic, Mr. Hansen said.

#### 16. Report of the Committee on International Administration of the Examination

Mr. Bishop said a separate contract with the AICPA is needed to cover candidates who opt to take the Uniform CPA Examination outside of the U.S., with contract terms coinciding with those for the domestic examination. The first international test sites will be in countries that have risk levels similar to the U.S. risk level. The AICPA will bear 70 percent of the costs for the international exam and NASBA will bear the other 30 percent. Mr. Bishop said he is meeting with AICPA Director of Examinations Craig Mills on revenue distribution from the international administration.

The cumulative start-up costs will be close to projections, Mr. Bishop said. There has been no significant pushback on allowing candidates to sit internationally, he noted. While the New Hampshire Board is concerned there will be increased licensure activity, the Alaska Board is enthusiastic about the project, Mr. Bishop said.

#### 17. Report of the Committee on Relations with Member Boards

Committee Chair Smoll reported the Regional Directors, during the previous day's meeting, had reviewed the Focus Question responses, topics to be discussed at the Annual Meeting Regional breakfasts, and potential Focus Questions for the next quarter. He asked members of the Board of Directors to submit their potential Focus Questions to the Committee. Mr. Smoll thanked the Committee members for their service throughout the year.

#### 18. Report of the Strategic Initiatives Committee

The Strategic Initiatives Committee has been monitoring publications on matters of interest to NASBA, Committee Chair Hansen reported. Many of the articles were centered on IFRS and what is happening with the IASB and IFAC. There was significant discussion of the AICPA's "Reliability Project." NASBA leadership has been forwarded relevant articles. Mr. Hansen said the Committee will be reformatted and combined with the Ethics Committee for the 2009-10 NASBA Committee year.

#### 19. Report of the Legislative Support Committee

Committee Chair Johnson reported the Committee had held a conference call on September 16. They reviewed their charge and the development of their Web page. Ways of better involving the Regional Directors in gathering information for the Web page were discussed, including utilizing their Focus Questions as a guide for obtaining current materials. Mr. Johnson said he will speak to Mr. Burkett, who will chair the Committee on Relations with

Member Board 2009-10, about involving the Regional Directors. He noted that information about California's recent legislation has been posted on the page.

Another issue the Committee has been following is the State Boards' lack of jurisdiction of the 550 Native American sovereign nations. Mr. Johnson said the Committee members are working with Ms. Biek, Director of Government Relations, to see what can be done. Federal agencies are referring cases to Boards about substandard audit work done on Indian lands and the Boards cannot do anything about that.

Access to the Committee's Web page is now limited to the Boards' executive directors. The Committee would like to open the page to the legislative director of each Board, or to someone who the Board appoints to that role. Asking the NASBA Communications Committee to become involved in promoting the page as a legislative resource has also been suggested and Mr. Johnson said he would be speaking to Ms. Flowers about that.

#### 20. Report of the Global Strategies Committee

Committee Chair Cotterell reported the Committee had focused its work on the second Forum for International Accounting Regulators, which had been reported on earlier, as were the other areas of the Committee's work.

#### 21. Report of the Bylaws Committee

Bylaws Committee Chair Herting noted that at the Board's July meeting they had approved Bylaws changes for consideration at the 2009 Annual Meeting. However, during subsequent conversations with legal counsel and others, the Committee determined the changes proposed did not sufficiently clarify the Bylaws.

Ms. Smith moved to table the items. Mr. Sanchez seconded.

Mr. Allen said the ambiguities that would be introduced by the changes could have unintended consequences in other sections of the Bylaws.

Vice Chair Atkinson said he did not think the Bylaws Committee would need another year to complete its rewrite. President Costello suggested the Bylaws Committee meet via conference call prior to the January 2009 Board meeting.

The motion to table the Bylaws changes was unanimously approved.

#### 22. Report of the Enforcement Practices Committee

Committee Chair Parsons reported Mr. Weinshel's task force is continuing to gather enforcement information from various boards and has received a good response from the AICPA's Professional Ethics Executive Committee. Ms. Biek is speaking with Federal agencies and reporting on their issues to the Committee. Messrs. Sadler and Allen had met with large firms' representatives to discuss how to avoid the "piling on" of cases through a uniform plan. Mr. Parsons thanked all who had helped the Committee as its work has progressed this year.

23. Report of the Communications Committee

Committee Chair Flowers reported the Boards' Communications Directors will meet with the Committee, both new members and old, at an Annual Meeting breakfast session on November 2. The Committee has five initiatives underway. During the breakfast session there will be information sharing on what is going on in each state and discussion of how the Committee should move forward in the coming year, she said.

24. Report of the Ethics Committee

Ethics Committee Chair Burkett said the Committee had been monitoring the work done by AICPA and IFAC. He thanked Messrs. Hansen and Parsons for keeping the Committee updated on the Professional Ethics Executive Committee's work. The Ethics Committee had held conference calls with the Regulatory Response Committee to offer comments on exposure drafts during the past year.

24. Report of the CPE Advisory Committee

Committee Chair Long said the Committee is working to improve communications with sponsors through the CPE division's newsletter. Plans are being made for the CPE Conference, which has been profitable in the past, Mr. Long commented.

25. Report on Mobility and ALD

Mr. Sweetwood, chair of the Accountancy License Database Task Force, reported the group had met in August in Nashville. They looked at the information requested for the database and reviewed the differences in terminology used in the various states. The Task Force developed a strategy that could involve another category or pop-ups explaining where there had been disciplinary revocations. The Task Force is working with IT Director Ed Barnicott on this plan.

Executive Vice President Cote explained, with 18 states on the ALD, there were almost 100 status codes indicating whether or not licensees are in good standing. When California is brought into the database, they have 40 status codes not used by other states. The ALD is now up to 21 states with another 15 states working to join in. Vice Chair Atkinson has added three State Board members to the Task Force for 2009-10. The ALD will be demonstrated by Kenneth Denny at a booth at the Annual Meeting.

Senior Vice President Bishop reported 46 states will have adopted mobility legislation by the end of 2009 and a bill is ready to be introduced in Alaska. California, New York and Hawaii still need work as do the Virgin Islands and Puerto Rico, he explained, and the Mobility Task Force is focusing their efforts on them. He said it is hoped that 50 of the 50 states and two territories will have mobility legislation passed by the end of 2010.

26. Thanks to Retiring Board Members

Chair Sadler thanked Ms. Steele and Messrs. Cotterell, Pearson and Smoll for their work with the Board of Directors and their service to NASBA.

27. Upcoming Meetings

Vice Chair Atkinson reported the 2009-2010 NASBA Board of Directors will meet in Savannah, GA, in January; in Napa, CA in April; in Jackson Hole, WY, in July; and in San Antonio, TX, in October.

28. Adjournment

The meeting was adjourned at 4:14 p.m.

**NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.**

**Highlights of the Board of Directors Meeting**

**January 15, 2010 – Savannah, GA**

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Friday, January 15, 2010 at the Westin Savannah Harbor in Savannah, GA, the Board took the following actions:

- Elected Director-at-Large Gaylen Hansen (CO) to serve a second term as Secretary of the NASBA Board.
- Heard from NASBA President David A. Costello that following a meeting with the Executive Committee, he had named Ken L. Bishop NASBA Chief Operating Officer effective February 1, 2010, as he transitions into the position held by Joseph Cote, who will retire at the end of 2010. Mr. Cote will continue his work with NASBA as Executive Vice President.
- Authorized NASBA Chair Billy M. Atkinson (TX) and President Costello to sign an extension of the computer-based Uniform CPA Examination agreement with the AICPA containing the provisions as outlined to the NASBA Board at the January 2010 meeting. The extension will run until 2024.
- Authorized NASBA Chair Atkinson and President Costello to sign an agreement with the AICPA covering the provisions outlined to the Board at the January 2010 meeting for the administration of the Uniform CPA Examination outside the United States.
- Approved increasing the capital budget for fiscal 2010 by a net amount of \$140,000 as requested by NASBA Chief Financial Officer Michael Bryant. The net increase represented additional amounts for information technology projects that had been accelerated into the current fiscal year and a reduction resulting from the postponement of a partial renovation of NASBA's Nashville headquarters.
- Heard a report from Chair Atkinson on the formation of a blue ribbon panel to consider accounting standards for non-public companies. The panel is being constructed by the Financial Accounting Foundation, NASBA and the AICPA. Chair Atkinson noted State Board members have expressed interest in volunteering for the panel.
- Received a report from Executive Vice President Cote on plans for "NASBA Summit 2010," a multi-tracked event to be held September 29-30 in Boston. The meeting will cover leadership, ethics and accounting, and will incorporate the NASBA CPE Sponsor Registry's CPE Conference.



- Approved three proposed NASBA Bylaws changes, as presented by Bylaws Committee Chair Claireen Herting (IL), for consideration by the membership at the 2010 Annual Business Meeting. Ms. Herting said the Bylaws Committee would be considering additional changes.
- Received a report from Audit Committee Chair David Duree (TX) that NASBA's external auditor, Lattimore Black Morgan & Cain, PC, had rotated the partner in charge of its audit, a practice recommended by NASBA's Audit Committee.
- Learned from Education Committee Chair Mark Harris (LA) that candidates for the special commission on accounting education are being screened. NASBA has offered to help sponsor the commission, as proposed in the report of the U.S. Treasury Department's Advisory Committee on the Auditing Profession.
- Received a report from Vice Chair Thomas Sadler (WA) on the January 7, 2010 meeting he, Directors-at-Large Gaylen Hansen (CO) and Richard Isserman (NY), and staff Linda Biek and Louise Dratler Haberman, held with members of the AICPA Accounting and Review Services Committee (ARSC) Carolyn H. McNerny and Cassandra A. Camp and AICPA staff Chuck Landes and Michael Glynn. They discussed the controversial topic of permitting accountants who are not independent to prepare review reports. AICPA Vice President Landes had termed the meeting helpful.
- Heard a summary by NASBA Legal Counsel Noel L. Allen of the U.S. Supreme Court's December 7 hearing of the *Free Enterprise Fund v. PCAOB* case, for which NASBA had submitted an amicus curiae brief in support of the PCAOB.

