



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**
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Agenda
South Dakota Board of Accountancy Meeting
Conference Call
9:00 a.m. (CT)
June 23, 2014

A=Action

D=Discussion

I=Information

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 FUTURE MEETING DATES (all times CT)	
July 21 – 9:00 – Conference Call	
August 11 – 8:30 – Sioux Falls, SD – Holiday Inn Downtown, Cascade Room	



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South Dakota Board of Accountancy
Minutes of Meeting-Conference Call
May 5, 2014 – 9:00 a.m.

The Board of Accountancy held a meeting by conference call on Monday, May 5, 2014. Chair John Mitchell called the meeting to order at 9:03 a.m.

Roll call was taken to confirm that the following members were present: Holly Brunick, David Pummel, John Linn, Jr., Marty Guindon, John Peterson and John Mitchell. A quorum was present.

Also present were Nicole Kasin, Executive Director; Brenda Page, Secretary; Aaron Arnold, Legal Counsel and Department of Labor & Regulation.

Chair John Mitchell asked if there were any additions to the agenda. The following were added: Additions to Certificates and Firm Permits.

A motion was made by Holly Brunick and seconded by David Pummel to approve the March 24, 2014, meeting minutes. A roll call vote was taken. The motion unanimously carried.

A motion was made by Marty Guindon and seconded by John Linn, Jr. to approve the issuance of individual certificates and firm permits through May 1, 2014. A roll call vote was taken. The motion unanimously carried.

A motion was made by David Pummel and seconded by Marty Guindon to approve the financial statements through March 2014. A roll call vote was taken. The motion unanimously carried.

Executive Director Kasin discussed her report. A response to the exposure draft was sent to ARSC. NASBA nominating committee has selected Donny Burkett, CPA as nominee for 2014-2015 Vice-Chair. Executive Director Kasin sent an initial letter to the foreign evaluators to update their process with the board and gave an update on the responses already received. Executive Director Kasin provided a follow up of the status of the CPE Consent Agreements from the March meeting. The Board discussed a question in regards to CPE hours for webinars.

The Board discussed the Kansas letter for Central Region nomination committee representative.

A motion was made by David Pummel and seconded by Holly Brunick to enter into executive session for the deliberative process for peer reviews and follow-ups. A roll call vote was taken. The motion unanimously carried.

The Board came out of executive session.

A motion was made by Marty Guindon and seconded Holly Brunick to accept the peer reviews and follow-ups as discussed in executive session. A roll call vote was taken. The motion unanimously carried.

FUTURE MEETING DATES (all times CT)

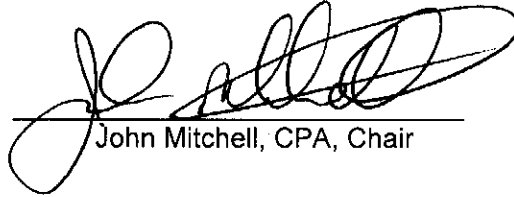
June 23 - 9:00 - Conference Call

July 21 - 9:00 - Conference Call (**Tentative**)

August 11 - 8:30 - Sioux Falls, SD, location TBD

A motion was made by David Pummel and seconded by John Linn, Jr. to adjourn the meeting. A roll call vote was taken. The motion unanimously carried.

All business having come before the board was concluded and Chair John Mitchell adjourned the meeting at 9:29 a.m.



John Mitchell, CPA, Chair

Attest: 
Nicole Kasin, Executive Director



David Pummel, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through June 18, 2014

Number	Name	Date Issued	Location
3142	Mackenzie Lyn Heyl	5/09/14	Sioux Falls, SD
3143	Lucas Paul Ashland	6/02/14	Sioux City, IA
3144	Heidi Lynne Dreyer	6/02/14	Plymouth, MN
3145	Kelly Rae Foreman	6/06/14	Rapid City, SD

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

**Issued Through
June 18, 2014**

Number	Name	Date Issued	Basis/Comments
1621	Cutler & Co., LLC Arvada, CO	05/06/14	New Firm
1622	Babcock Langbein CPA Minneapolis, MN	05/20/14	Name Change

BA1409R1

STATE OF SOUTH DAKOTA
CASH CENTER BALANCES
AS OF: 04/30/2014

PAGE

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	323,731.70	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			323,731.70	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			323,731.70	DR **	
BUDGET UNIT TOTAL 1031			323,731.70	DR ***	

- 3,100.67 ~ CIVITA-BS6 5-1-14 US Bank deposit

320,631.03 Quickbooks April balance

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 04/30/2014

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

COMP CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503 COMPANY NAME PROFESSIONAL & LICENSING BOARDS									
6503	1031000061802	51010100	CGEX140326	04/02/2014				1,805.60	DR
6503	1031000061802	51010100	CGEX140411	04/16/2014				2,166.72	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES									
6503	1031000061802	51010200	CGEX140326	04/02/2014				3,972.32	DR *
6503	1031000061802	51010200	CGEX140411	04/16/2014				1,131.00	DR
6503	1031000061802	51010200	CGEX140411	04/16/2014				1,368.67	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES									
6503	1031000061802	51010300	CGEX140411	04/16/2014				2,499.67	DR *
OBJSUB: 5101030 BOARD & COMM MBR'S FEES									
OBJECT: 5101 EMPLOYEE SALARIES									
6503	1031000061802	51020100	CGEX140326	04/02/2014				240.00	DR *
6503	1031000061802	51020100	CGEX140403	04/04/2014				6,711.99	DR **
6503	1031000061802	51020100	CGEX140411	04/16/2014				214.21	DR
6503	1031000061802	51020100	CGEX140411	04/16/2014				.69	DR
6503	1031000061802	51020100	CGEX140411	04/16/2014				278.34	DR
OBJSUB: 5102010 OASI-EMPLOYER'S SHARE									
6503	1031000061802	51020200	CGEX140326	04/02/2014				493.24	DR *
6503	1031000061802	51020200	CGEX140411	04/16/2014				176.20	DR
6503	1031000061802	51020200	CGEX140411	04/16/2014				212.12	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE									
6503	1031000061802	51020600	CGEX140326	04/02/2014				388.32	DR *
6503	1031000061802	51020600	CGEX140411	04/16/2014				1,926.15	DR
6503	1031000061802	51020600	CGEX140411	04/16/2014				1,926.15	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE									
6503	1031000061802	51020800	CGEX140326	04/02/2014				3,852.30	DR *
6503	1031000061802	51020800	CGEX140411	04/16/2014				3.82	DR
6503	1031000061802	51020800	CGEX140411	04/16/2014				4.60	DR
OBJSUB: 5102080 WORKER'S COMPENSATION									
6503	1031000061802	51020900	CGEX140326	04/02/2014				8.42	DR *
6503	1031000061802	51020900	CGEX140411	04/16/2014				.94	DR
6503	1031000061802	51020900	CGEX140411	04/16/2014				1.13	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION									
OBJECT: 5102 EMPLOYEE BENEFITS									
GROUP: 51 PERSONAL SERVICES									
6503	1031000061802	52031400	CGEX140403	04/04/2014				2.07	DR *
6503	1031000061802	52031400	CGEX140403	04/04/2014				4,744.35	DR **
6503	1031000061802	52031400	CGEX140403	04/04/2014				11,456.34	DR ***
6503	1031000061802	52031400	CGEX140403	04/04/2014				9.00	DR
OBJSUB: 5203140 TAXABLE MEALS/IN-STATE									
6503	1031000061802	52032600	CGEX140403	04/04/2014				9.00	DR *
6503	1031000061802	52032600	CGEX140403	04/04/2014				669.50	DR
OBJSUB: 5203260 AIR-COMM-OUT-OF-STATE									
6503	1031000061802	52032800	CGEX140403	04/04/2014				669.50	DR *
6503	1031000061802	52032800	CGEX140403	04/04/2014				42.00	DR
OBJSUB: 5203280 OTHER-PUBLIC-OUT-OF-STATE									
6503	1031000061802	52033000	CGEX140403	04/04/2014				1,133.10	DR *

AGENCY BUDGET CENTER	UNIT	10	1031	LABOR & REGULATION BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPVL #	OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
OBJSUB: 52033300	1031000061802	52033300	52033320	LODGING/OUT-OF-STATE	503	1031000061802	52033320	C6EX140403	04/04/2014	665001					1,133.10	DR *
OBJSUB: 52033320	1031000061802	52033350	52033500	INCIDENTALS-OUT-OF-STATE	503	1031000061802	52033500	C6EX140403	04/04/2014	665001					35.00	DR *
OBJSUB: 52033500	1031000061802	52040100	52040200	NON-TAXABLE MEALS/OUT-ST	503	1031000061802	52040100	14741557	04/09/2014	00077200		THOMSONREU	12119109	02	152.00	DR *
OBJECT: 5203				TRAVEL											2,040.60	DR **
OBJSUB: 52040100	1031000061802	52040200	52040200	SUBSCRIPTIONS	503	1031000061802	52040200	1902618-15	04/18/2014	00080656		COUNCILONL	12116359		265.27	DR *
OBJSUB: 52040200	1031000061802	52042000	52042000	DUES & MEMBERSHIP FEES	503	1031000061802	52042000	PL403056	04/11/2014						240.00	DR *
OBJSUB: 52042000	1031000061802	52044200	52044200	CENTRAL SERVICES	503	1031000061802	52044200	INV1870188	04/02/2014	02071366		MARCOINC	12201534		56.40	DR *
OBJSUB: 52042200	1031000061802	52042300	52042300	EQUIPMENT SERV & MAINT	503	1031000061802	52042300	14SC100002	04/30/2014	00083225		SUNSETOFFI	12043890		1.73	DR *
OBJSUB: 52042300	1031000061802	52044600	52044600	JANITORIAL & MAINT SERV	503	1031000061802	52044600	INV1870188	04/02/2014	02071366		MARCOINC	12201534		57.00	DR *
OBJSUB: 52044600	1031000061802	52044900	52044900	EQUIPMENT RENTAL	503	1031000061802	52044900	ACCOUNTRNT2013	04/23/2014	02073647		MCGINNISRO	12074040		57.00	DR *
OBJSUB: 52044900	1031000061802	52045300	52045300	RENTS-PRIVATE OWNED PROP.	503	1031000061802	52045300	TL403154	04/11/2014	00074586		MIDCONTINE	12023782		1,269.45	DR *
OBJSUB: 52045300	1031000061802	52045500	52045500	TELECOMMUNICATIONS SRVCS	503	1031000061802	52045500	2872359210870314	04/02/2014	00075592		ATTMOBILIT	12279233		100.00	DR *
OBJSUB: 52045500	1031000061802	52045900	52045900	ELECTRICITY	503	1031000061802	52045900	PE403033	04/23/2014						62.44	DR *
OBJSUB: 52045900	1031000061802	52047400	52047400	INS PREMIUMS & SURETY BDS	503	1031000061802	52047400	CI104A-53	04/11/2014	202326					1,275.00	DR *
OBJSUB: 52047400	1031000061802	52047600	52047600		503	1031000061802	52047600	CI104A-53	04/11/2014	202326					84.34	DR *
OBJSUB: 52047600	1031000061802	52047400	52047400		503	1031000061802	52047400	CI104A-53	04/11/2014	202326					84.34	DR *
OBJSUB: 52047400	1031000061802	52049600	52049600	BANK FEES AND CHARGES	503	1031000061802	52049600	13546976	04/02/2014	00074463		NATLASSNST	12005047		7,301.18	DR *
OBJSUB: 52049600	1031000061802	52049600	52049600		503	1031000061802	52049600	13553057	04/18/2014	00080345		NATLASSNST	12005047		1,720.51	DR *

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 04/30/2014

AGENCY 10 LABOR & REGULATION
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
		OBJSUB: 5204960	OTHER CONTRACTUAL SERVICE						9,021.69	DR *
		OBJECT: 5204	CONTRACTUAL SERVICES						12,840.77	DR **
		6503 1031000061802 52050200	1838980-0	04/30/2014	02074379	BROWNSAENG	12028533		125.00	DR
		6503 1031000061802 52050200	551570	04/04/2014	02071850	OFFICEMAXI	12162845		176.81	DR
		OBJSUB: 5205020	OFFICE SUPPLIES						301.81	DR *
		6503 1031000061802 52050280	55345	04/11/2014	00078087	STOUKFAALLS	12036365		17.75	DR
		OBJSUB: 5205028	OFFICE SUPPLIES						17.75	DR *
		6503 1031000061802 52053200	38274	04/04/2014	00075699	BUSINESSSPR	12003048		60.00	DR
		OBJSUB: 5205320	PRINTING-COMMERCIAL						60.00	DR *
		6503 1031000061802 52053400	CGEX140403	04/04/2014	665001				176.15	DR
		OBJSUB: 5205340	MICROFILM SUPP & MATERIAL						176.15	DR *
		6503 1031000061802 52053500	040314	04/16/2014	00079890	USPOSTALISE	12005421	A2	1,000.00	DR
		OBJSUB: 5205350	POSTAGE						1,000.00	DR *
		6503 1031000061802 5228000	SUPPLIES & MATERIALS						1,555.71	DR **
		OBJSUB: 5205	T104-091	04/04/2014					184.97	DR
		OBJSUB: 5228000	OPER TRANS OUT -NON BUDGT						184.97	DR *
		OBJSUB: 5228	NONOP EXP/NONBGTD OP TR						184.97	DR **
		GROUP: 52	OPERATING EXPENSES						16,622.05	DR ***
		COMP: 6503							28,078.39	DR *****
		CNTR: 1031000061802							28,078.39	DR *****
		B. UNIT: 1031							28,078.39	DR *****