The next meeting of the NASBA Board of Directors will be held on April 23, 2010 in Napa, California.

Distribution:

State Board Chairs/Presidents and Executive Directors  
NASBA Committee Chairs  
NASBA Board of Directors

**Executive Summary of  
November 16, 2009 – January 4, 2010  
Regional Directors Focus Questions Responses**

(Respondents - 37 Jurisdictions)

1. (a) Does your state have a rule or regulation that requires a licensee to report another licensee if they are aware of a violation? No 29, Yes 2.

(b) Can a Board member or executive director initiate an investigation (rather than requiring a complaint from another party)? No 1, Yes 29.

(c) If a Ponzi scheme were to be reported in the news, could your Board do anything about it? No 1, Yes 22.

2. Can a firm be prohibited in your state from employing a person whose license has been revoked for cause by another state? No 28, Yes 3, Other 3.

3. (a) What kind of liability insurance does your state provide for members of the State Board? General Liability; Blanket Fidelity and Dishonesty Bond; Risk Management; Qualified Immunity; Indemnified by State; Self-Insured; None 12

(b) Is the extent of that coverage determined by your Attorney General? Yes 2, Other - Act of Legislature; State Code or Statute; State Risk Office.

4. At the Annual Meeting, the formation of a joint “blue ribbon commission” to objectively research accounting education was proposed. What issues does your Board feel should be included for discussion by such a commission?

See Report. Frequent responses included 120 vs. 150, experience and IFRS.

5. (a) Does a successor firm have a responsibility to make the Board aware of excessive restatements? No 28, Yes 5, Other 1.

(b) Does the company need to file the complaint? Yes 8, No 13, Other 1.

6. What is happening in your jurisdiction that is important for other State Boards and NASBA to know?

See Report. Answers covered budgets, mobility rules, peer review, etc.

**See Regional Directors’ Focus Questions Report for details.**

# NASBA REGIONAL DIRECTORS' REPORT

The following is a summary of the written responses to focus questions gathered from the member boards by NASBA's Regional Directors between November 16, 2009 and January 4, 2010. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Donald H. Burkett (SC) – Chair, Committee on Relations with Member Boards,  
Middle Atlantic Regional Director*

*David D. Duree (TX) – Southwest Regional Director*

*Claireen Herting (IL) – Great Lakes Regional Director*

*Telford A. Lodden (IA) – Central Regional Director*

*Kenneth R. Odom (AL) – Southeast Regional Director*

*Harry O. Parsons (NV) – Mountain Regional Director*

*Laurie J. Tish (WA) – Pacific Regional Director*

*Michael Weinschel (CT) – Northeast Regional Director*

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**1. (a) Does your state have a rule or regulation that requires a licensee to report another licensee if they are aware of a violation?**

No - AL, AK, AR, AZ, CA, CT, GA, HI, ID, IL, KS, KY, LA, MN, MT, ND, NE, NH, NV, OH, OK, PR, SC, SD, TX, VI, VT, WI, WY

Yes - DC, IA

**(b) Can a Board member or executive director initiate an investigation (rather than requiring a complaint from another party)?**

No - WI

Yes - AL, AK, AR, AZ, CA, CT, DC, GA, HI, IA, IL, KS, KY, LA, MN, MT, NE, NH, NV, ND, OH, OK, PR, SC, SD, TX, VI, VT, WY

**(c) If a Ponzi scheme were to be reported in the news, could your Board do anything about it?**

No - AL

Yes - AK, AR, AZ, CT, GA, HI, IA, IL, LA, ND, NE, NH, NV, OH, OK, SC, SD, TX, VI, VT, WI, WY

**Alabama** – (a) No. (b) Yes. (c) No. The Board does not have the authority to enforce criminal laws.

**Alaska** – (a) No. (b) Yes, we can request an investigator to look into the situation. (c) Yes, we request this be reviewed, and investigators review issues to see if relevant.

**Arizona** – (a) No. (b) Yes. Pursuant to A.R.S §32-703(B)(1), the Board may open a file on its own motion. (c) Yes the Board could do something about it as they may open a file on their own motion and investigate alleged violations of A.R.S §32-741(A)(4) & (6).

**Arkansas** – (a) No. (b) Yes, if they file a complaint. (c) Yes, if they violated an existing rule or law.

**California** – (a) There is no requirement under the California Accountancy Act or the California Board of Accountancy (CBA) regulations for a licensee to report another licensee if they are aware of a violation. (b) The CBA can conduct an investigation on a licensee with or without the filing of a complaint. (c) The CBA is limited to initiating an investigation of the licensees involved in the Ponzi scheme.

**Connecticut** – (a) No. (b) Yes. (c) Yes.

**Delaware** – (a) No rule requiring reporting of violation. (b) A board member or a staff member of the Division of Profession Regulation may file a complaint but cannot initiate an investigation. The complaint follows the same procedure if filed by anybody else. (c) There is no specific action the Board could take other than filing a complaint.

**District of Columbia** – (a) Yes. (b) Yes. (c) If the individual has a DC CPA license, yes.

**Georgia** – (a) No requirement for licensee to report a violation. (b) Yes, a board member can initiate a complaint. (c) Yes, the Board can initiate its own complaint and assign investigators to investigate it.

**Hawaii** – (a) No. (b) Yes. (c) Yes.

**Idaho** – (a) No. (b) Yes, if done by Board Staff, but not by a Board member. (c) Yes, if an Idaho licensee was involved.

**Illinois** – (a) The Illinois Public Accounting Act does not have a duty to report provision. (b) Complaints can be generated internally with the Division of Professional Regulation. (c) If this would occur an investigation could be opened.

**Iowa** – (a) Yes. (b) Yes. (c) Yes.

**Kansas** – (a) No. (b) Yes. (c) Yes, we would investigate if it involved a licensee or registered firm.

**Kentucky** – (a) No. (b) Yes. (c) Possibly.

**Louisiana** – (a) Not a requirement. But, it would be a violation of a Board rule for a licensee to conceal information or not respond to inquiries made by the Board regarding violations by other licensees. (b) Yes. Either may submit a complaint that would cause an Investigating Officer to commence an investigation. (c) Yes, if a CPA was named as involved, or if our licensee employer data indicated CPA(s) employment with the perpetrator of the scheme or an affiliate thereof, we would have a basis to investigate the CPA(s) involved.

**Minnesota** – (a) No. (b) Yes. (c) Yes, but it would have to involve more than a news announcement and would have to involve a person or firm over which we have jurisdiction.

**Mississippi** – (a) No, not directly. However, the Rules of Professional conduct [Section 6.1.4.] do hold a licensee responsible for all persons associated with him in the practice of public accounting. Also, Section 6.3. requires a CPA and firm to uphold the dignity and honor of the accounting profession. Section 6.14. addresses discreditable conduct which could be construed as required reporting if a CPA knows of an unethical, criminal act or act that violates the law and rules. (b) Yes, an investigation may be initiated by a Board or staff member. (c) Yes, if a Ponzi was reported in the news, the Board could go through normal investigative processes and discovery related to the allegations.

**Missouri** – (a) 20 CSR 2010 – 3.060 - licensee must assist the Board in enforcing regulations; but there is no specific requirement to report a violation. (b) and (c) 326.274 RSMo - the Board can investigate professional violations based upon receipt of a complaint or “other information.”

**Montana** – (a) No. (b) Yes. (c) The Board may issue a complaint.

**Nebraska** – (a) No. (b) The Board may initiate a complaint on its own motion as recommended by the Board’s Enforcement Committee per the Public Accountancy Act 1-140. (c) If a Nebraska CPA or CPA firm was somehow reported to be involved, the Board could initiate a complaint as indicated above.

**Nevada** – (a) No, the Nevada Board does not have rules or regulations that would require a licensee to report another licensee of a violation. (b) Yes, the Board and/or the Executive Director can initiate an investigation or complaint against a licensee. (c) Yes, the Board could initiate an investigation and/or a complaint against a licensee if information was reported in the news that would indicate violations have occurred.

**New Hampshire** – (a) No we do not have such a regulation. (b) We can initiate an investigation by any means that comes to the Board’s attention. (c) Yes our regulations allow us to investigate “upon receipt of a complaint or other information suggesting violations of this chapter.”

**New Mexico** – New Mexico does not have a rule that requires a licensee to report another licensee if they are aware of a violation. The Board (through the Executive Director) can open an enforcement case and initiate an investigation. If a Ponzi scheme were to be reported in the news, and if the Board suspected that a New Mexico CPA were involved, the Board could open an enforcement case against the licensee.

**North Carolina** – (a) 21 NCAC 08N.0205(6) allows a CPA’s disclosure of confidential information to state or federal authorities when the CPA concludes in good faith based upon professional judgment that a crime is being or is likely to be committed. (b) The Board or staff may initiate a complaint if there is sufficient evidence. (c) The staff could generate an inquiry to investigate to determine if there was sufficient evidence to open a complaint.

**North Dakota** – (a) No, not an explicit requirement. (b) Yes, we can self-initiate an investigation. (c) Yes, we could act upon public news reports.

**Ohio** – (a) We receive a good number of complaints from CPAs concerning other CPAs without such a rule. Also, another section of the Ohio Revised Code (ORC 2921.22) requires persons to report felonies to “appropriate authorities,” of which the Accountancy Board would be one. The penalty for failure to report is a misdemeanor. (b) Yes. (c) If an Ohio CPA were involved, we could open an investigation.

**Oklahoma** – (a) No, Oklahoma does not have a rule or regulation that requires a licensee to report another licensee if they are aware of a violation. (b) Yes, a Board member or the executive director can initiate an investigation if it is published in a public source, i.e. a newspaper etc. (c) Yes, the Oklahoma Board could investigate a Ponzi scheme if it were published in a public source.

**Puerto Rico** – (a) No. (b) Yes. (c) Yes, if it is a CPA.

**South Carolina** – (a) No, we do not have a requirement. (b) Yes, we encourage our Board members to have staff submit complaints. (c) Yes, we use news reports and other regulatory agency disciplinary actions to initiate complaints.

**South Dakota** – (a) No. (b) Yes. (c) Yes.

**Texas** – (a) No, reporting is voluntary. (b) Yes, Board can initiate on its own notion. (c) Yes, investigate the CPA’s involvement in a scheme.

**Vermont** – (a) No. (b) Yes. (c) Yes.

**Virgin Islands** – (a) The state does not have a rule or regulation that requires a licensee to report such a violation. In addition, there is no requirement prohibiting the reporting of such a violation to the Board. (b) Yes, a board member can initiate an investigation without requiring a complaint from another party. (c) The regulation of Ponzi schemes would fall under the Department of Licensing. The Commissioner if necessary would request the Board’s input once an investigation was launched.

**Wisconsin** – (a) No. (b) No, however, a board member or the executive director, like any other citizen, can file a complaint, that complaint would then go through a screening process. (c) Yes, the entire board can discuss matters reported that have been reported in the news, and take action as an entire board

**Wyoming** – (a) No. (b) Yes. (c) Yes, if licensees are allegedly involved, we could initiate an investigation.

**2. Can a firm be prohibited in your state from employing a person whose license has been revoked for cause by another state?**

No – AL, AK, AR, AZ, CA, CT, DE, GA, HI, ID, IL, KS, LA, MO, NC, ND, NH, NM, NV, OH, OK, PR, SD, TX, VI, VT, WI, WY

Yes - DC, KY, SC

Other – IA, MT, NE

**Alabama** – No.

**Alaska** – No. There is no prohibition against employing persons whose license has been revoked.

**Arizona** – No.

**Arkansas** – No. But neither the person nor the firm could hold out to the public that the person was a CPA.

**California** – There is currently no CBA statute or regulation that would prohibit a CPA firm from employing a person whose license was revoked by another state.

**Connecticut** – No.

**Delaware** – There is no rule prohibiting a firm from hiring an individual whose license has been revoked in another state.

**District of Columbia** – Yes.

**Georgia** – No.

**Hawaii** – No.

**Idaho** – No, we could not prohibit the hire of a “non-licensee” by the firm. But we would not issue the person a reciprocal license if their license had been revoked in another state.

**Iowa** – The firm is not prohibited from hiring such a person, but the firm’s permit to practice could be at risk depending on the circumstances.

**Illinois** – No.

**Kansas** – No.

**Kentucky** – The firm could be prohibited from hiring that person as a CPA because that person would not receive a Kentucky license based upon the revocation in the other state.

**Louisiana** – No rule exists to explicitly prohibit it, however, if a CPA firm employed a person with a revoked license, it could be deemed as a violation of rules (e.g., a violation related to professional incompetency; conduct that is adverse to fitness to practice; acting through others; failure to follow professional standards such as due care; and, as an act discreditable or conduct detrimental to the profession), therefore, this could likely be addressed satisfactorily if a complaint was filed. However, this would be a good topic for NASBA’s UAA Committee.

**Minnesota** – Only if that person is an owner or partner of that firm.

**Mississippi** – The Mississippi Board does not have jurisdiction over employment within a firm. However, only a licensed CPA or individual qualifying for the practice privilege and associated with a registered CPA firm may offer to perform public accounting services, perform audit procedures, issue audit opinions, etc. Mississippi Code Section 73-33-15.

**Missouri** – 20 CSR 2010 -2.070(3) - All employees, representatives, agent resident partners, members managers and shareholders of certified public accounting firms practicing public accounting in Missouri are required to have an active Missouri license to practice in a certified public accounting firm. (paraphrased)

**Montana** – It would depend if the Board had jurisdiction over the position. If the position required a CPA, the individual would be required to go through the Board's licensing process and any previous disciplinary action(s) would be noted.

**Nebraska** – Would attempt to but not sure if the Board has the authority to prevent.

**Nevada** – No. In Nevada a firm is not prohibited from employing a person with discipline from another state. However, the person with discipline is prohibited from utilizing the CPA designation in conjunction with the employment. If information was obtained indicating the individual is holding out without licensure, then a Cease & Desist would be issued.

**New Hampshire** – No, we have no such restrictions by law or rule.

**New Mexico** – No, the Board cannot prohibit the firm from employing a person whose license has been revoked in another state. The Board only has authority over licensure matters.

**North Carolina** – No. However, 21 NCAC 08N.0302(f) could prohibit an individual with a revoked CPA certificate from another jurisdiction from becoming a non-CPA owner in a CPA firm in North Carolina.

**North Dakota** – This is not explicitly prohibited.

**Ohio** – No. A person who formerly held a CPA certificate in another state would have the same status as any other non-CPA member of the general public.

**Oklahoma** – No, a firm cannot be prohibited in Oklahoma from employing a person whose license has been revoked for cause in another state.

**Puerto Rico** – No, as we understand that is a decision of the firm.

**South Carolina** – The Board has recently submitted a change to our statute to cover this particular situation.

**South Dakota** – No.

**Texas** – No, except for non-CPA ownership association.

**Vermont** – No.



**Virgin Islands** – A firm cannot be prohibited from employing a person whose license has been revoked for cause by another state. However, if the person was to apply for a CPA license, the Board has the option to not approve licensure. The application for licensure asks the following question “Have you ever been convicted of a felony?” “If yes, explain”

**Wyoming** – There is no such prohibition in Wyoming law or regulations.

**3. (a) What kind of liability insurance does your state provide for members of the State Board? (b) Is the extent of that coverage determined by your Attorney General?**

**Alabama** - (a) General Liability \$1,000,000 per occurrence and Blanket Fidelity and Dishonesty Bond \$1,000,000 per occurrence. (b) Extent of the coverage is determined by an Act of the Legislature (statute).

**Alaska** – No insurance. Exception, see Statute Sec. 08.02.020. Limitation of liability.

**Arizona** – (a) The Board of Accountancy pays an annual risk management premium. (b) The coverage is not determined by the Attorney General’s Office.

**Arkansas** – (a) Blanket Fidelity Bond - \$250,000 per occurrence for losses incurred for fraudulent or dishonest acts. (b) No.

**California** – There is no "liability insurance" provided to members of the CBA. However, the State is essentially "self-funded" for liability purposes and the State is responsible to defend and indemnify public officials acting within the scope of their official duties.

**Connecticut** – (a) None. (b) No. (f) .... The board, its members, and its agents shall be immune from personal liability for actions taken in good faith in the discharge of the board's responsibilities, and the state shall indemnify and hold harmless the board, its members, and its agents from all costs, damages, and attorneys' fees arising from claims and suits against them with respect to matters to which such immunity applies.

**Delaware** – There is no liability insurance provided by the State for Members of the Board.

**District of Columbia** – (a) No liability insurance provided. (b) N/A.

**Georgia** – Not aware of specific coverage other than the general liability that the state provides to all employees.

**Hawaii** – (a) Qualified immunity pursuant to Hawaii Revised Statutes section 26-35.5, entitled, “Members of boards and commission; immunity from or indemnification for civil liability; defense of members.” [www.capitol.hawaii.gov/hrscurrent/Vol01\\_Ch0001-/HRS\\_0026-0035\\_0005.htm](http://www.capitol.hawaii.gov/hrscurrent/Vol01_Ch0001-/HRS_0026-0035_0005.htm). (b) No; the extent of the coverage is determined by the provisions of the above-cited section of the HRS.

**Idaho** – (a) Idaho has a self-retained risk account that is governed by the Idaho Tort Claims Act for state employees, which includes Board and Commission members acting in their professional capacity. (b) The extent of the coverage is set by Idaho Code. The Office of Risk Management

administers the policy. There may be guidance by the Attorney General, but it is not directed by his office.

**Illinois** – (a) The Illinois Board of Examiners is protected by the State Employee Indemnification Act. (b) The Extent of the coverage is determined by the Act.

**Illinois** – (a) There are no liability insurance provisions for the Illinois Public Accountant Registration Committee. (b) N/A.

**Iowa** – Board members are indemnified by the state and defended by the Attorney General for acts or omissions within the scope of their duties as Board members taken in good faith.

**Kansas** – There is no insurance provided, per se; however, the tort claims act covers the Board members for claims brought against them.