South Dakota Board of Accountancy
Balance Sheet
As of April 30, 2014

	Apr 30, 14
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	3,485.20
1140000 · Pool Cash State of SD	320,631.03
Total Checking/Savings	324,116.23
Other Current Assets	
1131000 · Interest Income Receivable	5,207.41
1213000 · Investment Income Receivable	970.07
Total Other Current Assets	6,177.48
Total Current Assets	330,293.71
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-126,986.89
Total 1670000 · Computer Software	13,076.34
Total Fixed Assets	13,076.34
TOTAL ASSETS	343,370.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	3,774.31
Total Accounts Payable	3,774.31
Other Current Liabilities	
2430000 · Accrued Wages Payable	6,461.56
2810000 · Amounts Held for Others	24,303.80
Total Other Current Liabilities	30,765.36
Total Current Liabilities	34,539.67
Long Term Liabilities	
2960000 · Compensated Absences Payable	14,119.90
Total Long Term Liabilities	14,119.90
Total Liabilities	48,659.57
Equity	
3220000 · Unrestricted Net Assets	231,934.38
3300100 · Invested In Capital Assets	13,076.34
3900 · Retained Earnings	58.38
Net Income	49,641.38
Total Equity	294,710.48
TOTAL LIABILITIES & EQUITY	343,370.05

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July 2013 through April 2014

	Jul '13 - Apr 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,550.00	2,200.00	350.00	115.9%
4293551 · Certificate Renewals-Active	56,450.00	53,000.00	3,450.00	106.5%
4293552 · Certificate Renewals-Inactive	20,100.00	19,000.00	1,100.00	105.8%
4293553 · Certificate Renewals-Retired				
5208005 · REFUNDS	-40.00			
4293553 · Certificate Renewals-Retired - Other	860.00	700.00	160.00	122.9%
Total 4293553 · Certificate Renewals-Retired	820.00	700.00	120.00	117.1%
4293554 · Initial Firm Permits	350.00	1,250.00	-900.00	28.0%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-300.00			
4293555 · Firm Permit Renewals - Other	14,100.00	18,000.00	-3,900.00	78.3%
Total 4293555 · Firm Permit Renewals	13,800.00	18,000.00	-4,200.00	76.7%
4293557 · Initial Audit	540.00	900.00	-360.00	60.0%
4293558 · Re-Exam Audit	1,980.00	2,460.00	-480.00	80.5%
4293560 · Late Fees-Initial Certificate	200.00	0.00	200.00	100.0%
4293561 · Late Fees-Certificate Renewals				
5208006 · REFUNDS	-100.00			
4293561 · Late Fees-Certificate Renewals - Other	2,400.00	4,000.00	-1,600.00	60.0%
Total 4293561 · Late Fees-Certificate Renewals	2,300.00	4,000.00	-1,700.00	57.5%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	700.00	800.00	-100.00	87.5%
4293564 · Late Fees-Peer Review	900.00	1,300.00	-400.00	69.2%
4293566 · Firm Permit Owners				
5208003 · REFUNDS	-520.00			
4293566 · Firm Permit Owners - Other	91,515.00	70,000.00	21,515.00	130.7%
Total 4293566 · Firm Permit Owners	90,995.00	70,000.00	20,995.00	130.0%
4293567 · Peer Review Admin Fee	1,875.00	5,650.00	-3,775.00	33.2%
4293568 · Firm Permit Name Change	175.00	100.00	75.00	175.0%
4293569 · Initial FAR	810.00	1,140.00	-330.00	71.1%
4293570 · Initial REG	450.00	660.00	-210.00	68.2%
4293571 · Initial BEC	420.00	930.00	-510.00	45.2%
4293572 · Re-Exam FAR	1,854.70	1,860.00	-5.30	99.7%
4293573 · Re-Exam REG	1,560.00	2,310.00	-750.00	67.5%
4293574 · Re-Exam BEC	1,650.00	2,310.00	-660.00	71.4%
4491000 · Interest and Dividend Revenue	5,207.41	9,000.00	-3,792.59	57.9%
4896021 · Legal Recovery Cost	1,250.00	1,000.00	250.00	125.0%
Total Income	206,937.11	198,570.00	8,367.11	104.2%
Gross Profit	206,937.11	198,570.00	8,367.11	104.2%
Expense				
5101010 · F-T Emp Sal & Wages	39,947.39	72,759.00	-32,811.61	54.9%
5101020 · P-T/Temp Emp Sal & Wages	20,686.22	18,779.00	1,907.22	110.2%
5101030 · Board & Comm Mbrs Fees	2,520.00	4,372.00	-1,852.00	57.6%
5102010 · OASI-Employer's Share	4,664.03	7,362.00	-2,697.97	63.4%
5102020 · Retirement-ER Share	3,638.03	5,492.00	-1,853.97	66.2%
5102060 · Health /Life Ins.-ER Share	17,481.90	22,007.00	-4,525.10	79.4%
5102080 · Worker's Compensation	78.82	254.00	-175.18	31.0%
5102090 · Unemployment Insurance	19.44	91.00	-71.56	21.4%
5203010 · Auto--State Owned	446.08	600.00	-153.92	74.3%
5203020 · Auto-Private-Ownes Low Mileage	180.80	400.00	-219.20	45.2%
5203030 · In State-Auto- Priv. High Miles	694.86	1,500.00	-805.14	46.3%
5203100 · In State-Lodging	350.00	1,000.00	-650.00	35.0%
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	215.00	400.00	-185.00	53.8%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,934.44	5,700.00	-2,765.56	51.5%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2013 through April 2014

	Jul '13 - Apr 14	Budget	\$ Over Budget	% of Budget
5203280 · OS-Other Public Carrier	42.00	500.00	-458.00	8.4%
5203300 · OS-Lodging	3,426.62	7,800.00	-4,373.38	43.9%
5203320 · OS-Incidentals to Travel	135.00	350.00	-215.00	38.6%
5203350 · OS-Non-Taxable Meals Overnight	467.00	1,200.00	-733.00	38.9%
5204010 · Subscriptions	501.20	1,000.00	-498.80	50.1%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	6,700.00	-6,700.00	0.0%
5204130 · Consultant Fees-Other	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	1,835.00	6,000.00	-4,165.00	30.6%
5204180 · Computer Services-State	657.00	600.00	57.00	109.5%
5204181 · Computer Development Serv-State	6,453.10	10,400.00	-3,946.90	62.0%
5204200 · Central Services	5,173.84	7,000.00	-1,826.16	73.9%
5204220 · Equipment Service & Maintenance	48.04	300.00	-251.96	16.0%
5204230 · Janitorial/Maintenance Services	1,228.60	1,560.00	-331.40	78.8%
5204340 · Computer Software Maintenance	0.00	1,000.00	-1,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	1,000.00	-1,000.00	0.0%
5204440 · Newsletter Publishing	0.00	1,100.00	-1,100.00	0.0%
5204460 · Equipment Rental	2,361.00	4,500.00	-2,139.00	52.5%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	12,694.50	15,531.00	-2,836.50	81.7%
5204510 · Rent-Other	200.00	200.00	0.00	100.0%
5204530 · Telecommunications Services	2,712.03	2,500.00	212.03	108.5%
5204540 · Electricity	577.21	865.00	-287.79	66.7%
5204560 · Water	67.05	240.00	-172.95	27.9%
5204590 · Insurance Premiums/Surety Bonds	1,325.00	1,710.00	-385.00	77.5%
5204740 · Bank Fees and Charges	3,845.55	5,000.00	-1,154.45	76.9%
5204960 · Other Contractual Services	724.50	0.00	724.50	100.0%
5205020 · Office Supplies	673.09	2,000.00	-1,326.91	33.7%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205310 · Printing State	199.70	500.00	-300.30	39.9%
5205320 · Printing/Duplicating/Binding Co	159.75	1,000.00	-840.25	16.0%
5205330 · Supplemental Publications	387.50	700.00	-312.50	55.4%
5205340 · Microfilm Supplies/Materials	176.15	300.00	-123.85	58.7%
5205350 · Postage	1,000.00	2,000.00	-1,000.00	50.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	-238.63	4,800.00	-5,038.63	-5.0%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	3,339.32	7,400.00	-4,060.68	45.1%
5228030 · Depreciation Expense	10,058.60	12,070.40	-2,011.80	83.3%
Total Expense	157,295.73	255,542.40	-98,246.67	61.6%
Net Ordinary Income	49,641.38	-56,972.40	106,613.78	-87.1%
Net Income	49,641.38	-56,972.40	106,613.78	-87.1%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
April 2014

	<u>Apr 14</u>	<u>Apr 13</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	50.00	50.00	0.00	0.0%
4293551 · Certificate Renewals-Active	0.00	100.00	-100.00	-100.0%
4293552 · Certificate Renewals-Inactive	50.00	0.00	50.00	100.0%
4293554 · Initial Firm Permits	50.00	50.00	0.00	0.0%
4293557 · Initial Audit	60.00	90.00	-30.00	-33.3%
4293558 · Re-Exam Audit	270.00	240.00	30.00	12.5%
4293561 · Late Fees-Certificate Renewals	0.00	100.00	-100.00	-100.0%
4293566 · Firm Permit Owners	1,500.00	260.00	1,240.00	476.9%
4293567 · Peer Review Admin Fee	150.00	300.00	-150.00	-50.0%
4293569 · Initial FAR	150.00	120.00	30.00	25.0%
4293570 · Initial REG	60.00	60.00	0.00	0.0%
4293571 · Initial BEC	90.00	90.00	0.00	0.0%
4293572 · Re-Exam FAR	504.70	270.00	234.70	86.9%
4293573 · Re-Exam REG	210.00	330.00	-120.00	-36.4%
4293574 · Re-Exam BEC	270.00	270.00	0.00	0.0%
4896021 · Legal Recovery Cost	1,250.00	150.00	1,100.00	733.3%
Total Income	<u>4,664.70</u>	<u>2,480.00</u>	<u>2,184.70</u>	<u>88.1%</u>
Gross Profit	4,664.70	2,480.00	2,184.70	88.1%
Expense				
5101010 · F-T Emp Sal & Wages	3,972.32	5,502.01	-1,529.69	-27.8%
5101020 · P-T/Temp Emp Sal & Wages	2,499.67	1,435.16	1,064.51	74.2%
5101030 · Board & Comm Mbrs Fees	240.00	240.00	0.00	0.0%
5102010 · OASI-Employer's Share	493.24	532.32	-39.08	-7.3%
5102020 · Retirement-ER Share	388.32	416.23	-27.91	-6.7%
5102060 · Health /Life Ins.-ER Share	3,852.30	2,968.02	884.28	29.8%
5102080 · Worker's Compensation	8.42	11.10	-2.68	-24.1%
5102090 · Unemployment Insurance	2.07	5.20	-3.13	-60.2%
5203010 · Auto--State Owned	0.00	159.95	-159.95	-100.0%
5204010 · Subscriptions	0.00	359.39	-359.39	-100.0%
5204020 · Dues and Membership Fees	0.00	240.00	-240.00	-100.0%
5204180 · Computer Services-State	0.00	78.00	-78.00	-100.0%
5204181 · Computer Development Serv-State	0.00	419.25	-419.25	-100.0%
5204200 · Central Services	56.40	194.13	-137.73	-71.0%
5204220 · Equipment Service & Maintenance	3.47	3.59	-0.12	-3.3%
5204230 · Janitorial/Maintenance Services	122.86	122.86	0.00	0.0%
5204340 · Computer Software Maintenance	0.00	105.00	-105.00	-100.0%
5204360 · Advertising-Newspapers	0.00	561.33	-561.33	-100.0%
5204460 · Equipment Rental	57.00	57.00	0.00	0.0%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	161.73	95.00	66.73	70.2%
5204540 · Electricity	58.11	61.60	-3.49	-5.7%
5204590 · Insurance Premiums/Surety Bonds	1,325.00	799.00	526.00	65.8%
5204740 · Bank Fees and Charges	84.34	74.44	9.90	13.3%
5204960 · Other Contractual Services	0.00	210.00	-210.00	-100.0%
5205020 · Office Supplies	296.13	0.00	296.13	100.0%
5205350 · Postage	1,000.00	0.00	1,000.00	100.0%
5228000 · Operating Transfers Out-NonBudg	184.97	449.22	-264.25	-58.8%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>17,081.66</u>	<u>17,375.11</u>	<u>-293.45</u>	<u>-1.7%</u>
Net Ordinary Income	<u>-12,416.96</u>	<u>-14,895.11</u>	<u>2,478.15</u>	<u>16.6%</u>
Net Income	<u><u>-12,416.96</u></u>	<u><u>-14,895.11</u></u>	<u><u>2,478.15</u></u>	<u><u>16.6%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2013 through April 2014