**Kentucky** – (a) None. (b) No.

**Louisiana** – (a) Wrongful acts; personal injury; and, contractual liability. (b) Coverage determined by state Office of Risk Management.

**Minnesota** – (a) The state is self-insured under the Minnesota Tort Claims Act and this includes the State Board. Members acting in their official capacity are represented by the Attorney General. (b) Liability limits are established by the Act.

**Mississippi** – (a) The State of Mississippi protects employees, members, public officials through the provisions of Mississippi Code 11-46-1 et. seq. - the Mississippi Tort Claims Act. (b) The extent of coverage is determined by that act, not the Attorney General.

**Missouri** – The Board members are protected under sovereign immunity. If there is lawsuit filed against a board member or board staff there is a state fund for coverage of liability in the event the suit is lost when represented by Missouri’s attorney general.

**Montana** - The state does not provide board members with liability insurance coverage. As long as Board Members act within the scope of their duties, the state provides immunity.

**Nebraska** – (a) Board members are covered by the State Tort Claims Act under the liability of the State Risk Office. (b) No, the State Risk Office does but the Attorney General’s Office does represent members on behalf of the state before the courts.

**Nevada** – The Nevada Board provides liability insurance through a separate Directors & Officers Liability Policy. The coverage of the policy is not reviewed or determined by the Attorney General. This policy is above the coverage that is provided through the State of Nevada with a copy of the policy being provided to the State.

**New Hampshire** – RSA 309-B: 4 VII “The board, its members and its agents shall be immune from personal liability for actions taken in good faith in the discharge of the board’s responsibilities, and the state shall hold the board, its members, and its agents harmless from all costs, damages and attorneys’ fee arising from claims and suits”... **However**, for this current legislative session there have been proposed changes to the “Right to Know Law” which would

hold board members and staff of the Board monetarily liable for knowingly or unknowingly violating the “Right to Know” provisions. This liability also includes personally reimbursing the public body or public agency for any attorney’s fees or costs it paid if the court finds that the individual knew or should have known that the conduct was in violation of the Right to Know provisions.

**New Mexico** – The Risk Management Division of the General Services Department covers all state employees and all public officers through its general liability coverage. The Attorney General’s Office has no involvement in the coverage that is provided. The type, extent, and nature of the coverage is set forth in the New Mexico Administrative Code.

**North Carolina** – The Board has two policies, one provided by the State of North Carolina and one provided by the Board. The State policy is for public officers’ and employees’ liability with a \$5 million limit on each person, \$5 million on each occurrence and \$10 million annual aggregate with \$500,000 deductible for each person. The Board policy is also for public officers and employees with a \$1 million annual aggregate which includes the legal fees for defense with deductibles depending on the type of claim ranging from \$10,000 to \$75,000.

**North Dakota** – The Board’s powers include the “power to sue and be sued in its official name as an agency of this state.” State law states that “the board, its members, and its agents are immune from personal liability for actions taken in good faith in the discharge of the board’s responsibilities.”

**Ohio** – (a) Board members are covered by the general fidelity bond applicable to state employees. (b) N/A

**Oklahoma** – (a) The kind of liability insurance the State of Oklahoma provides for members of the Board is Directors and Officers (D&O) liability insurance. The coverage provided for members of the Board is \$175,000/per claimant/or event with a cap of \$1,000,000. (b) The insurance liability for the Board is determined by the Oklahoma Governmental Tort act, Title 51, section 151.

**Puerto Rico** – (a) None, they only provide legal counsel for defense. (b) N/A.

**South Carolina** – The Board does not have specific liability insurance coverage; however, the State does through the Insurance Reserve Fund to provide for counsel and the Agency itself can take on the liability.

**South Dakota** – (a) The insurance is determined and approved by risk management through the executive branch and is the PPEL Fund. The coverage now is \$1,000,000 per occurrence. (b) No.

**Texas** – The Texas Public Accountancy Act has language that specifically provides immunity for Board Members and staff against any actions taken in the cause of Board business and the Office of the Attorney General will represent the Board in any lawsuit filed against them individually and in their capacity as a Board.

**Virgin Islands** – (a) Liability insurance coverage is not provided to the State Board by the State. This item has been added to the agenda of the next board meeting for discussion.

**Wisconsin** – None.

**Wyoming** – (a) Board members and staff are protected by the Wyoming Government Claims Act (W.S.1-39-104) and are granted immunity while acting within their scope of duties. (b) No, it is determined by W.S. 1-39-101, et. seq.

**4. At the Annual Meeting, the formation of a joint “blue ribbon commission” to objectively research accounting education was proposed. What issues does your Board feel should be included for discussion by such a commission?**

**Alabama** – 120 versus 150.

**Alaska** – The 120-150 (30) hours with no required course work.

**Arizona** - Establishing more Ph.D.s to teach the new accounting recruits in the nation’s universities.

**California** – The Governor recently signed SB 819 into law. This new law creates an Accounting Education Committee (AEC) under the jurisdiction of the CBA. The purpose of this committee will be to advise the CBA in the development of regulations that will define the units of accounting education that will be required for licensure effective January 1, 2014. That is the date that California will be going to a single licensure pathway which includes the 150 hour requirement. In order to ensure that the extra 30 hours over the current Pathway 1 requirement of 120 hours is relevant to the profession, SB 819 mandates that those hours consist of 10 hours of ethics education and 20 hours of accounting education. The AEC will be writing regulations governing the 20 hours of accounting education.

**Connecticut** – The 150 hour curriculum, including the soft 30 credits and the question of 120 to sit for the exam and 150 for certification.

**Delaware** - Course content and selection; accreditation.

**Georgia** – We rely on nationally recognized accrediting bodies to evaluate the curriculum of the institution and its accounting program. We would see coordinating NASBA’s proposed accounting education requirements with the requirements of the acceptable accrediting bodies.

**Hawaii** – International accounting standards (IFRS); 120/150 educational model; Effectiveness of distance learning as it relates to job qualifications; Variances in quality of instruction; Innovations in a web-enhanced environment; Foreign education.

**Idaho** – Look at the providers and their delivery methods (distance learning, etc.). Involve recent graduates. Evaluate content, scope, and timing of delivery.

**Illinois** – The Illinois Board of Examiners would like additional information regarding (1) Who proposed the “blue ribbon panel?” (2) Who would sit on the panel? (3) Who are the “joint” parties? (4) What issue or issues were raised that prompted the discussion of a panel to review educational standards? (5) When would this panel meet? (6) How will results of the meetings be distributed? and (7) What happens once the findings are distributed? The Illinois Board

would also like to see NASBA distribute a written proposal before the spring Regional Meetings and then schedule a session to discuss it.

**Kansas** – Whether current IFRS education is adequate, and how to plan for the ultimate implementation of IFRS in the U.S.

**Kentucky** – (1) CSO's-to what extent are these being used to develop/update course syllabi? (2) Are programs pushing certification? (3) What is the demand for alternative methods of course delivery (and how are these assessed)? (4) The extent to which authoritative literature is used within the courses-are students trained on electronic databases? (5) How many programs have a discreet AIS course-what approach is used with the course?

**Louisiana** – Ph.D. shortage and what can be done to address the shortage, for example, consider if distance learning could help ameliorate the shortage by making existing instruction more accessible to a larger number of students, in class and online.

**Mississippi** – The Mississippi Board needs a better explanation of the reasons and purposes for the establishment of the “blue ribbon commission.”

**Missouri** - The Board believes the commission should consider requiring a Masters of Accountancy or Masters of Business Administration as the minimum educational requirement to sit for the Certified Public Accounting Examination.

**Montana** – The issues discussed by the Board included specificity of the 30 semester hours, distance learning and faculty scholarships.

**Nebraska** – The impact of successful passage of the CPA examination by having specific subject education requirements including having 150 hours versus having 120 hours of education to sit.

**Nevada** – The Board does not have any specific issues regarding this topic or the information as proposed at the Annual Meeting.

**New Hampshire** – Is there any quantitative evidentiary matter that illustrates whether increasing the education requirement to 150 hours has affected the quality of CPA's entering the profession? Should State Boards, as regulators, narrowly define an individual's education not knowing how or where they will practice? Inside the 150 hours, should each state strive for equivalency regarding Accounting and Business Hours? Should this have been pre-established before each State went to 150 hours? Whereas, each State is not substantially equivalent based on such a very large disparity of what is or is not included within the 150 hours, is there a solution? Additionally, we would like to understand better the rationale as to whether more education truly replaces formal experience and what specific educational requirements are considered tantamount to "gaining experience" and to ensure competency in practice.

**New Mexico** – The institutions in New Mexico are small, and they do not have the resources to teach individual courses in a number of specific areas. We believe the institutions should have the latitude to develop programs that will best meet the needs of their students while at the same time maximizing the resources available to the institution.

**North Carolina** – We do not have enough information regarding the purpose of the commission to discuss the issues which it may want to investigate.

**North Dakota** – Since the exam aims at testing, “entry level knowledge,” our Board is extremely interested in the 120 vs. 150 hour issue, both to sit for the exam and to become licensed. We are interested in having the “Commission” develop reliable statistics regarding the number of upper division (junior/senior) accounting and business semester hours exam candidates have taken when they sit. California’s implementation of the required year(s) of experience tied to the semester hours of preparation may be worth reviewing.

**Ohio** – Since 1956, several “blue ribbon commissions” have come to one or more of the following conclusions: (1) More total schooling should be required, (2) Higher-level schooling should be required, such as graduate-level, (3) More different academic subjects should be required, (4) A better “mix” of subjects and credits in each subject should be required, or (5) Additional detailed regulation of the course content should be required. The net result of all the recommendations of these commissions was an increase in the amount of diversity of regulation imposed on both the CPA candidates and the colleges.

Rather than focus on the above-mentioned “traditional” solutions, this new NASBA commission should break the mold. The CPA examination content specification outlines focus on the “knowledge, skills, and abilities” needed to be an entry-level CPA. The commission should focus on what CPA candidates need to know and place less attention on mandating how the knowledge, skills, and abilities are obtained. Previous commissions from the Perry Commission in 1956 to the Anderson Committee in 1988 focused on college coursework, but the means of achieving knowledge have broadened in the computer-Internet age. Even the Perry Commission reported that some entry-level CPA skills are best learned on the job and recommended a formal internship program. For decades, the CPA profession has enjoyed greater admiration and respect from the public than other professions, despite requiring less college than most of those other professions. To account for the fact that people change jobs more frequently, NASBA and the accountancy boards should devise rules and regulations that allow for flexibility and substitutions with respect to academic background and/or experience. A good CPA candidate should not slip through the cracks simply because he or she failed to meet one or two detailed regulations.

**Oklahoma** – Pertinent educational issues would include: requirements pertaining to the 30 hours requirement; whether a course devoted to IFRS should be required, and courses pertaining to how professional judgments in financial reporting are to be made. The Board feels that the issue of whether specific courses should be required should be included in the discussion.

**Puerto Rico** – Revision of the Academic Curriculum at the Universities/Colleges.

**South Carolina** – There are not enough people obtaining PHD’s in the accounting profession.

**South Dakota** – Issues for discussion should include looking at the impact on the classrooms, how the decision may affect accreditation, and how business schools should implement the recommendations.

**Texas** – Based on our (staff) observations, there is much inconsistency between accreditation bodies. Faculty credentials are inconsistent and many do not possess terminal degrees who may

be teaching graduate level courses. This matter will be brought before the Board in 2010. Also, non-traditional accelerated courses often results in less class hours for a 3 semester hour course.

**Vermont** – Uniformity of requirements in education among states.

**Virgin Islands** – Should 120 hour versus 150 hour requirement for sitting of the exam and licensure become a uniform rule? Should academia’s (professors) be required to obtain annual continuing professional education?

**Wisconsin** – Our board does not have sufficient information about the purpose and objectives of this blue ribbon commission to comment.

**Wyoming** – (a) The 120/150 proposal and how it may impact mobility; and (b) educational instruction in IFRS (will this be tested on the exam?).

**5. (a) Does a successor firm have a responsibility to make the Board aware of excessive restatements?**

No - AL, AK, AR, CT, GA, HI, ID, IL, KS, KY, LA, MN, MO, MT, ND, NE, NH, NM,  
NV, PR, SC, SD, TX, VI, VT, WI, WY  
Yes - CA, DC, IA, NC, NM, OK  
Other – OH

**(b) Does the company need to file the complaint?**

Yes - AL, AK, AR, DC, KY, NV, OK, PR  
No - CA, CT, GA, HI, IA, LA, MO, MT, NE, SD, TX, VT, WI  
Other - OH

**Alabama** – (a) No. (b) If warranted.

**Alaska** – (a) No. (b) Yes.

**Arizona** - We are unsure of what the question is asking. Successor firms is addressed in A.R.S §32-747(C) and the issue raised is not dealt with in this statute.

**Arkansas** – (a) No. (b) Yes, a firm could initiate a complaint if they believed there was a violation of the Accountancy Laws or Rules.

**California** – (a) Under the California Accountancy Act and CBA regulations, a licensee is required to report to the CBA, within 30 days after the issuance, restated audited financial statements for the following: 1) a publicly traded company that is required to file a tax return with the California Franchise Tax Board; 2) a governmental agency located in California, when the financial statements exceed the planning materiality used by the licensee in conjunction with the current year audit; and, 3) a charitable trust registered with the California Office of the Attorney General's Registry of Charitable Trust and the restatements resulted in the filing of an amended or superseding Form 990 or Form 990 PF. (b) The company is not required to notify the CBA or file a complaint. It is the licensee's responsibility to notify the CBA.

**Connecticut** – (a) No. (b) No.

**Delaware** – There is no requirement to report excessive restatements or to file a complaint. It was noted many firms are requiring successor firms to sign agreements that restrict successor firm from using review of predecessor work papers as a source of complaint or litigation.

**District of Columbia** – (a) To fulfill our professional conduct regulations, yes. (b) We would require the company to file a complaint.

**Georgia** – (a) The firm is not required to, but may, disclose restatements to the Board.  
(b) The company may also file the complaint.

**Hawaii** – (a) No, this is not mandated by law or rule. (b) No, there is no requirement to do so.

**Idaho** – (a) There are no such requirements in the Idaho Accountancy Act and Rules. However, the Board sees why professional responsibility would motivate a CPA to do so. (b) N/A.

**Illinois** – There is no duty to report provision in the Illinois Public Accounting Act at this time.

**Iowa** – Licensees are required to report acts or omissions that may result in discipline, but are also expected to exercise some degree of restraint in attempting professional resolution when appropriate.

**Kansas** – There is no responsibility for the firm to report; however, if they wish to file a complaint, they may do so.

**Kentucky** – (a) No. (b) Yes.

**Louisiana** – There is no explicit rule currently that addresses this. It is a matter of judgment of the successor firm and the client company.

**Minnesota** – No.

**Mississippi** – (a) Mississippi does not have any such specific requirement, but it is up to the CPA or firm to uphold the dignity of the profession (see answer to question number 1 above).  
(b) The Board can accept anonymous complaints or a complaint can be filed by the successor firm.

**Missouri** – (a) No. (b) No. However, we require a firm to be enrolled in peer review and the Board believes this would be discovered in peer review and that process would cause the firm to improve its processes.

**Montana** – (a) No. (b) No.

**Nebraska** – (a) No requirement in current regulations, however the successor firm should consider. (b) No requirement in current regulations.

**Nevada** – (a) No, the successor firm is not required to provide the Board with information of restatements or violations. (b) The Board could only act on a complaint if the client were to



approve the use of their information toward the allegations, investigation and subsequent complaint process. Nevada has found many clients are unwilling to go through the process of discipline based on findings from the new firm.

**New Hampshire** – No, we do not currently have in our Statute or Admin. Rules a requirement to report restatements by successor CPAs who make excessive restatements due to items (possible errors) found in a predecessor CPA Firm's Financial Statements.

**New Mexico** – The successor firm is not required to notify the Board of excessive restatements. It is up to the client (the company) to file a complaint if it believes that there are excessive restatements.

**North Carolina** – (a) Yes. No. (b) It depends.

**North Dakota** – (a) There is no explicit requirement in regulation. (b) a related complaint may come from the company or any other party.

**Ohio** – (a) The question raises two issues: (1) What is “excessive”? (2) Are the restatements the result of simple error or changes in government regulations as opposed to possible fraud? The answers to these questions would determine whether the Board should take action. A restatement, in and of itself, is not a violation of the professional accounting standards. (b) The question implies that the “company” is the entity whose financial statements were restated. This raises the issue of why such a company would complain to the Board about its own financial statements, since presumably the company approved the restatements.

**Oklahoma** – (a) The successor firm has the responsibility to comply with the professional standards. There is no specified requirement in the statute. (b) Either the company or the successor firm could file the complaint.

**Puerto Rico** – (a) No. (b) Yes, but it is to the discretion of the successor firm.

**South Carolina** – Currently SC does not have a requirement.

**South Dakota** – (a) We do not have a rule or statute that requires the successor firm to file a complaint. This is a subjective matter on what one believes is excessive. (b) No.

**Texas** – (a) No. (b) No.

**Vermont** – (a) No, at least not legally. (b) Not necessarily.

**Virgin Islands** – (a) The successor firm does not have a responsibility to make the Board aware of excessive restatements. (b) N/A.

**Wisconsin** – (a) No. (b) Any citizen may file a complaint, so a complaint could be filed by the successor CPA or the client.

**Wyoming** – (a) The successor firm probably has an ethical responsibility, but there is no requirement in the law or rules to advise the Board of such matters. (b) It would depend upon

the circumstances; the firm may be able to file the complaint but may need client approval if the matter is not public information.

## **6. What is happening in your jurisdiction that is important for other State Boards and NASBA to know?**

**Alabama** – Alabama became a participant in NASBA’s Accountancy Licensee Database (ALD) in December 2009.

**Alaska** – Legislature on (1) mobility, (2) Executive Director, (3) less than 100% firm ownership.

**California** – On January 1, 2010, California has two new laws and two sets of regulations going into effect. The first law creates a mandatory peer review program in California and one of the sets of major regulations will implement this law. The second law is SB 819 which makes California’s 120 semester unit pathway (Pathway 1) to licensure inoperative as of January 1, 2014, leaving only the 150 semester unit pathway as of that date. In order to ensure that the extra 30 semester units over the current Pathway 1 requirement of 120 semester units is relevant to the profession, SB 819 mandates that those units consist of 10 units of ethics education and 20 units of accounting education (10-20 requirement). SB 819 also establishes two new committees to develop regulations to govern this 10-20 requirement. The second major regulatory change is to the CBA’s CE requirements. Licensees will now be required to take an ethics class every two years and a regulatory class every six years. In addition, licensees must complete 20 hours of CE every year.