	Jul '13 - Apr 14	Jul '12 - Apr 13	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,550.00	2,200.00	350.00	15.9%
4293551 · Certificate Renewals-Active	56,450.00	55,200.00	1,250.00	2.3%
4293552 · Certificate Renewals-Inactive	20,100.00	20,050.00	50.00	0.3%
4293553 · Certificate Renewals-Retired	820.00	710.00	110.00	15.5%
4293554 · Initial Firm Permits	350.00	850.00	-500.00	-58.8%
4293555 · Firm Permit Renewals	13,800.00	20,000.00	-6,200.00	-31.0%
4293557 · Initial Audit	540.00	390.00	150.00	38.5%
4293558 · Re-Exam Audit	1,980.00	1,920.00	60.00	3.1%
4293560 · Late Fees-Initial Certificate	200.00	200.00	0.00	0.0%
4293561 · Late Fees-Certificate Renewals	2,300.00	2,400.00	-100.00	-4.2%
4293563 · Late Fees-Firm Permit Renewals	700.00	550.00	150.00	27.3%
4293564 · Late Fees-Peer Review	900.00	700.00	200.00	28.6%
4293566 · Firm Permit Owners	90,995.00	73,710.00	17,285.00	23.5%
4293567 · Peer Review Admin Fee	1,875.00	1,125.00	750.00	66.7%
4293568 · Firm Permit Name Change	175.00	50.00	125.00	250.0%
4293569 · Initial FAR	810.00	750.00	60.00	8.0%
4293570 · Initial REG	450.00	450.00	0.00	0.0%
4293571 · Initial BEC	420.00	420.00	0.00	0.0%
4293572 · Re-Exam FAR	1,854.70	2,070.00	-215.30	-10.4%
4293573 · Re-Exam REG	1,560.00	1,920.00	-360.00	-18.8%
4293574 · Re-Exam BEC	1,650.00	1,650.00	0.00	0.0%
4491000 · Interest and Dividend Revenue	5,207.41	8,344.35	-3,136.94	-37.6%
4896021 · Legal Recovery Cost	1,250.00	700.00	550.00	78.6%
Total Income	206,937.11	196,359.35	10,577.76	5.4%
Gross Profit	206,937.11	196,359.35	10,577.76	5.4%
Expense				
5101010 · F-T Emp Sal & Wages	39,947.39	56,792.08	-16,844.69	-29.7%
5101020 · P-T/Temp Emp Sal & Wages	20,686.22	14,989.92	5,696.30	38.0%
5101030 · Board & Comm Mbrs Fees	2,520.00	1,920.00	600.00	31.3%
5102010 · OASI-Employer's Share	4,664.03	5,407.30	-743.27	-13.8%
5102020 · Retirement-ER Share	3,638.03	4,306.90	-668.87	-15.5%
5102060 · Health /Life Ins.-ER Share	17,481.90	17,913.99	-432.09	-2.4%
5102080 · Worker's Compensation	78.82	114.81	-35.99	-31.4%
5102090 · Unemployment Insurance	19.44	53.87	-34.43	-63.9%
5203010 · Auto--State Owned	446.08	859.87	-413.79	-48.1%
5203020 · Auto-Private-Ownees Low Mileage	180.80	0.00	180.80	100.0%
5203030 · In State-Auto- Priv. High Miles	694.86	446.96	247.90	55.5%
5203100 · In State-Lodging	350.00	448.75	-98.75	-22.0%
5203140 · InState-Tax Meals Not Overnigt	9.00	32.00	-23.00	-71.9%
5203150 · InState-Non-Tax Meals OverNight	215.00	237.00	-22.00	-9.3%
5203220 · OS-Auto Private Low Mileage	0.00	90.40	-90.40	-100.0%
5203260 · OS-Air Commercial Carrier	2,934.44	4,336.73	-1,396.29	-32.2%
5203280 · OS-Other Public Carrier	42.00	249.00	-207.00	-83.1%
5203300 · OS-Lodging	3,426.62	6,333.93	-2,907.31	-45.9%
5203320 · OS-Incidentals to Travel	135.00	425.00	-290.00	-68.2%
5203350 · OS-Non-Taxable Meals Overnight	467.00	812.00	-345.00	-42.5%
5204010 · Subscriptions	501.20	688.05	-186.85	-27.2%
5204020 · Dues and Membership Fees	3,200.00	3,440.00	-240.00	-7.0%
5204040 · Consultant Fees-Accounting	0.00	6,700.00	-6,700.00	-100.0%
5204160 · Workshop Registration Fees	1,835.00	2,262.00	-427.00	-18.9%
5204180 · Computer Services-State	657.00	648.00	9.00	1.4%
5204181 · Computer Development Serv-State	6,453.10	1,342.40	5,110.70	380.7%
5204200 · Central Services	5,173.84	5,116.79	57.05	1.1%
5204220 · Equipment Service & Maintenance	48.04	56.16	-8.12	-14.5%
5204230 · Janitorial/Maintenance Services	1,228.60	1,228.60	0.00	0.0%
5204340 · Computer Software Maintenance	0.00	1,535.35	-1,535.35	-100.0%
5204360 · Advertising-Newspapers	0.00	756.33	-756.33	-100.0%
5204440 · Newsletter Publishing	0.00	496.10	-496.10	-100.0%
5204460 · Equipment Rental	2,361.00	2,544.00	-183.00	-7.2%
5204490 · Rents Privately Owned Property	12,694.50	12,694.50	0.00	0.0%
5204510 · Rent-Other	200.00	255.17	-55.17	-21.6%
5204530 · Telecommunications Services	2,712.03	1,955.18	756.85	38.7%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
 July 2013 through April 2014

	<u>Jul '13 - Apr 14</u>	<u>Jul '12 - Apr 13</u>	<u>\$ Change</u>	<u>% Change</u>
5204540 · Electricity	577.21	547.92	29.29	5.4%
5204560 · Water	67.05	134.10	-67.05	-50.0%
5204590 · Insurance Premiums/Surety Bonds	1,325.00	799.00	526.00	65.8%
5204740 · Bank Fees and Charges	3,845.55	3,171.36	674.19	21.3%
5204960 · Other Contractual Services	724.50	210.00	514.50	245.0%
5205020 · Office Supplies	673.09	1,220.92	-547.83	-44.9%
5205310 · Printing State	199.70	295.88	-96.18	-32.5%
5205320 · Printing/Duplicating/Binding Co	159.75	475.86	-316.11	-66.4%
5205330 · Supplemental Publications	387.50	630.00	-242.50	-38.5%
5205340 · Microfilm Supplies/Materials	176.15	0.00	176.15	100.0%
5205350 · Postage	1,000.00	1,564.71	-564.71	-36.1%
5207900 · Computer Hardware	-238.63	2,325.17	-2,563.80	-110.3%
5228000 · Operating Transfers Out-NonBudg	3,339.32	4,570.16	-1,230.84	-26.9%
5228030 · Depreciation Expense	10,058.60	10,058.60	0.00	0.0%
Total Expense	<u>157,295.73</u>	<u>183,486.82</u>	<u>-26,191.09</u>	<u>-14.3%</u>
Net Ordinary Income	<u>49,641.38</u>	<u>12,872.53</u>	<u>36,768.85</u>	<u>285.6%</u>
Net Income	<u><u>49,641.38</u></u>	<u><u>12,872.53</u></u>	<u><u>36,768.85</u></u>	<u><u>285.6%</u></u>

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

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	306,035.94	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			306,035.94	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			306,035.94	DR **	
BUDGET UNIT TOTAL 1031			306,035.94	DR ***	

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 05/31/2014

AGENCY BUDGET CENTER	UNIT	1031	10310	LABOR & REGULATION BOARD OF ACCOUNTANCY BOARD OF ACCOUNTANCY	COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
COMPANY NO 6503															
COMPANY NAME PROFESSIONAL & LICENSING BOARDS															
6503	1031000061802	51010100		CGEX140428					05/02/2014					1,986.16	DR
6503	1031000061802	51010100		CGEX140513					05/16/2014					1,986.17	DR
6503	1031000061802	51010100		CGEX140528					05/31/2014					1,986.16	DR
OBSUB: 5101010 F-T EMP SAL & WAGES															
6503	1031000061802	51010200		CGEX140428					05/02/2014					5,958.49	DR
6503	1031000061802	51010200		CGEX140513					05/16/2014					1,215.42	DR
6503	1031000061802	51010200		CGEX140528					05/31/2014					1,198.21	DR
OBSUB: 5101020 P-T/TEMP EMP SAL & WAGES															
6503	1031000061802	51010300		CGEX140513					05/16/2014					3,629.05	DR
OBSUB: 5101030 BOARD & COMM MBRS FEES															
OBJECT: 5101 EMPLOYEE SALARIES															
6503	1031000061802	51020100		CGEX140428					05/02/2014					9,827.54	DR
6503	1031000061802	51020100		CGEX140513					05/16/2014					234.49	DR
6503	1031000061802	51020100		CGEX140528					05/31/2014					251.50	DR
OBSUB: 5102010 OASI-EMPLOYER'S SHARE															
6503	1031000061802	51020200		CGEX140428					05/02/2014					720.46	DR
6503	1031000061802	51020200		CGEX140513					05/16/2014					192.09	DR
6503	1031000061802	51020200		CGEX140528					05/31/2014					191.06	DR
OBSUB: 5102020 RETIREMENT-ER SHARE															
6503	1031000061802	51020600		CGEX140428					05/02/2014					575.24	DR
6503	1031000061802	51020600		CGEX140513					05/16/2014					1,926.15	DR
6503	1031000061802	51020600		CGEX140528					05/31/2014					1,926.15	DR
OBSUB: 5102060 HEALTH/LIFE INS.-ER SHARE															
6503	1031000061802	51020800		CGEX140428					05/02/2014					5,778.45	DR
6503	1031000061802	51020800		CGEX140513					05/16/2014					4.16	DR
6503	1031000061802	51020800		CGEX140528					05/31/2014					4.14	DR
OBSUB: 5102080 WORKER'S COMPENSATION															
6503	1031000061802	51020900		CGEX140428					05/02/2014					12.46	DR
6503	1031000061802	51020900		CGEX140513					05/16/2014					1.03	DR
6503	1031000061802	51020900		CGEX140528					05/31/2014					1.03	DR
OBSUB: 5102090 UNEMPLOYMENT COMPENSATION															
OBJECT: 51 EMPLOYEE BENEFITS															
GROUP: 51 PERSONAL SERVICES															
6503	1031000061802	52040200		CGEX140520					05/21/2014	703934				3.09	DR
OBSUB: 5204020 DUES & MEMBERSHIP FEES															
6503	1031000061802	52041600		2388,2389,2390					05/21/2014	00089764	NATLASSNST	12005047		2,085.00	DR

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 05/31/2014

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL. #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
6503	103100061802	5204160	WORKSHOP REGISTRATION FEE	05/21/2014					2,085.00	DR *
			DP403098						246.00	DR
			DP404098						72.00	DR
6503	103100061802	5204180	COMPUTER SERVICES-STATE	05/21/2014					318.00	DR *
			PL404058						191.37	DR
			RM403052						108.05	DR
6503	103100061802	5204200	CENTRAL SERVICES	05/07/2014					299.42	DR *
			INV1924629			MARCOINC	12201534		3.47	DR
6503	103100061802	5204220	EQUIPMENT SERV & MAINT	05/31/2014					3.47	DR *
			14SC100002 MAY14			SUNSETOFFI	12043890		122.86	DR
6503	103100061802	5204230	JANITORIAL & MAINT SERV	05/07/2014					122.86	DR *
			INV1924629			MARCOINC	12201534		57.00	DR
6503	103100061802	5204460	EQUIPMENT RENTAL	05/23/2014					57.00	DR *
			ACCOUNTRENT2013			MCGINNISRO	12074040		1,269.45	DR
6503	103100061802	5204530	RENTS-PRIVATE OWNED PROP.	05/21/2014					1,269.45	DR *
			TL404154			MIDCONTINE	12023782		114.19	DR
			111109001 APR14			ATMOMOBILIT	12279233		95.00	DR
			2872359210870414						66.75	DR
6503	103100061802	5204530	TELECOMMUNICATIONS SVCS	05/09/2014					275.94	DR *
			5159417006 0414			XCELENERGY	12023853		58.11	DR
6503	103100061802	5204540	ELECTRICITY	05/16/2014					58.11	DR *
			132557			ECOWATER	12035896		22.35	DR
6503	103100061802	5204560	WATER	05/16/2014					22.35	DR *
			71539492N 0414			CNASURETY	12018098		50.00	DR
6503	103100061802	5204590	INS PREMIUMS & SURETY BDS	05/07/2014					50.00	DR *
			CI104A-057						92.67	DR
6503	103100061802	5204740	BANK FEES AND CHARGES	05/16/2014					92.67	DR *
			13558487			NATLASSNST	12005047		3,579.60	DR
6503	103100061802	5204960	OTHER CONTRACTUAL SERVICE	05/14/2014					3,579.60	DR *
			CONTRACTUAL SERVICES			CLARITUSIN	12129639		8,263.87	DR **
			IN186868			OFFICEMAXI	12162845		157.74	DR
			344343						13.39	DR
6503	103100061802	5205020	OFFICE SUPPLIES	05/16/2014					171.13	DR *
			38445			BUSINESSPR	12003048		10.35	DR
6503	103100061802	5205320	PRINTING-COMMERCIAL						10.35	DR *