**Connecticut** – Connecticut continues to be in a fiscal crisis with Board funding continuing to be whittled away. New experience regulations passed by the Connecticut General Assembly. Connecticut has agreed to host another Northeast Region meeting in the spring of 2010.

**Delaware** – (1) Rewriting regulations. (2) Will no longer be a two tier state with recent law change.

**District of Columbia** – The Board is developing a peer review program.

**Georgia** – The Board has requested that our Executive Director investigate our contracting with NASBA to provide all services related to initial and reciprocal licensing of individuals and firms.

**Hawaii** – Practice mobility legislation. Peer review. Budget constraints.

**Illinois** – The Division is continuing to work with Illinois CPA Society with the Peer Review Process.

**Iowa** – The Board is rewriting its rules on professional conduct to describe in far more detail the principles that guide CPA’s, LPA’s and firms, and to tailor the rules to specific types of practice areas (attest, compilation, tax, consulting/advisory).

**Kansas** – The practice privilege act became effective in Kansas November 1, 2009.

**Kentucky** – In 2009 the Board was able to transfer \$8,000 from its trust account to fund a new accounting course to be offered as part of the Governors Scholars Program. This program is presented during the summer to high school seniors to be. The program is designed to expose students to variety of college majors and careers. The Board was also able to transfer another \$90,000 to the Kentucky Department of Education to assist with paying for the costs associated with expanding a recently introduced new accounting course being offered in Kentucky high schools. Finally the Board is happy to report that of the 82 Kentucky CPA Exam candidates who passed all 4 parts of the exam during the October – November 2009 testing window, 25 of them were candidates with less than 150 hours.

**Minnesota** – Budget reduction of an additional 6%.

**Mississippi** – Modifications to the Mobility law effective July 1, 2009.

**Missouri** – We have issues with a firm attempting to incorporate a network name in its firm name. The Board's position, based on our statutes and rules, is this is misleading to the public.

**Montana** – (1) The Board is facing severe budget constraints for the next biennium, and it would encourage NASBA to consider creating more scholarships to enable a higher attendance at the Regional and National meetings. (2) A Board Member has observed a meeting of the Montana Society's report acceptance body (RAB) as part of its oversight of the peer review process. (3) Two Board Members will be attending a meeting of the Montana Society of CPA's Missoula Chapter to exchange ideas, discuss issues of mutual concern and enhance its relationship with the MSCPA.

**Nebraska** – The Board is currently proposing to revise its regulations within NAC Title 288. Motivated by including definitions to enhance Mobility provisions passed in 2009, the Board also reviewed, updated, and is recommending changes within several regulations. The proposed changes can be viewed at [www.nbpa.ne.gov](http://www.nbpa.ne.gov).

**Nevada** – The Board is in the process of updating its regulations to reflect the mobility changes during the 2009 Legislative Session. In addition to the regulatory change, Board staff is implementing Mobility/Practice Privilege at the administrative level concerning firm registration.

**New Hampshire** – We have joined ALD and it has been a very positive experience.

**New Mexico** – Due to the current budget crisis, a special legislative session was held in October 2009. A bill was passed that swept the majority of the Board's cash balance in its fund. State employees are currently being furloughed, and additional pay cuts are anticipated within the coming months.

**North Carolina** – We are in discussion with the North Carolina Association of CPAs regarding a request for rule-making on firm name and advertising rules.

**North Dakota** – We plan to prepare rule wording to create an inactive status for certain licensees, allowing for reinstatement by staff, increasing late fees, and possibly making revocation procedures automatic (for late filings).

**Ohio** – We just completed our 11<sup>th</sup> year of individual CPA online license renewal yesterday, our second year of tax/consulting firm online license renewal concluded in July, and our first year of peer review firm online license renewal using the AICPA Facilitated State Board Access website concluded in October.

**Oklahoma** – In its proposed legislation for 2010, the OAB has included a requirement that an individual applying for a certificate as a CPA or PA must make application for the certificate within five years of having successfully passed all sections of the PA or CPA Examination.

**Puerto Rico** – Looking for “substantial equivalency” by passing the experience requirement in the Puerto Rico Accountancy Law during the next semester.

**South Dakota** – Although it is early, the Board has noted what appears to be a trend toward the issuance of peer review reports with Pass ratings, where under previous standards they may have been unmodified reports with a letter of comments. When the Board adopted the new peer review standards it believed there would be a higher correlation between what were previously unmodified reports with letters of comments and what are now pass with deficiencies reports. Also, the Board has noted inconsistency in the type of reports issued given what appear to be similar deficiencies noted in the peer reviews. This is undoubtedly due in part to the newness of the standards, but the Board intends to continue monitoring these matters.

**Texas** – Following legislative action, the Texas Board assumed responsibility for administering the Fifth-Year Scholarship Fund for accounting students. The Board is embarking on a public outreach program in which it hopes to engage the media expertise of the NASBA staff.

**Vermont** – Implementation of new laws, rules, and dealing with substantial equivalency.

**Virgin Islands** – The Virgin Islands Board continues to work with NASBA to update the Virgin Islands’ code.

**Wyoming** – At this printing, approximately 60% of the non-residents eligible for practice privileges have requested mobility and will not retain their Wyoming license. The big firms tell us most states who grant mobility require the CPA responsible for the firm to maintain his/her license and do not allow that person to use practice privileges. They seem to be having difficulty keeping track of all the various mobility laws.

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

*Input only from Board Chair:*

*Input only from Executive Director: AZ, IL, NE*

*Input only from Board Chair and Executive Director: AL, LA, NC, ND, NH, NM, TX*

*Input from all Board Members and Executive Director: CA, CT, HI, IA, ID, MO, MS, MT, OK, SD, VI, WI, WY*

***Input from some Board Members and Executive Director: AR, DE, IL, KS, KY, MN, NV, OH***

***Input from all Board Members: PR, SC, VT***

***Input from some Board Members: GA***

***Other (please explain):***

***Deputy Director and Compliance Manager: AZ***

***Board Chair and Lead Investigator: AK***

***Board Administrator and Executive Director: DC***

***Legal Counsel: MT***

**1.12.2010**

## REGIONAL DIRECTORS' FOCUS QUESTIONS

*The input received from our focus questions is reviewed by all members of NASBA's Board of Directors, committee chairs and executive staff and used to guide their actions. We encourage you to place the following questions early on the agenda of your next board meeting to allow for sufficient time for discussion. Please send your Board's responses to your Regional Director by April 9, 2010. Use additional sheets for your responses if needed.*

**JURISDICTION** \_\_\_\_\_ **DATE** \_\_\_\_\_  
**NAME OF PERSON SUBMITTING FORM** \_\_\_\_\_

**1. Is your Board doing anything to verify a firm's assertion that it is not performing attest services? If so, please explain.**

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**2. What are your Board's top three concerns for 2010? How can NASBA help with any (or all) of them?**

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**3. What is the most effective way for your Board to communicate its issues to NASBA?**

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**4. To help us enhance NASBA's New Board Member Orientation Program, please tell us what information proved most helpful to you as a new Accountancy Board member?**

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JURISDICTION \_\_\_\_\_ DATE \_\_\_\_\_

NAME OF PERSON SUBMITTING FORM \_\_\_\_\_

**5. What is happening in your jurisdiction that is important for other State Boards and NASBA to know?**

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

- Input only from Board Chair
- Input only from Executive Director
- Input only from Board Chair and Executive Director
- Input from all Board Members and Executive Director
- Input from some Board Members and Executive Director
- Input from all Board Members
- Input from some Board Members

Other (please explain):



# Oregon

Theodore R. Kulongoski, Governor

## Board of Accountancy

3218 Pringle Road SE #110

Salem, OR 97302-6307

(503) 378-4181

FAX (503) 378-3575

<http://egov.oregon.gov/BOA/>

February 26, 2010

Thomas J. Sadler, CPA  
Chair, NASBA Nominating Committee  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Re: Nomination of Gaylen Hansen, CPA for NASBA Vice Chair

Dear Mr. Sadler:

The Oregon Board of Accountancy would like to submit the name of Gaylen Hansen to be nominated for the position of Vice Chair of NASBA.

Mr. Hansen has been heavily involved in NASBA for many years. He possesses knowledge of and experience in many of the issues that are important to NASBA and its member jurisdictions. Gaylen has served as Chair of the Ethics and Strategic Professional Issues Committee. He also represented NASBA on the Treasury ACAP Committee that considered the state of the accounting profession in the wake of the World Com and Enron debacles and the ensuing collapse of Arthur Anderson. Mr. Hansen is one of NASBA's members on the AICPA's PEEC. He has served on the AICPA committee that authored the independence conceptual framework, which defined independence and developed the "threats and safeguards" approach to dealing with independence issues. Gaylen's actions have clearly demonstrated his unwavering commitment to the accounting profession.

The members of the Oregon Board of Accountancy are pleased to nominate and support Gaylen Hansen for the position of NASBA Vice Chair.

Sincerely,

L. Patrick Hearn  
Executive Director

c. Gaylen Hansen, CPA  
Anita Holt  
Boards of Accountancy





Jeremiah W. (Jay) Nixon  
Governor  
State of Missouri

Jane A. Rackers, Division Director  
DIVISION OF PROFESSIONAL REGISTRATION

Department of Insurance  
Financial Institutions  
and Professional Registration  
John M. Huff, Director

MISSOURI STATE BOARD OF ACCOUNTANCY  
3605 Missouri Boulevard  
P.O. Box 613  
Jefferson City, MO 65102-0613  
573-751-0012  
573-751-0890 FAX  
800-735-2966 TTY Relay Missouri  
800-735-2466 Voice Relay Missouri  
mosba@pr.mo.gov  
www.pr.mo.gov/accountancy.asp

Pamela Ives Hill, CPA  
Executive Director

February 9, 2010

Thomas J. Sadler, CPA  
NASBA Nominating Committee  
150 Fourth Avenue North, Suite 1300  
Nashville, TN 37219-2417

Dear Mr. Sadler and Members of the Nominating Committee,

The Missouri State Board of Accountancy is pleased to support the nomination of Robert A. Pearson for the position of Vice Chair of NASBA for 2010-2011.

Mr. Pearson has served as past president of the Missouri State Board of Accountancy. His interpersonal and communication skills have allowed Mr. Pearson to develop productive working relationships with numerous state boards, committees, and community organizations.

Mr. Pearson is hard working, proactive, organized, dependable, and goal oriented. Mr. Pearson has an outstanding rapport with his peers and those who have worked under his supervision.

Mr. Pearson has the analytical skills to diagnose problems and devise viable solutions. His education, excellent leadership skills, and extensive professional experience will make him the ideal candidate for the position of Vice Chair.

The Missouri State Board of Accountancy highly recommends the nomination of Robert A. Pearson for Vice Chair of NASBA without reservation.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Jean".

Wayne Jean, CPA, President  
Missouri State Board of Accountancy



STATE OF TENNESSEE  
**TENNESSEE STATE BOARD OF ACCOUNTANCY**  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
DAVY CROCKETT TOWER  
NASHVILLE, TENNESSEE 37243  
615-741-2550

29 January 2010

Thomas J. Sadler, CPA  
NASBA – Nominating Committee  
150 Fourth Avenue North, Suite 700  
Nashville, Tennessee 37219-2417

**Re: Nomination of Mark P. Harris, CPA for the Position of NASBA Vice Chair**

Dear Mr. Sadler and Members of the Nominating Committee:

The Tennessee State Board of Accountancy is pleased to support the nomination of Mark P. Harris, CPA, for the position of Vice Chair of NASBA for 2010-2011. Mr. Harris presents a strong resume with extensive experience with the State Board of Certified Public Accountants of Louisiana as well as exhibiting an interest in promoting the accounting profession on a national level by holding a number of leadership roles in NASBA. We believe that Mr. Harris possesses the qualities of leadership that would greatly benefit NASBA and all state boards of accountancy should he be named Vice Chair.

Sincerely and on behalf of the Tennessee State Board of Accountancy,

Mark H. Grocker, CPA  
Executive Director

Cc: Mr. Mark P. Harris, CPA  
State Boards of Accountancy

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY

Tom Ed Simmons, CPA, President  
Gary Kelly, CPA, Secretary  
Dale Coy, CPA, Treasurer  
Gene Cogbill, CPA



Dr. Mike Moore, CPA  
Lloyd Franklin, CFE  
W. R. "Bill" Millager, MBA

Leveta Ray, CPA  
Executive Director

February 16, 2010

Mr. Thomas Sadler, CPA  
Chairman, Nominating Committee  
NASBA  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219-2417

RE: Nomination of Mark P. Harris, CPA, for NASBA Vice Chair for 2010-2011

Dear Mr. Sadler:

At its meeting on February 11, 2010, the Arkansas State Board of Public Accountancy voted unanimously to support the nomination of Mark P. Harris, CPA, for the position of Vice Chair of the NASBA Board of Directors 2010-2011.

The Arkansas State Board recognizes Mr. Harris' professionalism and concern for the issues as they affect the profession as well as the regulators of Certified Public Accountants. Mr. Harris' extensive experience, leadership skills, and dedication to the profession indicate that NASBA and the state boards of accountancy would greatly benefit from his leadership and qualify him to serve as NASBA's Vice Chair.

On behalf of the Arkansas State Board of Public Accountancy, please accept this letter as Arkansas' recommendation of Mark P. Harris, CPA for the position of NASBA Vice Chair for 2010-2011.

Sincerely,

A handwritten signature in cursive script that reads "Leveta Ray".

Leveta Ray, CPA  
Executive Director

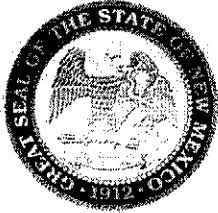
Cc: Mr. Mark P. Harris, CPA  
Arkansas State Board of Public Accountancy Members  
State Boards of Accountancy

101 East Capitol, Suite 450

Little Rock, Arkansas 72201

(501) 682-1520  
Fax (501) 682-5538

[www.Arkansas.gov/asbpa](http://www.Arkansas.gov/asbpa)



**New Mexico Regulation and Licensing Department**  
**BOARDS AND COMMISSIONS DIVISION**  
**Public Accountancy Board**

5200 Oakland Avenue, NE, Suite D • Albuquerque, New Mexico 87113  
(505) 222-9850 • Fax (505) 222-9855 • www.rld.state.nm.us

**Bill Richardson**  
GOVERNOR

**Kelly O'Donnell, Ph.D.**  
SUPERINTENDENT

**Julie Ann Meade**  
DEPUTY  
SUPERINTENDENT

**Randall Cherry**  
CHIEF GENERAL  
COUNSEL

**Linda Trujillo**  
DIRECTOR

February 16, 2010

Mr. Thomas Sadler, CPA  
Chairman, Nominating Committee  
NASBA  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219-2417

RE: New Mexico Public Accountancy Board Nomination of Mark P. Harris,  
CPA, as NASBA Vice Chair for 2010-2011

Dear Mr. Sadler:

At its meeting on February 15, 2010, the New Mexico Public Accountancy Board voted unanimously to support the nomination of Mark P. Harris, CPA, as Vice Chair of the NASBA Board of Directors for 2010-2011.

The New Mexico Board believes that Mr. Harris' leadership skills, experience, and dedication eminently qualify him to serve as NASBA's Vice Chair.

Please accept this letter as the New Mexico Public Accountancy Board's nomination of Mark P. Harris, CPA, for the position of NASBA Vice Chair for 2010-2011.

Sincerely,

Leonard R. Sanchez, CPA, PFS  
Chairman  
New Mexico Public Accountancy Board

Alcohol and Gaming Division  
(505) 476-4875

Boards and Commissions Division  
(505) 476-4600

Construction Industries Division  
(505) 476-4700

Financial Institutions Division  
(505) 476-4885

Manufactured Housing Division  
(505) 476-4770

Securities Division  
(505) 476-4580

Administrative Services Division  
(505) 476-4800

cc: Members, NASBA Nominating Committee  
New Mexico Public Accountancy Board Members  
State Boards of Accountancy

# Mississippi State Board of Public Accountancy

DAVID E. CLARKE, CPA-Greenville  
*Chair*

DAVID L. MILLER, CPA-Tupelo  
*Vice Chair*

SHELLY B. BOONE, CPA-Gulfport  
*Secretary*



JIM E. BURKES, CPA-Jackson

RICK ELAM, CPA-Oxford

WILLIE B. SIMS, JR., CPA-Hattiesburg

(601) 354-7320  
Fax 354-7290

5 Old River Place, Suite 104  
Jackson, Mississippi 39202-3449

SUSAN M. HARRIS, CPA  
*Executive Director*

[www.msbspa.state.ms.us](http://www.msbspa.state.ms.us)  
[email@msbspa.state.ms.us](mailto:email@msbspa.state.ms.us)

February 17, 2010

Mr. Thomas Sadler, CPA  
Chairman, Nominating Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219-2417

Re: Support of Nomination - Mark P. Harris, CPA, for NASBA 2010-2011 Vice Chair

Dear Mr. Sadler:

The Mississippi State Board of Public Accountancy provides this letter as its full and unanimous support of the nomination of Mark P. Harris for the position of NASBA 2010-2011 Vice Chair.

Mr. Harris is an excellent choice to serve as the NASBA Vice Chair. A more objective, conscientious and forthright individual cannot be found to serve the state boards. He has demonstrated his credibility, integrity, and knowledge through his active participation as a Director-at-Large, Southwest Regional Director and on various NASBA Committees.

The Mississippi Board appreciates the opportunity to support Mr. Mark Harris' nomination for the Vice Chair position and is confident he will provide the leadership to inspire NASBA and the regulation of public accountancy.

On Behalf of the Board,

A handwritten signature in cursive script that reads "David E. Clarke".

David E. Clarke  
Board Chair

**Charlie Liem**, Interim Secretary

**Charlie Crist**, Governor

February 22, 2010

Thomas J. Sadler, CPA  
NASBA Nominating Committee  
150 Fourth Avenue North, Suite 700  
Nashville, Tennessee 37219-2417

Dear Mr. Sadler:


At the Florida Board of Accountancy's February 5, 2010 meeting, the board voted to support the nomination of Mark P. Harris for the position of vice-chair. As evident from his prior service, Mr. Harris has demonstrated his interest and commitment to the accounting profession.

Mr. Harris currently serves as a NASBA Director at Large. He has also served as the Southwest Regional Director and has been involved in a variety of NASBA initiatives, including chairing the current Education Committee and the Communications Committee in its inaugural year. He has also served on the CBT Implementation Task Force, the Conference of International Regulators committee, and has represented NASBA on the AICPA Peer Review Board and the Score Scale Task Force.