STATE OF SOUTH DAKOTA
MONTHLY EXPENDITURE REPORT
FOR PERIOD ENDING: 05/31/2014

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

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
			7104-100	05/07/2014					181.48	DR **
			7104-100						461.69	DR **
									461.69	DR **
									8,907.04	DR ***
									25,824.28	DR *****
									25,824.28	DR *****
									25,824.28	DR *****

OBJECT: 5205 SUPPLIES & MATERIALS
1031000061802 5228000
OBSUB: 5228000 OPER TRANS OUT -NON BUDGT
OBJECT: 5228 NONOP EXP/NONBGTD OP TR
GROUP: 52 OPERATING EXPENSES
COMP: 6503
CNTR: 1031000061802
B. UNIT: 1031

South Dakota Board of Accountancy
Balance Sheet
As of May 31, 2014

	May 31, 14
ASSETS	
Current Assets	
Checking/Savings	
1130000 · Local Checking - US Bank	3,626.75
1140000 · Pool Cash State of SD	306,035.94
Total Checking/Savings	309,662.69
Other Current Assets	
1131000 · Interest Income Receivable	5,207.41
1213000 · Investment Income Receivable	970.07
Total Other Current Assets	6,177.48
Total Current Assets	315,840.17
Fixed Assets	
1670000 · Computer Software	
Original Cost	140,063.23
1770000 · Depreciation	-127,992.75
Total 1670000 · Computer Software	12,070.48
Total Fixed Assets	12,070.48
TOTAL ASSETS	327,910.65
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110000 · Accounts Payable	12,360.58
Total Accounts Payable	12,360.58
Other Current Liabilities	
2430000 · Accrued Wages Payable	6,461.56
2810000 · Amounts Held for Others	19,703.49
Total Other Current Liabilities	26,165.05
Total Current Liabilities	38,525.63
Long Term Liabilities	
2960000 · Compensated Absences Payable	14,119.90
Total Long Term Liabilities	14,119.90
Total Liabilities	52,645.53
Equity	
3220000 · Unrestricted Net Assets	232,940.24
3300100 · Invested In Capital Assets	12,070.48
3900 · Retained Earnings	58.38
Net Income	30,196.02
Total Equity	275,265.12
TOTAL LIABILITIES & EQUITY	327,910.65

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
 July 2013 through May 2014

	Jul '13 - May 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,700.00	2,200.00	500.00	122.7%
4293551 · Certificate Renewals-Active	56,450.00	53,000.00	3,450.00	106.5%
4293552 · Certificate Renewals-Inactive	20,150.00	19,000.00	1,150.00	106.1%
4293553 · Certificate Renewals-Retired				
5208005 · REFUNDS	-40.00			
4293553 · Certificate Renewals-Retired - Other	860.00	700.00	160.00	122.9%
Total 4293553 · Certificate Renewals-Retired	820.00	700.00	120.00	117.1%
4293554 · Initial Firm Permits	450.00	1,250.00	-800.00	36.0%
4293555 · Firm Permit Renewals				
5208004 · REFUNDS	-300.00			
4293555 · Firm Permit Renewals - Other	14,100.00	18,000.00	-3,900.00	78.3%
Total 4293555 · Firm Permit Renewals	13,800.00	18,000.00	-4,200.00	76.7%
4293557 · Initial Audit	600.00	900.00	-300.00	66.7%
4293558 · Re-Exam Audit	2,190.00	2,460.00	-270.00	89.0%
4293560 · Late Fees-Initial Certificate	200.00	0.00	200.00	100.0%
4293561 · Late Fees-Certificate Renewals				
5208006 · REFUNDS	-100.00			
4293561 · Late Fees-Certificate Renewals - Other	2,450.00	4,000.00	-1,550.00	61.3%
Total 4293561 · Late Fees-Certificate Renewals	2,350.00	4,000.00	-1,650.00	58.8%
4293562 · Late Fees-Firm Permits	0.00	0.00	0.00	0.0%
4293563 · Late Fees-Firm Permit Renewals	700.00	800.00	-100.00	87.5%
4293564 · Late Fees-Peer Review	900.00	1,300.00	-400.00	69.2%
4293566 · Firm Permit Owners				
5208003 · REFUNDS	-520.00			
4293566 · Firm Permit Owners - Other	91,645.00	70,000.00	21,645.00	130.9%
Total 4293566 · Firm Permit Owners	91,125.00	70,000.00	21,125.00	130.2%
4293567 · Peer Review Admin Fee	4,725.00	5,650.00	-925.00	83.6%
4293568 · Firm Permit Name Change	200.00	100.00	100.00	200.0%
4293569 · Initial FAR	990.00	1,140.00	-150.00	86.8%
4293570 · Initial REG	480.00	660.00	-180.00	72.7%
4293571 · Initial BEC	450.00	930.00	-480.00	48.4%
4293572 · Re-Exam FAR	1,738.45	1,860.00	-121.55	93.5%
4293573 · Re-Exam REG	1,770.00	2,310.00	-540.00	76.6%
4293574 · Re-Exam BEC	1,920.00	2,310.00	-390.00	83.1%
4491000 · Interest and Dividend Revenue	5,207.41	9,000.00	-3,792.59	57.9%
4896021 · Legal Recovery Cost	1,250.00	1,000.00	250.00	125.0%
Total Income	211,165.86	198,570.00	12,595.86	106.3%
Gross Profit	211,165.86	198,570.00	12,595.86	106.3%
Expense				
5101010 · F-T Emp Sal & Wages	45,905.88	72,759.00	-26,853.12	63.1%
5101020 · P-T/Temp Emp Sal & Wages	24,315.27	18,779.00	5,536.27	129.5%
5101030 · Board & Comm Mbrs Fees	2,760.00	4,372.00	-1,612.00	63.1%
5102010 · OASI-Employer's Share	5,384.49	7,362.00	-1,977.51	73.1%
5102020 · Retirement-ER Share	4,213.27	5,492.00	-1,278.73	76.7%
5102060 · Health /Life Ins.-ER Share	23,260.35	22,007.00	1,253.35	105.7%
5102080 · Worker's Compensation	91.28	254.00	-162.72	35.9%
5102090 · Unemployment Insurance	22.53	91.00	-68.47	24.8%
5203010 · Auto--State Owned	446.08	600.00	-153.92	74.3%
5203020 · Auto-Private-Owne Low Mileage	180.80	400.00	-219.20	45.2%
5203030 · In State-Auto- Priv. High Miles	694.86	1,500.00	-805.14	46.3%
5203100 · In State-Lodging	350.00	1,000.00	-650.00	35.0%
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	215.00	400.00	-185.00	53.8%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	0.00	100.00	-100.00	0.0%
5203260 · OS-Air Commercial Carrier	2,934.44	5,700.00	-2,765.56	51.5%

South Dakota Board of Accountancy
Profit & Loss Budget vs. Actual
July 2013 through May 2014

	Jul '13 - May 14	Budget	\$ Over Budget	% of Budget
5203280 · OS-Other Public Carrier	42.00	500.00	-458.00	8.4%
5203300 · OS-Lodging	3,426.62	7,800.00	-4,373.38	43.9%
5203320 · OS-Incidentals to Travel	135.00	350.00	-215.00	38.6%
5203350 · OS-Non-Taxable Meals Overnight	467.00	1,200.00	-733.00	38.9%
5204010 · Subscriptions	501.20	1,000.00	-498.80	50.1%
5204020 · Dues and Membership Fees	3,230.00	3,900.00	-670.00	82.8%
5204030 · Legal Document Fees	0.00	500.00	-500.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	6,700.00	-6,700.00	0.0%
5204130 · Consultant Fees-Other	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	3,920.00	6,000.00	-2,080.00	65.3%
5204180 · Computer Services-State	801.00	600.00	201.00	133.5%
5204181 · Computer Development Serv-State	6,627.10	10,400.00	-3,772.90	63.7%
5204200 · Central Services	5,473.26	7,000.00	-1,526.74	78.2%
5204220 · Equipment Service & Maintenance	48.04	300.00	-251.96	16.0%
5204230 · Janitorial/Maintenance Services	1,351.46	1,560.00	-208.54	86.6%
5204340 · Computer Software Maintenance	0.00	1,000.00	-1,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	1,000.00	-1,000.00	0.0%
5204440 · Newsletter Publishing	0.00	1,100.00	-1,100.00	0.0%
5204460 · Equipment Rental	2,958.00	4,500.00	-1,542.00	65.7%
5204480 · Microfilm and Photography	0.00	700.00	-700.00	0.0%
5204490 · Rents Privately Owned Property	13,963.95	15,531.00	-1,567.05	89.9%
5204510 · Rent-Other	200.00	200.00	0.00	100.0%
5204530 · Telecommunications Services	2,987.97	2,500.00	487.97	119.5%
5204540 · Electricity	634.15	865.00	-230.85	73.3%
5204560 · Water	89.40	240.00	-150.60	37.3%
5204590 · Insurance Premiums/Surety Bonds	1,325.00	1,710.00	-385.00	77.5%
5204740 · Bank Fees and Charges	3,938.22	5,000.00	-1,061.78	78.8%
5204960 · Other Contractual Services	724.50	0.00	724.50	100.0%
5205020 · Office Supplies	693.08	2,000.00	-1,306.92	34.7%
5205028 · OFFICE SUPPLIES-2	0.00	0.00	0.00	0.0%
5205310 · Printing State	199.70	500.00	-300.30	39.9%
5205320 · Printing/Duplicating/Binding Co	259.45	1,000.00	-740.55	25.9%
5205330 · Supplemental Publications	387.50	700.00	-312.50	55.4%
5205340 · Microfilm Supplies/Materials	176.15	300.00	-123.85	58.7%
5205350 · Postage	1,000.00	2,000.00	-1,000.00	50.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207900 · Computer Hardware	-238.63	4,800.00	-5,038.63	-5.0%
5207950 · System Development	0.00	500.00	-500.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	500.00	-500.00	0.0%
5228000 · Operating Transfers Out-NonBudg	3,801.01	7,400.00	-3,598.99	51.4%
5228030 · Depreciation Expense	11,064.46	12,070.40	-1,005.94	91.7%
Total Expense	180,969.84	255,542.40	-74,572.56	70.8%
Net Ordinary Income	30,196.02	-56,972.40	87,168.42	-53.0%
Net Income	30,196.02	-56,972.40	87,168.42	-53.0%

South Dakota Board of Accountancy
PREVIOUS YEAR MONTHLY COMPARISON
May 2014

	<u>May 14</u>	<u>May 13</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	150.00	175.00	-25.00	-14.3%
4293552 · Certificate Renewals-Inactive	50.00	0.00	50.00	100.0%
4293554 · Initial Firm Permits	100.00	0.00	100.00	100.0%
4293557 · Initial Audit	60.00	180.00	-120.00	-66.7%
4293558 · Re-Exam Audit	210.00	330.00	-120.00	-36.4%
4293561 · Late Fees-Certificate Renewals	50.00	0.00	50.00	100.0%
4293566 · Firm Permit Owners	130.00	65.00	65.00	100.0%
4293567 · Peer Review Admin Fee	2,850.00	1,500.00	1,350.00	90.0%
4293568 · Firm Permit Name Change	25.00	0.00	25.00	100.0%
4293569 · Initial FAR	180.00	180.00	0.00	0.0%
4293570 · Initial REG	30.00	300.00	-270.00	-90.0%
4293571 · Initial BEC	30.00	120.00	-90.00	-75.0%
4293572 · Re-Exam FAR	-116.25	210.00	-326.25	-155.4%
4293573 · Re-Exam REG	210.00	180.00	30.00	16.7%
4293574 · Re-Exam BEC	270.00	210.00	60.00	28.6%
Total Income	<u>4,228.75</u>	<u>3,450.00</u>	<u>778.75</u>	<u>22.6%</u>
Gross Profit	4,228.75	3,450.00	778.75	22.6%
Expense				
5101010 · F-T Emp Sal & Wages	5,958.49	6,646.51	-688.02	-10.4%
5101020 · P-T/Temp Emp Sal & Wages	3,629.05	2,309.34	1,319.71	57.2%
5101030 · Board & Comm Mbrs Fees	240.00	300.00	-60.00	-20.0%
5102010 · OASI-Employer's Share	720.46	684.70	35.76	5.2%
5102020 · Retirement-ER Share	575.24	498.35	76.89	15.4%
5102060 · Health /Life Ins.-ER Share	5,778.45	3,462.69	2,315.76	66.9%
5102080 · Worker's Compensation	12.46	14.31	-1.85	-12.9%
5102090 · Unemployment Insurance	3.09	6.72	-3.63	-54.0%
5203030 · In State-Auto- Priv. High Miles	0.00	398.12	-398.12	-100.0%
5203100 · In State-Lodging	0.00	300.00	-300.00	-100.0%
5203150 · InState-Non-Tax Meals OverNight	0.00	120.00	-120.00	-100.0%
5204020 · Dues and Membership Fees	30.00	0.00	30.00	100.0%
5204160 · Workshop Registration Fees	2,085.00	2,085.00	0.00	0.0%
5204180 · Computer Services-State	144.00	78.00	66.00	84.6%
5204181 · Computer Development Serv-State	174.00	548.25	-374.25	-68.3%
5204200 · Central Services	299.42	1,093.78	-794.36	-72.6%
5204220 · Equipment Service & Maintenance	0.00	3.14	-3.14	-100.0%
5204230 · Janitorial/Maintenance Services	122.86	122.86	0.00	0.0%
5204360 · Advertising-Newspapers	0.00	272.21	-272.21	-100.0%
5204460 · Equipment Rental	597.00	654.00	-57.00	-8.7%
5204490 · Rents Privately Owned Property	1,269.45	1,269.45	0.00	0.0%
5204530 · Telecommunications Services	275.94	227.62	48.32	21.2%
5204540 · Electricity	56.94	50.19	6.75	13.5%
5204560 · Water	22.35	0.00	22.35	100.0%
5204740 · Bank Fees and Charges	92.67	97.61	-4.94	-5.1%
5205020 · Office Supplies	19.99	0.00	19.99	100.0%
5205320 · Printing/Duplicating/Binding Co	99.70	21.00	78.70	374.8%
5205350 · Postage	0.00	1,028.82	-1,028.82	-100.0%
5228000 · Operating Transfers Out-NonBudg	461.69	506.62	-44.93	-8.9%
5228030 · Depreciation Expense	1,005.86	1,005.86	0.00	0.0%
Total Expense	<u>23,674.11</u>	<u>23,805.15</u>	<u>-131.04</u>	<u>-0.6%</u>
Net Ordinary Income	<u>-19,445.36</u>	<u>-20,355.15</u>	<u>909.79</u>	<u>4.5%</u>
Net Income	<u><u>-19,445.36</u></u>	<u><u>-20,355.15</u></u>	<u><u>909.79</u></u>	<u><u>4.5%</u></u>

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2013 through May 2014

	Jul '13 - May 14	Jul '12 - May 13	\$ Change	% Change
Ordinary Income/Expense				
Income				
4293550 · Initial Individual Certificate	2,700.00	2,375.00	325.00	13.7%
4293551 · Certificate Renewals-Active	56,450.00	55,200.00	1,250.00	2.3%
4293552 · Certificate Renewals-Inactive	20,150.00	20,050.00	100.00	0.5%
4293553 · Certificate Renewals-Retired	820.00	710.00	110.00	15.5%
4293554 · Initial Firm Permits	450.00	850.00	-400.00	-47.1%
4293555 · Firm Permit Renewals	13,800.00	20,000.00	-6,200.00	-31.0%
4293557 · Initial Audit	600.00	570.00	30.00	5.3%
4293558 · Re-Exam Audit	2,190.00	2,250.00	-60.00	-2.7%
4293560 · Late Fees-Initial Certificate	200.00	200.00	0.00	0.0%
4293561 · Late Fees-Certificate Renewals	2,350.00	2,400.00	-50.00	-2.1%
4293563 · Late Fees-Firm Permit Renewals	700.00	550.00	150.00	27.3%
4293564 · Late Fees-Peer Review	900.00	700.00	200.00	28.6%
4293566 · Firm Permit Owners	91,125.00	73,775.00	17,350.00	23.5%
4293567 · Peer Review Admin Fee	4,725.00	2,625.00	2,100.00	80.0%
4293568 · Firm Permit Name Change	200.00	50.00	150.00	300.0%
4293569 · Initial FAR	990.00	930.00	60.00	6.5%
4293570 · Initial REG	480.00	750.00	-270.00	-36.0%
4293571 · Initial BEC	450.00	540.00	-90.00	-16.7%
4293572 · Re-Exam FAR	1,738.45	2,280.00	-541.55	-23.8%
4293573 · Re-Exam REG	1,770.00	2,100.00	-330.00	-15.7%
4293574 · Re-Exam BEC	1,920.00	1,860.00	60.00	3.2%
4491000 · Interest and Dividend Revenue	5,207.41	8,344.35	-3,136.94	-37.6%
4896021 · Legal Recovery Cost	1,250.00	700.00	550.00	78.6%
Total Income	211,165.86	199,809.35	11,356.51	5.7%
Gross Profit	211,165.86	199,809.35	11,356.51	5.7%
Expense				
5101010 · F-T Emp Sal & Wages	45,905.88	63,438.59	-17,532.71	-27.6%
5101020 · P-T/Temp Emp Sal & Wages	24,315.27	17,299.26	7,016.01	40.6%
5101030 · Board & Comm Mbrs Fees	2,760.00	2,220.00	540.00	24.3%
5102010 · OASI-Employer's Share	5,384.49	6,092.00	-707.51	-11.6%
5102020 · Retirement-ER Share	4,213.27	4,805.25	-591.98	-12.3%
5102060 · Health /Life Ins.-ER Share	23,260.35	21,376.68	1,883.67	8.8%
5102080 · Worker's Compensation	91.28	129.12	-37.84	-29.3%
5102090 · Unemployment Insurance	22.53	60.59	-38.06	-62.8%
5203010 · Auto--State Owned	446.08	859.87	-413.79	-48.1%
5203020 · Auto-Private-Ownes Low Mileage	180.80	0.00	180.80	100.0%
5203030 · In State-Auto- Priv. High Miles	694.86	845.08	-150.22	-17.8%
5203100 · In State-Lodging	350.00	748.75	-398.75	-53.3%
5203140 · InState-Tax Meals Not OverNigt	9.00	32.00	-23.00	-71.9%
5203150 · InState-Non-Tax Meals OverNigt	215.00	357.00	-142.00	-39.8%
5203220 · OS-Auto Private Low Mileage	0.00	90.40	-90.40	-100.0%
5203260 · OS-Air Commercial Carrier	2,934.44	4,330.73	-1,396.29	-32.2%
5203280 · OS-Other Public Carrier	42.00	249.00	-207.00	-83.1%
5203300 · OS-Lodging	3,426.62	6,333.93	-2,907.31	-45.9%
5203320 · OS-Incidentals to Travel	135.00	425.00	-290.00	-68.2%
5203350 · OS-Non-Taxable Meals Overnight	467.00	812.00	-345.00	-42.5%
5204010 · Subscriptions	501.20	688.05	-186.85	-27.2%
5204020 · Dues and Membership Fees	3,230.00	3,440.00	-210.00	-6.1%
5204040 · Consultant Fees-Accounting	0.00	6,700.00	-6,700.00	-100.0%
5204160 · Workshop Registration Fees	3,920.00	4,347.00	-427.00	-9.8%
5204180 · Computer Services-State	801.00	726.00	75.00	10.3%
5204181 · Computer Development Serv-State	6,627.10	1,890.65	4,736.45	250.5%
5204200 · Central Services	5,473.26	6,210.57	-737.31	-11.9%
5204220 · Equipment Service & Maintenance	48.04	59.30	-11.26	-19.0%
5204230 · Janitorial/Maintenance Services	1,351.46	1,351.46	0.00	0.0%
5204340 · Computer Software Maintenance	0.00	1,535.35	-1,535.35	-100.0%
5204360 · Advertising-Newspapers	0.00	1,028.54	-1,028.54	-100.0%
5204440 · Newsletter Publishing	0.00	496.10	-496.10	-100.0%
5204460 · Equipment Rental	2,958.00	3,198.00	-240.00	-7.5%
5204490 · Rents Privately Owned Property	13,963.95	13,963.95	0.00	0.0%
5204510 · Rent-Other	200.00	255.17	-55.17	-21.6%
5204530 · Telecommunications Services	2,987.97	2,182.80	805.17	36.9%

South Dakota Board of Accountancy
PREVIOUS YEAR TO DATE MONTHLY COMPARISON
July 2013 through May 2014

	<u>Jul '13 - May 14</u>	<u>Jul '12 - May 13</u>	<u>\$ Change</u>	<u>% Change</u>
5204540 · Electricity	634.15	598.11	36.04	6.0%
5204560 · Water	89.40	134.10	-44.70	-33.3%
5204590 · Insurance Premiums/Surety Bonds	1,325.00	799.00	526.00	65.8%
5204740 · Bank Fees and Charges	3,938.22	3,268.97	669.25	20.5%
5204960 · Other Contractual Services	724.50	210.00	514.50	245.0%
5205020 · Office Supplies	693.08	1,220.92	-527.84	-43.2%
5205310 · Printing State	199.70	295.88	-96.18	-32.5%
5205320 · Printing/Duplicating/Binding Co	259.45	496.86	-237.41	-47.8%
5205330 · Supplemental Publications	387.50	630.00	-242.50	-38.5%
5205340 · Microfilm Supplies/Materials	176.15	0.00	176.15	100.0%
5205350 · Postage	1,000.00	2,593.53	-1,593.53	-61.4%
5207900 · Computer Hardware	-238.63	2,325.17	-2,563.80	-110.3%
5228000 · Operating Transfers Out-NonBudg	3,801.01	5,076.78	-1,275.77	-25.1%
5228030 · Depreciation Expense	11,064.46	11,064.46	0.00	0.0%
Total Expense	<u>180,969.84</u>	<u>207,291.97</u>	<u>-26,322.13</u>	<u>-12.7%</u>
Net Ordinary Income	<u>30,196.02</u>	<u>-7,482.62</u>	<u>37,678.64</u>	<u>503.6%</u>
Net Income	<u><u>30,196.02</u></u>	<u><u>-7,482.62</u></u>	<u><u>37,678.64</u></u>	<u><u>503.6%</u></u>

REPORT TO BOARD ON GRADES

Nicole Kasin

The grades were posted for review for the 41st window. These grades are through June 2014. I have included the average scores per school since CBT started along with the number of students that have sat for their school respectively. The last chart shows the averages for the past 8 windows.

Overall Average Window 1-41

Window	(All)
--------	-------

Average of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	
Augie	75	72	73	73	73
BHSU	69	70	70	72	70
COTech	66	70	70	75	70
DSU	70	70	63	68	68
DWU	70	67	64	75	69
Mt. Marty	68	69	71	68	69
NAU	65	60	62	68	64
NSU	72	70	73	70	71
OS	74	72	70	72	72
SDSU	73	74	75	77	75
USD	77	75	75	75	75
USF	72	74	73	78	74
Grand Total	73	72	72	73	73

Students per section per school since CBT Began (3 or more parts)

Window	(All)
--------	-------

Count of Score	Section				Grand Total
School	AUD	BEC	FAR	REG	
Augie	67	74	64	78	283
BHSU	86	89	70	72	317
COTech	22	17	11	13	63
DSU	15	15	15	12	57
DWU	12	11	8	9	40
Mt. Marty	19	23	13	18	73
NAU	7	12	14	18	51
NSU	82	96	60	74	312
OS	201	205	197	191	794
SDSU	29	31	21	25	106
USD	197	210	204	193	804
USF	60	59	64	45	228
Grand Total	797	842	741	748	3128

Average for past 8 windows (3 or more parts)

Window	(Multiple Items)
--------	------------------

Average of Score	Section					Grand Total
School	AUD	BEC	FAR	REG		Grand Total
Augie	79	74	73	76		75
BHSU	73	75	71	75		73
COTech	70	67	75	76		71
DSU	61			62		62
DWU	75	70				73
Mt. Marty	70	75	70	69		70
NAU		70	70	69		70
NSU	75	74	74	72		74
OS	76	75	68	72		73
SDSU	71	79	70	81		75
USD	75	76	76	74		75
USF	69	75	72	78		72
Grand Total	74	75	72	74		74

The Board needs to Approve the 2014-2 (41st Window) grades.

EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

AICPA Issues

A response was sent to ARSC in regards to the exposure draft on the proposed standards for accounting and review services; Preparation of Financial Statements, Compilation Engagements, and Association with Financial Statements.

NASBA

Recap from Regional Conference:

Update from NASBA Leadership - discussion on the exam being computerized now for 10 years; branding for boards and completing newsletters for boards; representing state boards with governmental agencies; education requirement and substantial equivalency across all states; bringing diversity to our boards and into leadership roles; outreach programs to state boards; continuous updates to infrastructure; international initiatives.

Changes in Compilation Standards – ARSC proposal and responses from the public.

UAA Issues - the changes in the definition of attest and firm mobility.