Mr. Harris has been an effective member of the Louisiana Board of Accountancy since 1996. His board service includes investigations and developing the Louisiana Board's communication technology.

The Florida Board of Accountancy requests that the Nominating Committee accept and support our recommendation of Mark P. Harris as NASBA's vice-chair.

Respectfully,

  
Veloria A. Kelly  
Director

cc: Mark P. Harris, CPA  
State Boards of Accountancy



**SOUTH DAKOTA  
BOARD OF ACCOUNTANCY**

301 E. 14<sup>th</sup> Street, Suite 200  
Sioux Falls, SD 57104  
(605) 367-5770 / Fax: (605) 367-5773  
e-mail [sdbdacct.sdbd@midconetwork.com](mailto:sdbdacct.sdbd@midconetwork.com)  
[www.state.sd.us/dol/boards/accountancy](http://www.state.sd.us/dol/boards/accountancy)

February 23, 2010

Thomas J. Sadler, CPA  
Chairman, Nominating Committee  
NASBA  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219-2417

RE: Nomination of Mark P. Harris, CPA, for NASBA Vice Chair for 2010-2011

Dear Mr. Sadler:

The South Dakota Board of Accountancy is pleased to support the nomination of Mark P. Harris, CPA, for the position of Vice Chair of the NASBA Board of Directors 2010-2011.

The South Dakota Board recognizes Mr. Harris' professionalism and extensive experience, leadership skills and dedication to the accounting profession which qualify him to serve as NASBA's Vice Chair.

On behalf of the South Dakota Board of Accountancy, please accept this letter as South Dakota's recommendation of Mark P. Harris, CPA, for the position of NASBA Vice Chair for 2010-2011.

Sincerely,

Nicole Olson-Kasin  
Executive Director

Cc: Mr. Mark P. Harris, CPA  
State Boards of Accountancy



NEVADA STATE BOARD OF ACCOUNTANCY  
1325 Airmotive Way, Suite 220  
Reno NV 89502  
(775) 786-0231 (Phone)  
(775) 786-0234 (FAX)  
[cpa@nvaccountancy.com](mailto:cpa@nvaccountancy.com) (email)

February 24, 2010

Thomas J. Sadler, CPA  
Chair – Nominating Committee  
NASBA  
150 Fourth Avenue North  
Suite 700  
Nashville TN 37219

Re: Nomination of Mark P. Harris, CPA for NASBA Vice-Chair 2009-2010

Dear Mr. Sadler and Members of the Nominating Committee:

The Nevada State Board of Accountancy considered your request for possible candidates for the Vice-Chair position. After careful consideration of the qualified list of individuals, the board would like to recommend Mark P. Harris, for the Vice-Chair position.

Mr. Harris has been actively involved in NASBA and has demonstrated his capacity to fulfill the position of Vice-Chair throughout his tenure at regional and national levels of NASBA.

The Nevada Board has recognized Mr. Harris' professionalism and concern for the issues as they affect the profession as well as the regulators of Certified Public Accountants.

The members of the Nevada State Board of Accountancy are pleased to nominate and support Mr. Harris for the position of NASBA Vice-Chair.

Sincerely,

A handwritten signature in black ink, appearing to read "Viki A. Windfeldt".

Viki A. Windfeldt  
Executive Director  
Nevada State Board of Accountancy

cc: State Boards of Accountancy  
Mark P. Harris, CPA





STATE OF OKLAHOMA  
OKLAHOMA ACCOUNTANCY BOARD

March 2, 2010  
*Via email*

Mr. Thomas J. Sadler, CPA, Chair  
Nominating Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 1300  
Nashville TN 37219-2417

Re: Oklahoma Accountancy Board Nomination of Mark P. Harris, CPA, for NASBA  
Vice Chair for 2010-2011

Dear Mr. Sadler and Members of the Nominating Committee:

At its meeting on February 26, 2010, the Oklahoma Accountancy Board voted unanimously to support Mr. Mark P. Harris, CPA, for the position of NASBA Vice Chair for 2010-2011.

Mr. Harris has proven his leadership qualities as well as his dedication to the accounting profession with his service as an outstanding Director-At-Large, Southwest Regional Director, Chairman of the NASBA Communications Committee, as well as a variety of other NASBA committees, and as a member of the Louisiana State Board.

Please accept this letter as the Oklahoma Accountancy Board's nomination of Mark P. Harris, CPA, for the position of NASBA Vice Chair for 2010-2011. We appreciate the opportunity to provide this recommendation and respectfully submit it for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "S. Nicole Prieto Johns".

Interim Executive Director

cc: NASBA Nominating Committee  
Oklahoma Accountancy Board, Board Members  
State Boards of Accountancy

# NASBA

National Association of State Boards of Accountancy

## MEMORANDUM

**To:** State Board Executive Directors  
State Board Chairs/Presidents  
NASBA Board of Directors  
Past Chair Advisory Council

**From:** David Costello, President & CEO

**Date:** 03/10/2010

**Re:** Vice Chair Nomination

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NASBA's Nominating Committee met Monday, March 8, to select a candidate for NASBA Vice Chair 2010-2011, who will automatically accede to Chair in 2011-2012. I am pleased to present Mark Phillip Harris, CPA, as the Committee's nominee.

For 13 years, Mark has been a member of the State Board of Certified Public Accountants of Louisiana. Now in his fourth year as a NASBA Director-at-Large, Mark previously served three years as the Southwest Regional Director. Mark is the current Chair of NASBA's Education Committee and serves as a board member of NASBA's Center for the Public Trust. He is a former Chair of NASBA's Compliance Assurance Committee and the Communications Committee, and he has served on the NASBA/AICPA International Qualifications Appraisal Board and the International Regulators Committee. In addition, Mark has served as NASBA's representative on the AICPA's Professional Ethics Executive Committee, three years on the AICPA's Peer Review Board, and also served on the AICPA's Board of Examiners Score Scale Task Force.

A graduate of the University of Louisiana, Mark has been a CPA since 1980. He was a partner in both large and small Louisiana firms before he started his own practice in 1991. Mark and his wife Beth have three children.

Mark's dedication and professional skills will help further NASBA's mission to enhance the effectiveness of State Boards of Accountancy in the years to come. Please join me in congratulating Mark Phillip Harris, on receiving the nomination for Vice Chair of NASBA 2010-2011.

Please remember we need your Board's recommendations for NASBA Regional Directors and Directors-at-Large for the 2010-2011 NASBA Board of Directors. Eight Regional Directors shall be elected for one-year terms, and may serve a maximum of three terms. The Board's nine Directors-at-Large have staggered three-year terms, with a maximum of two terms per Director. Three Directors-at-Large will be elected for 2010-2013. Your recommendation(s) to the Nominating Committee should be approved by your State Board and addressed to Thomas J. Sadler,

# NASBA

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National Association of State Boards of Accountancy

CPA, National Association of State Boards of Accountancy, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417.

Recommendations must be received by June 1, 2010. Thank you for guiding NASBA's future through your participation in our election process.

c: Thomas J. Sadler, Chair, Nominating Committee  
Nominating Committee

# NASBA

National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880/4290 ♦ Web [www.nasba.org](http://www.nasba.org)

March 10, 2010

To State Board Chairs/Presidents, Executive Directors, Delegates and Associates:

On behalf of the NASBA Nominating Committee, we are asking Boards to submit their recommendations for next year's Nominating Committee Members, Directors-at-Large and Regional Directors. If you are interested in one of these positions, or have a candidate to suggest, please contact your Board's Chair or Executive Director, as all recommendations must come from the Board.

## **NOMINATING COMMITTEE RECOMMENDATIONS:**

At the 2010 Regional Meetings, designated voting representatives of states in the **Pacific, Central, Southeast and Middle Atlantic Regions** will elect a member and an alternate member (who will serve in the event the elected member cannot) to serve on the Nominating Committee from 2010 to 2012.

As provided in the NASBA Bylaws, Nominating Committee members may serve two complete consecutive terms plus any unexpired term, but upon completion of the aforementioned terms, must wait two years before being able to serve again. No elected member of the Nominating Committee shall be eligible for election or appointment to any position on the Board of Directors through the entirety of his or her elected term and one year thereafter.

Additionally, please note that Regions are responsible for electing their Nominating Committee member. If a Region cannot successfully elect a member, the Region will not have representation on the Nominating Committee. Therefore, we urge you to give this matter high priority.

## **BOARD OF DIRECTORS RECOMMENDATIONS:**

The Board of Directors is composed of a Chair, Vice Chair, Past Chair, nine Directors-at-Large and a Regional Director from each of the eight Regions. Directors-at-Large are elected for three-year terms and may serve a maximum of two terms, plus any unexpired terms. Thus, three of the nine Directors-at-Large will be elected at the 2010 Annual Business Meeting.

Regional Directors are elected for one-year terms and may serve a maximum of three terms. All Regional Directors must be State Board of Accountancy members at the time of or within six months prior to their election or appointment. All of the Regional Directors will be elected at the 2010 Annual Business Meeting.

**The deadline for receiving these nominations is Tuesday, June 1, 2010.** Please send your letters of recommendation AND each individual's biographical information to Thomas J. Sadler, Nominating Committee Chair, via mail to NASBA, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219, or via fax to 615-880-4291, or via e-mail to: [aholt@nasba.org](mailto:aholt@nasba.org).

Sincerely yours,



Thomas J. Sadler, CPA  
Chair, NASBA Nominating Committee