Leadership Presentation - standard setting and how NASBA needs to be more engaged in the monitoring. They are not looking to become a standard setter, but want to have a collective voice at the table. What is authoritative and what is not authoritative. The committee is to monitor standard setters and how the two need to be monitored, be watchful with the various bodies that are performing authoritative and non authoritative standards and their implementation. Are there new bodies trying to be standard setters; the process they are using to create a new standard and is that a valid approach (exposure drafts, comment periods, vetting process, etc.). This committee is more on the best practices and processes and not taking the position that the regulatory response committee letters address as a NASBA response.

Other trending issues - DOL reached out to AICPA with a list of 4500 firms that were performing ERISA audits and asked which firms were not enrolled in peer review, there were a number of firms that were enrolled in peer review, but the ERISA audits were not included in the peer review process (in the must select). Those firms are being referred to state societies and the peer review is being recalled. They then have 90 days to get a new firm peer review conducted. The recalls are in the several 100's and still climbing. This is an issue of integrity and what position is the board going to take on if they allow the firm to continue to have a license.

AICPA short and long term goals, initiatives with quality of peer reviewers, naming peer review as practice monitoring.

IRS PTIN - lost the case and not taking it to the supreme court. Now asking it to be voluntary and does that have a regulatory impact? Individuals are also holding out as a CPA to the IRS, in the home state where they are not licensed.

Followed-up after conference: I have received the list from North Carolina and letters have been sent to individuals that were using South Dakota as their primary address with the IRS and not licensed in SD. Individuals were asked to either get a reciprocal license or contact the IRS and change their status.

Future of Practice Monitoring - discussed changing practice environments and need to consider a different model to monitor practice performance, discussed "concept" for practice monitoring of the future.

Established for educational/remedial, became mandatory in 88, administered by 42 entities across the country,

Concept for future- (not the end result but ideas as of now) more real time, greater use of technology, create randomness/element of surprise, consistency across country, completeness
The principle - increased public protection through enhanced audit effectiveness.

Five facets of the concept - continuous analytic evaluation, human review, intervention by an external monitor, periodic inspection, oversight, then the firm would get a seal as quality monitored.

Meet w/ Region – Hot topics discussed were firm mobility, IRS PTIN holdouts, Employee Benefit Plans not being covered during peer review process and the next steps, and voting for regional director.

Legal heads up – Noel covered three cases:

Greenberg v. Western CPE, The author and publisher of a CPA continuing education course did not defame a CPA whose disciplinary action was included in the course materials.

The author and publisher were granted summary judgment because the statements regarding the disciplinary action were protected by the privilege for reports of official public proceedings under Cal. Civ. Code § 47(d). The summary was also a "fair and true report" of the official proceedings. As to the editorial comments made by the author, those statements were also true or substantially true in context. In addition, the defendants were protected by the common interest privilege set forth in Cal. Civ. Code § 47(c). The statements about Greenberg's disciplinary action were made to persons with a common interest, California CPAs, and California regulations required that such courses include "an overview of historic and recent disciplinary actions taken by the Board, highlighting the misconduct which led to licensees being disciplined." Further, there was no malice shown on the part of the defendants.

In re Garcia. The fact that an undocumented immigrant was present in the United States without authorization did not, in and of itself, constitute moral turpitude or demonstrate moral unfitness so as to deny him admission to the California State Bar. On January 1, 2014, a new state law took effect in California, creating such an exception regarding lawyers. Thus, the California Supreme Court held that there was no law prohibiting Garcia's admission to the State Bar. Additionally, the Court concluded that the state's good moral character requirement was met despite Garcia's undocumented presence in the United States.

Lawson v. FMR LLC, Accountants employed by private companies that contract with publicly-traded companies are protected by the whistleblower provisions of the Sarbanes-Oxley Act. In its

opinion, the majority of the court reiterated that although Sarbanes-Oxley subjects accountants and lawyers to extensive regulations and sanctions, no other provision of the Act other than § 1514A provides protection for them from retaliation by their employers for complying with the Act's reporting requirements. The court felt that Congress did not intend to "leave these professionals vulnerable to discharge or other retaliatory action for complying with the law."

Bringing more diversity into boards – Recommendations: Develop engagement programs that bring NASBA's staff, Executive Committee, current Board of Directors' members and the Nominating Committee's members together with volunteers; providing opportunities to become familiar with potential volunteer leaders. #2 - Help expand the diversity of NASBA's volunteer base by developing and distributing resources that encourage Boards of Accountancy to emphasize the importance of diversity to those who nominate, recruit and/or appoint the members of the Board.

Education: Implementing the Pathways Project –Recommendations

1. Improve the ability to attract high-potential, diverse entrants into the profession through creating an AP Course.
2. Develop curriculum models, engaging learning resources, and mechanisms for easily sharing them as well as enhancing faculty development opportunities to sustaining a robust curriculum
3. Create mechanisms for collecting, analyzing and disseminating information about the current and future markets for accounting professionals and accounting faculty.

Future of Learning - Khan Academy, CPE learning in nano (10 minutes) increments.

Breakout sessions

- Strategies for Promoting a Diverse Board
- New Learning Methods & CPE Standards Changes
- Focus on Standard Setting
- Applying the Ethics Codification in your state

NASBA Education Research projects

Gender and Other Determinants of CPA Exam Success: A Survival Analysis - The purpose of this study is to examine the influence of individual, institutional, and jurisdictional factors on the probability of passing the Uniform Certified Public Accountant Examination. This is an important subject because the CPA designation is the most valuable credential for advancing an accounting professional's career and an understanding of factors that influence CPA exam success is essential. Using survival analysis and a large sample from NASBA of CPA exam candidates sittings from 2005-2013, the current study found that the candidates were found to have higher probabilities for success on the CPA exam if they were male, younger, received a degree from a college or university with an AACSB accredited business school and separately AACSB accredited accounting program, and received a degree from a private college or university. Also, the more times that a candidate sat for a section of the exam the less likely they were to pass the given section and the exam as a whole. Interestingly, candidates who sat for the exam in jurisdictions that have the 150 hour to sit requirement were no more likely to pass any part of the exam than candidates sitting in jurisdictions without the 150 hour to sit requirement.

Do Faculty Specialization and Testing Window Impact CPA Exam Performance? Evidence from the Investigation of Nearly 700,000 - While many colleges and universities publicize CPA examination pass rates as evidence of having a high-quality accounting programs, no research has yet empirically investigated the link between faculty composition and examination success. We examine the results

from nearly 700,000 first time sittings of the Uniform CPA Examination taken during the period 2005-2013 and find that faculty research and teaching specialization has a significant impact on CPA exam performance. That is, when a program has a relatively higher percentage of accounting faculty with expertise in a particular content area tested on the exam (e.g., auditing), graduates achieve higher scores on the related exam section (e.g., AUD). This result remains largely consistent even when accounting for changes occurring to the examination in 2011. In addition, we conduct supplementary analysis and find that candidate scores are higher when the examination is taken during the summer testing window.

A Comparison of CPA Exam Performance by Candidates from For-Profit and Not-For-Profit Institutions - Given the tremendous growth of for-profit institutions and the increased scrutiny that they have experienced recently, this study proposes to investigate the relative performance candidates from these institutions on the four sections of the CPA Exam relative to two control groups. The first control group includes the candidates from Not-for-Profit institutions in general, and the second control group includes candidates from Not-For-Profit institutions with similar student characteristics, or accreditation status. Relative performance will be examined using both cross-sectional and time series analysis to allow interested applicants, current students, regulatory bodies, accreditation organizations, educational institutions, and the general public to understand the relative impact and changing nature of organizational structure on one measure of success for accounting program graduates.

Report from CPA Exam Review Board – Standing committee report.

Uniform CPA Exam - The practice analysis begins and an update on the focus of international exam takers.

Foreign Evaluations

An initial letter was sent to all foreign credential evaluation services that were listed on our website or through association with NACES. The following pages show the letter that was sent from the board with our requirements and then the responses from the companies that want to remain as approved providers for the Board. I ask the board for approval to use only the 8 companies that responded as our list on the board webpage as approved foreign credential evaluation services.

Board Discussion

- Any New Business/topics?



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
(605) 367-5770 / Fax: (605) 367-5773
e-mail sdbdacct.sdbd@midconetwork.com
www.accountancy.sd.gov

April 14, 2014

Senior Evaluator for CPA
ACREVS Inc.
1776 Clear Lake Ave.
Milpitas, CA 95035-7014

Dear Senior Evaluator for CPA,

The South Dakota Board of Accountancy is reevaluating your foreign credentialing services offering to provide evaluations of foreign transcripts for individuals looking to take the Uniform CPA Examination or become licensed in South Dakota.

South Dakota requires the following education: Bachelor's degree that includes 150 semester hours of education. Within the 150 hours the individual must have the following courses:

24 semester hours in accounting courses which include principles of accounting, intermediate or advanced accounting, cost accounting, audit and tax.

24 semester hours in business courses. The courses must be in areas other than accounting.

All foreign evaluations submitted to South Dakota for the Uniform CPA Examination or CPA Licensure must give detailed information to establish that the above itemized courses and semester hours totaling 150 have been satisfied. Professional Education Papers, Examinations and/or Membership in a Professional Association are not acceptable as coursework. The South Dakota Board is also requiring that copies of transcripts be translated to English and a copy be provided with the evaluation.

The statutes and regulations that describe the education requirement can be located on the Boards website www.accountancy.sd.gov.

Please provide a response to this letter within 30 days, in regards to the approach your service will take to be in compliance with our requirements. If a response is not received, your service will be removed from our website as an approved foreign evaluation service provider for the South Dakota Board of Accountancy.

Respectfully,

Nicole Kasin
Executive Director



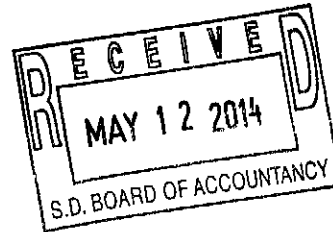
ACREVS Inc.

Academic & Credential Records, Evaluation & Verification Service

www.acrevs.com

Phone: 408 719 0015

An ISO 9001:2000 Compliant company



5/5/14

To: Ms. Nicole Kasin
Executive Director
South Dakota Board of Accountancy
301 E. 14th Street, Suite 200,
Sioux Falls, SD 57104

Sub: Evaluation Reports for South Dakota's Board of Accountancy

Dear Ms. Kasin,

We look forward to continuing to provide foreign credentials evaluation service for South Dakota's Board of Accountancy.

We will be pleased to provide the information on our evaluation report as required by you.

All our reports identify the total number of credit units earned.

All Accounting subjects are stated in "**bold**" on our report and the total number of Accounting units identified.

All Business subjects are stated in "*italics*" on our report and the total number of Business units identified.

Per your directive we will not take into consideration credits earned in Professional Education.

We always attest, and provide copies of documentation that the evaluation report is based on. We will make sure to include English translations of these documents where the originals are not in English.

If you have any questions, please feel free to contact us.

Sincerely,

Shanker Munshani
Director

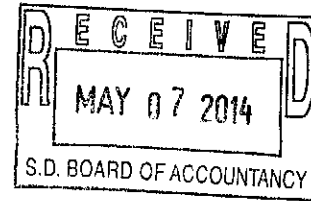


CENTER FOR APPLIED RESEARCH, EVALUATION AND EDUCATION, INC.

INTERNATIONAL EVALUATION SERVICE

P.O. Box 18358, Anaheim, California 92817-8358
Tel: (714) 237-9272 Fax: (714) 237-9279
Web site: www.iescaree.com Email: info@iescaree.com

April 25, 2014



Ms. Nicole Kasin
Executive Director
South Dakota Board of Accountancy
301 E. 4th Street, Suite 200
Sioux Falls, SD 57104

Dear Ms. Kasin,

Thank you for notifying the Center the South Dakota Board of Accountancy's specific eligibility requirements for the CPA licensing examination.

The Center will inform all applicants, who submit foreign credentials for evaluation for the purpose of taking the CPA examination, these specific requirements of the South Dakota Board.

The Center's official evaluation report will include the General report, which is the statement of U.S. degree equivalence, and the detailed Course-by-course evaluation listing all the subjects studied with U.S. equivalent grades and credits, in chronological order. A certified true copy of the original transcript (or English translation if transcript is not in English) will also be included in the official evaluation report as requested.

I would like to seek clarification on the following issues:

1. If applicant submits transcript of records that did not meet one or more of the Board's specific requirements (i.e. does not have the U.S. Bachelor's degree equivalence, or did not have all the needed itemized courses, or the total 150 U.S. credits equivalence), should we still send the evaluation report to the Board for review? Or should we advise the applicant not to submit the report to the Board as he did not meet the posted requirements? What if the applicant does have additional U.S. study to meet the requirements, which we would not know as we do not evaluate U.S. credentials?
2. Should the sealed official evaluation report be sent directly to the Board by the Center? Or could it be given to the applicant, so he can send it together with his application to the Board?

Your clarification for the above issues is greatly appreciated, as we would like to be sure to be in full compliance with your requirements.

Respectfully,

Lana Kable
Director/ Senior Evaluator



**SOUTH DAKOTA
BOARD OF ACCOUNTANCY**

301 E. 14th Street, Suite 200
Sioux Falls, SD 57104
(605) 367-5770 / Fax: (605) 367-5773
e-mail sbdacct.sdbd@midconetwork.com
www.accountancy.sd.gov

May 19, 2014

Lana Kable
International Evaluation Service
Center for Applied Research, Evaluation, and Education, Inc.
PO Box 18358
Anaheim, CA 92817

Dear Ms. Kable,

The South Dakota Board of Accountancy (SDBOA) received your letter dated April 25, 2014 on May 7, 2014, seeking clarification on issues when performing evaluations for candidates on their foreign transcripts.

When an applicant submits transcripts to your business for evaluation and do not meet one or more of the SDBOA requirements, please complete the evaluation of the foreign transcripts and do not address if the applicant meets the SDBOA requirements. The SDBOA will make the determination based on all information submitted to our Board on behalf of the candidate. Your evaluation may only be a portion of their education and the SDBOA is the final authority to determine eligibility to sit for the Uniform CPA Examination as a South Dakota candidate.

In regards to the evaluation, please submit the results directly to the SDBOA. Our mailing address is:

SDBOA
301 E. 14th St. Suite 200
Sioux Falls, SD 57104

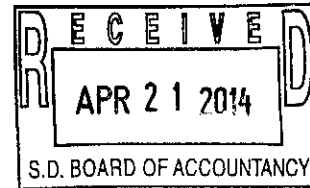
Please contact me with any additional questions at 605-367-5770.

Sincerely,

A handwritten signature in black ink that reads "Nicole Kasin".

Nicole Kasin
Executive Director

17 April 2014



South Dakota Board of Accountancy
Nicole Kasin, Executive Director
301 E. 14th Street, Suite 200
Sioux Falls SD 57104

Dear Ms. Kasin:

Thank you for your letter dated April 14, 2014 regarding your reevaluation of foreign credentialing services. We are happy to comply with the Board's request regarding credential evaluations for those intending to sit for the Uniform CPA Examination or pursuing CPA Licensure in South Dakota. Educational Perspectives is familiar with the changes in statutes and regulations regarding Accounting education completed outside the United States and we have restructured our evaluation reports to include the necessary information. Additionally, we will include copies of applicants' official academic records with their completed evaluations.

I trust this letter satisfies the Board's concerns. If you have additional questions or concerns please feel free to contact me directly.

Sincerely,



Kenneth Warren
President
Educational Perspectives, nfp

kwarren@edperspective.org

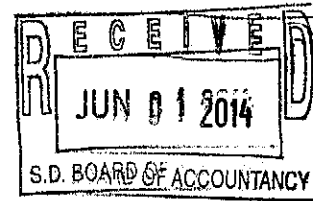


601 University Avenue, Suite 127
Sacramento, CA 95825-6738
916 921-0790 Tel. • 916 921-0793 Fax
866 411-ERES Toll Free
E-mail: edu@eres.com
www.eres.com
Founded 1981 • NACES Member since 1993

Educational Records Evaluation Service

June 1, 2014

Nicole Kasin
Executive Director
South Dakota Board of Accountancy



Dear Ms. Kasin,

It has been an especially busy month (May) and this weekend, as I am trying to get got up on many emails and loose ends, I discovered that my response to your letter is still pending. Although a bit delayed I would like to respectfully request that you consider keeping **ERES (Educational Records Evaluation Service, Inc.)** on your list of approved CES agencies.

ERES is a well established, highly respected agency that has for over 30 years provided CES reports to licensure boards and universities throughout the U.S. Reports for Accountancy qualification have been a very significant portion of our activity and we currently prepare evaluations for a variety of the state Accountancy Boards. We have a diverse group of highly qualified international education/evaluation specialists including some with Master's level education specializing in accountancy, including one who teaches college accountancy classes.

With our many years of experience and our excellent research resources, we are able to evaluate educational records from all countries. Most of our specialists received a large portion of their education outside the U.S. and, in addition to their evaluation expertise, they are able to provide language/translation skills in Spanish, Portuguese French, Dutch, Italian, Chinese (Mandarin), Japanese, Russian, Arabic and others. Our reports are authoritative, very clearly presented and provide convenience summary details. ERES has been a member of NACES since 1993 and currently is BBB rated: 'A+'.

For the states we serve we strive to stay current with the policies and requirements established by the Boards and NASBA. We try to avoid submitting evaluations that are inconsistent with Board policy and standards to reduce inefficiency and candidate expense. **For South Dakota, as with some of the other Boards, we**

will NOT submit evaluations that contain credit for Professional qualifications. Likewise, we will only submit to the SD Board reports that establish 150 or more semester credits. When reports with less credit are submitted it would be in those cases where we have verified that the applicant has additional USA studies that allow them to qualify with at least 150 TOTAL credits (domestic and international). For what it's worth, even when we prepare reports for some Boards with both Academic credit and Professional credit, we always separate the Academic credits from the Professional credits and never mix them in our summaries. Additionally, we always include a copy of transcripts with the reports.

Accountancy is a dynamic, ever evolving profession and I believe that ERES has the professional qualifications and perspective to effectively follow the challenging issues surrounding licensure and to provide a valuable service to both applicants and Boards.

We are hopeful that ERES will have the privilege of continuing to be listed with the South Dakota Board of Accountancy.

I would be happy to provide you more information or elaboration if you desire. Your time in this matter is greatly appreciated.

Sincerely,

Paul Reese M.S., Ph.D. (ABD)

Executive Director

Educational Records Evaluation Service

601 University Ave. Suite 127

Sacramento, CA 95825-6738 Cell **916-412-6953**

916-921-0790; 916-927-0737; Fax 916-921-0793

edu@eres.com; paul@eres.com; www.eres.com

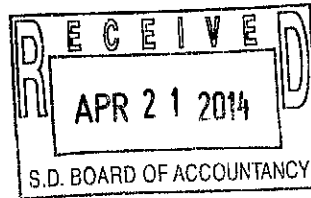
ERES: Where Past Education

.....Becomes Future Opportunity

Founded 1981; Member of **NACES** Since 1993; **BBB A+**



105 West Vandalia Street, Suite 120
Edwardsville, IL 62025



P: 618-656-5291
F: 618-656-5292

April 17, 2014

Nicole Kasin, Executive Director
South Dakota Board of Accountancy
301 E. 14th Street, Suite 200
Sioux Falls, SD 57104

Dear Ms. Kasin:

We are replying to your letter dated April 14, 2014. We have attached a sample evaluation shell to show how we would address the board's academic requirement, including a course-by-course listing of all accounting, business (other than accounting), and other (non-accounting/business) subjects. If an applicant has completed professional qualifications, we would note that those have been passed, however, indicate that they have not been included in the evaluation per the requirement of the South Dakota Board of Accountancy. We may also provide copies of the educational records submitted for evaluation. We request that applicants provide two (2) sets, however, in cases that two (2) sets are not submitted; we will photocopy the records for the board.

In addition, we would like to update you on information regarding our service, and our evaluation staff. Currently, FACS employs three (3) senior evaluators. Our evaluation staff is trained in international education systems and the specific educational requirements of the state boards of accountancy. FACS is a founding member of the National Association of Credentials Evaluation Services (NACES), and as such, is required to maintain high professional and ethical standards. As a member of NACES, our evaluators are required to have had five (5) years of full-time substantive supervised experience in foreign credential evaluation work to be considered a senior evaluator. Our senior evaluation staff has almost sixty (60) years in foreign education evaluation experience. The staff includes Richard Dremuk (40+), Justine Watts (11), and Jessica Voss (10). NACES membership also requires yearly recertification to ensure member organizations continue to uphold the NACES standard of excellence. This includes site visits of our offices. Mrs. Watts is also a participant in the membership committee of NACES, and involved in the First General Meeting Task Force and membership committee of The Association of International Credential Evaluation Professionals (TAICEP).

FACS offers a customer service staff, which is dedicated to serving both the boards of accountancy and the applicants. Our staff (including the senior evaluators) is available for questions daily. Telephone calls are answered in person, by our experienced staff, all of which are prepared to assist both the boards of accountancy and applicants with their questions or concerns. FACS is proud of our attentiveness to inquiries, and quick response and action to requests.

Nicole Kasin
Re: Evaluations

Page 2

FACS maintains a reference library including references on education systems, as well as syllabi from universities around the world. We are available to answer questions, or provide information, regarding a specific application, or educational system. This information can be provided through e-mail, telephone, or by presentation to your board.

If additional information about our evaluation reports are required, please feel free to contact us. Our telephone hours are 10 AM - 5 PM CST, Monday - Thursday. If we cannot be reached by telephone, please e-mail and we will contact you back as soon as possible.

Sincerely yours,

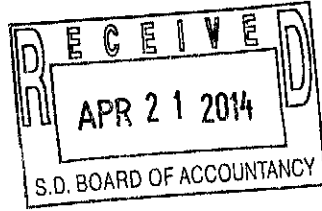
A handwritten signature in black ink, appearing to read 'Jessica Voss', written in a cursive style.

Jessica Voss
Evaluator



105 West Vandalia Street, Suite 120
Edwardsville, IL 62025

P: 618-656-5291
F: 618-656-5292



April 17, 2014

Ms. Nicole Kasin, Executive Director
South Dakota Board of Accountancy
301 E. 14th Street, Suite 200
Sioux Falls, SD 57104

Dear Ms. Kasin:

We have reviewed the documentation of the education qualifications of [applicant name] [DOB] who is applying for certification in your state. Our review was made in the context of the education requirements for sitting for the Uniform CPA Examination in South Dakota.

In our opinion, [applicant name] [degree received] can be considered equivalent to a baccalaureate degree received from a regionally accredited college or university in the United States. In earning this degree, he/she has completed at least 150 semester hours of college education.

[Applicant name] program of study included 24 semester hours in accounting at the undergraduate (or graduate) level, including principles of accounting, intermediate (or advanced) accounting, cost accounting, auditing and taxation. He/She has completed 24 semester hours in business courses, other than accounting, at the undergraduate (or graduate) level. His/Her courses were as follows:

Course	Semester Hours
Accounting	
	Total =
Business (other than accounting)	
	Total =
Other Courses	
	Total =
	Cumulative Total =

[We note, Mr./Ms./Mrs. passed the [title of professional examination] of the [professional institution]. We are not providing you with an evaluation of this credential because your Board does not accept professional qualification for the purpose of meeting its education requirement.]

Nicole Kasin
Re: [applicant name]

Page 2

This evaluation, provided by the Foreign Academic Credentials Service, Inc., is advisory in nature and should not be construed as a recommendation as to whether or not the CPA Certificate should be granted.

Sincerely yours,

Jessica Voss
Evaluator

JV:pd

CC: [Applicant name and address]

Kasin, Nicole (DLR)

From: SD Board of Accountancy <sdbdacct.sdbd@midconetwork.com>
Sent: Friday, April 25, 2014 8:08 AM
To: Kasin, Nicole (DLR)
Subject: FW: Response to the letter regarding reevaluation of foreign credentialing evaluation services - Josef Silny & Associates, Inc. (JS&A)

From: Tiera Beisinger [<mailto:tiera@jsilny.org>]
Sent: Friday, April 25, 2014 8:05 AM
To: sdbdacct.sdbd@midconetwork.com
Cc: Tiera Beisinger
Subject: Response to the letter regarding reevaluation of foreign credentialing evaluation services - Josef Silny & Associates, Inc. (JS&A)

Good morning,

Thank you for your correspondence.

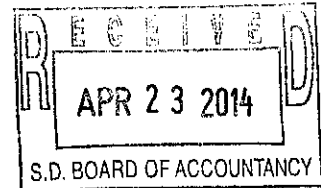
I am responding on behalf of Josef Silny & Associates, Inc. International Education Consultants regarding this process.

We are happy to comply with the requirements as listed in the said letter and our reports will be tailored to reflect this information if it is included in the transcript. We hope to continue working with the South Dakota Board of Accountancy.

Please let me know if this email is sufficient evidence to keep JS&A as an accepted provider.

Regards,

Tiera Beisinger
Assistant Vice President
Director of Corporate Relations
Josef Silny & Associates, Inc.
International Education Consultants
7101 SW 102 Avenue
Miami, FL 33173
Direct: 305.273.1510
Fax: 305.273.1338
www.isilny.com



INTERNATIONAL EDUCATION RESEARCH FOUNDATION, INC.

Credentials Evaluation Service

I. IERF

A. History and Mission

IERF is proud to be celebrating its 45th anniversary this year. The Foundation was established as a not-for-profit, public-benefit agency and is the oldest credentials evaluation service not only in the US, but also in the world. Inez Sepmeyer and Ted Sharp, who were admissions officers at UCLA and California State University Northridge, respectively, recognized the need for assistance in the placement of international students and professionals. In 1969, they founded IERF.

Since then, our mission has been to research and disseminate information on world educational systems. Using this information in our credentials evaluation reports, we help facilitate the integration of individuals educated outside the United States into the U.S. educational environment and work force.

B. Professional Affiliations

IERF's evaluators have studied around the world and are proficient in over 20 languages. Committed to the advancement of international education, they have actively contributed to the field, presenting at conferences and publishing their research on international educational systems. They are also active in such organizations as:

- NAFSA: Association of International Educators
- American Association of Collegiate Registrars and Admissions Officers (AACRAO)
- National Association of Graduate Admissions Professionals (NAGAP)

IERF is also a founding member of the National Association of Credential Evaluation Services (NACES), the primary recognizing body for evaluation agencies in the U.S. As such, it has been a member of NACES since its inception in 1987. IERF is dedicated to promoting excellence and is actively involved in setting the standards for the profession. Affiliation with NACES is one indicator of the high quality of work accomplished by IERF as a foreign credentials evaluation service and it provides assurance that the evaluations are reliable. Our Executive Director, Susan Bedil, recently served as chairperson of NACES for the last six years and presently serves on the Executive Committee. As proof of membership, please refer to <http://naces.org/members.htm>.

II. Customer Service

A. Institutions

To ensure that your requirements are met and questions are answered, IERF would designate a contact person to work closely with your office. This person is Christina Brooks, from our team of Institutional Relations Officers. She is professional, proactive and highly accessible. Christina can be reached via email at cbrooks@ierf.org or phone at 310.258.9451 ext 141.

IERF is also happy to provide EvalDirect, an online service designed specifically to meet the needs of institutional-level users such as universities, employers and state licensing boards. EvalDirect allows institutions to track the status of their applicants' evaluations online. Designated users are able to log on to a dedicated, secure page on IERF's website and view details such as the following:

- the date an application was received
- why an application is pending, if applicable
- when an evaluation is due out
- the date an evaluation was completed

Furthermore, completed evaluation reports in PDF format can be viewed, saved, forwarded and / or printed. Additional options include receiving an official hard copy in the mail, as well as receiving an email notification when an evaluation has been completed. For a brief demonstration, please go to <http://ierf.org/evaldirect/>.

B. Individual Applicants

IERF is committed to serving its applicants well. This is partly achieved by making IERF staff accessible and producing quality reports in a timely fashion.

When an application is submitted, a file number is generated. The applicant is informed of the receipt of the application and any missing documentation. If an email is provided, automated email updates are regularly sent to the applicant, notifying him / her of the progress of his / her evaluation (e.g., when there are changes in status).

An applicant may also acquire information regarding his / her case via phone or email. Additionally, IERF's website allows applicants to track the status of their evaluations online. The file number and date of birth are required for access.

When a query is submitted by the applicant, a response is provided within 1-2 business days. If a query cannot be satisfactorily addressed by the support representative or evaluator, the case is presented to the Director of Evaluations or Review Committee for consideration. A response is provided in a timely manner.

III. Evaluation Process

A. Required Documents for Evaluation

In order to request an evaluation, applicants should submit an application, their educational records and payment. Applicants may choose to apply via mail or online through our website, which will walk them through the steps. At the end of the online application process, a bar code and file number are generated for applicants to print out and submit with their academic records.

For reports for CPA licensure, IERF requires that original academic records be submitted for evaluation. These documents are handled with care and returned to the applicant with the completed evaluation report.

Details regarding our required documents can be found by country of study on our website at <http://ierf.org/index.php/individuals/country-specific-requirements/>.

B. Verification of Documents

We use a variety of techniques in order to examine the authenticity of the academic records. IERF maintains an archive of official and altered documents, as verified by the institution of study or examining authority. As a result, we can compare documents to authenticated records on file in our office.

IERF also monitors changes in the documentation of studies by region and period of study. One such example is the change in governments and institutional seals for Afghanistan. Another instance is the change in the features of graduation certificates in China according to the year and program of study.

IERF also has a process for reviewing documents microscopically. Security features (e.g., watermarks, micro-printing, etc.), the consistency of the ink, and the paper type are all examined to determine whether documents have not been altered.

If irregularities and inconsistencies are observed, IERF may contact the institution of study, examining authority or ministry of education to verify the authenticity of any documentation that is submitted. When verification of altered documents has been received, IERF notifies the applicant and the intended recipients of the evaluation report (including universities and state boards). IERF also sends notifications to the Federal Bureau of Investigation (FBI), United States Citizenship and Immigration Services (USCIS), and other credentials evaluation agencies who are NACES members.

C. Review of Outgoing Evaluation Reports

Once all the necessary documentation has been received and the evaluator is satisfied with the authenticity of the educational records, a report is completed. All reports must be approved by a senior evaluator before mailing.

IV. The Evaluation Report

Our reports for CPA licensure are printed on scrip-safe paper and include the following:

Student Identification Information

- Applicant's Name
- File Number
- Name on Educational Records

Information on Studies Completed

- Dates of Attendance
- Institution of Study
- Location
- Qualification Earned
- Dated Earned

Information about the Equivalency

- US degree equivalency
- Accreditation of the Institution
- Total Semester Credits

Information about the Subjects Studied

- Course-by-Course Breakdown for Each Academic University
- Converted Credits
- Converted Grades and GPA
- Designation of Accounting and Business Coursework

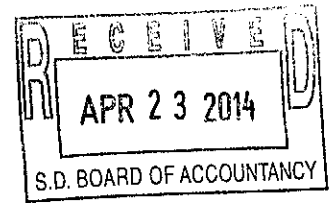
Upon completion, a copy of the academic records is mailed with each evaluation report. A sample report has been attached.

V. Processing Time and Fees

Our standard turnaround time is 15 business days, from the time all necessary documents and fees have been received. Should faster processing be required, we also offer rush services at an additional cost. The fees for the reports are indicated below.

Standard Reports (15 Days)	Fees
Detail Report with Course-Level Designations	\$185
Rush Services	
24-Hour Rush	additional \$200
5-Day Rush	additional \$85
10-Day Rush	additional \$60

For more information, please feel free to contact Emily Tse, our Director of Evaluations at IERF. She can be reached by phone at 310.258.9451 ext. 131 or email at etse@ierf.org.



(date of report)

(state licensing board)
 (street address)
 (city, state, zip code)

RE: (name of applicant)
 IERF # (file number)

TO WHOM IT MAY CONCERN:

On the basis of credentials on file with this Service, we certify that (*name of applicant*), who has submitted records under the name of (*name on educational records*), has completed studies (2005-09) at Alexandria University, located in Alexandria, Egypt, earning the Bachelor of Commerce (Accounting) in May 2009.

These studies are considered equivalent in level and purpose to the Bachelor of Science in Accounting, awarded by regionally accredited colleges and universities in the United States.

The following courses are included in this evaluation:

<u>Courses</u>	<u>Semester</u> <u>Units</u>	<u>Course</u> <u>Grades</u>	<u>Levels</u>	<u>Subtotal</u>
<u>2005-06</u>				
Introduction to Business**	2.0	C	L	
Introduction to Organizational Behavior**	3.0	B	L	
Principles of Microeconomics**	3.0	B+	L	
Principles of Accounting I*	3.0	A	L	
Mathematics I	3.0	B	L	
Foreign Language I (unspecified)	2.0	B+	L	
Law I	2.0	B+	L	
Principles of Management**	3.0	A	L	
Principles of Accounting II*	3.0	A	L	
Accounting and Computer*	3.0	B	L	
Principles of Macroeconomics**	2.0	B+	L	
Economics of Resources and Environment**	2.0	B	L	
Mathematics II	3.0	B+	L	
Law II	2.0	B+	L	36.0
<u>2006-07</u>				
Production and Operations Management**	3.0	B	L	
Introduction to Management Information Systems**	3.0	B	L	
Intermediate Accounting I*	3.0	B	L	
Theory of Macroeconomics**	3.0	B	L	
Public Finance I**	2.0	C	L	
Descriptive Statistics**	3.0	B+	L	
Foreign Language II (unspecified)	2.0	B+	L	
Marketing**	2.0	A	L	
Intermediate Accounting II*	3.0	B+	L	

RE: (name of applicant)
IERF # (file number)

(date of report)

<u>Courses</u>	<u>Semester</u> <u>Units</u>	<u>Course</u> <u>Grades</u>	<u>Levels</u>	<u>Subtotal</u>
<u>2006-07 (continued)</u>				
An Introduction to Accounting Information Systems*	3.0	C	L	
Theory of Microeconomics**	3.0	B	L	
Public Finance II**	2.0	B	U	
Statistical Inference**	3.0	C	U	
Introduction to Political Sciences	2.0	B	L	37.0
<u>2007-08</u>				
Companies Accounting I*	3.0	B	L	
Principles of Cost Accounting*	3.0	B+	L	
Specialized Accounting Systems*	3.0	B+	U	
Quantitative Business Analysis**	3.0	B	U	
Financial Management*	3.0	B	U	
Economics of Money and Banking**	2.0	B+	U	
Tax Systems*	2.0	B	U	
Principles of Tax Accounting*	3.0	B+	L	
Principles of Control and Auditing*	3.0	B+	L	
Principles of Managerial Accounting*	3.0	B	L	
Logistics	3.0	B	L	
Human Resources Management**	3.0	B	U	
Insurance	2.0	C	U	
International Economics**	2.0	C	U	38.0
<u>2008-09</u>				
Companies Accounting II*	3.0	C	U	
Cost Accounting I*	3.0	C	U	
Managerial Accounting*	3.0	A	U	
Auditing I*	3.0	B	U	
Tax Accounting*	3.0	C	U	
Investment**	3.0	B	U	
Contemporary Egyptian Economic Issues**	1.5	B	U	
Contemporary Management Topics in Egypt**	1.5	C	U	
Advanced Financial Accounting*	3.0	B+	U	
Cost Accounting II*	3.0	B	U	
Operations Research in Accounting*	3.0	B+	U	
Auditing II*	3.0	B	U	
Zakat Accounting*	3.0	A	U	
Financial Institutions and Markets**	2.0	B	U	
Strategic Management**	3.0	B+	U	41.0
TOTAL SEMESTER UNITS				152.0

OVERALL GRADE POINT AVERAGE: 3.04

* Subtotal, coursework in Accounting: 71.0

** Subtotal, coursework in Business: 60.0

RE: (name of applicant)
IERF # (file number)

(date of report)

L = Lower division
U = Upper division

GRADING SCALE

<u>Egypt</u>	<u>United States</u>
Excellent	A = 4.00
Very Good	B+ = 3.30
Good	B = 3.00
Pass	C = 2.00
Poor	F = 0.00

This report is based on original, official academic records.

EQUIVALENCY SUMMARY: It is the judgment of the International Education Research Foundation, Inc. that (name of applicant) has the U.S. equivalent of the Bachelor of Science in Accounting.

This evaluation has been prepared by:

(evaluator's signature)

(evaluator's name, credentials); Title: Evaluator; International Credentials Evaluator since: (year).

This evaluation is valid only if received by the agency or institution in a sealed envelope, or directly from the International Education Research Foundation, Inc., Credentials Evaluation Service.

No part of this report can be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy.

NOTHING FOLLOWS

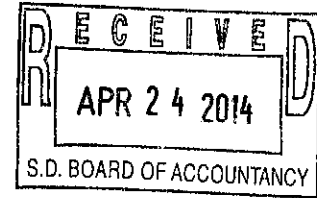
International Education Research Foundation, Inc.
Credentials Evaluation Service





April 22, 2014

Nicole Kasin
South Dakota Board of Accountancy
301 E. 14th Street, Suite 200
Sioux Falls, SD 57104



Dear Ms. Kasin –

In response to your letter dated April 14, 2014, I am writing to inform the board of NASBA International Evaluation Services compliance with the new stated rules and policies governing international education evaluations.

All foreign education evaluations submitted to the board for the Uniform CPA Examination or CPA Licensure will include the following as per board policy:

- a. Each credential evaluated includes a breakdown of all accounting and business courses
- b. Each stated course on the evaluation report will include a United States credit equivalency
- c. The total credits for each credential are listed in addition to the overall total credits for all education completed
- d. Professional Education Papers, Examinations and/or Membership in a Professional Association are not acceptable and thus are NOT included in our evaluation reports
- e. All evaluation reports submitted to the South Dakota Board of Accountancy will include a copy of all documents (transcripts, certificates, diplomas, etc.) evaluated including English translations.

NASBA International Evaluation Services will serve the South Dakota Board of Accountancy and comply with all statutes, regulations, and policies concerning education requirements for examination and licensure.

If you need additional information or have any questions or concerns, please contact me at any time.

We look to our continued working relationship with the South Dakota Board of Accountancy.

Sincerely,


Brentni Henderson-King
NASBA International Evaluation Services Manager

**AICPA BOARD OF EXAMINERS (BOE)
MEETING HIGHLIGHTS
May 29 - 30, 2014**

Participants

BOE Members: Rick Niswander (Chair), Wendy Perez (Past Chair), Allan Cohen, Steve Del Vecchio, Mari DeVries, Kadriye Ercikan, Russ Friedewald, D.J. Gannon, Bucky Glover, Jeff Hoops, Kristine Hull, Barbara Ley, Gary Lubin, Leslie Mostow, Gina Pruitt, Mark Shermis, Tom Winkler

AICPA Staff: Michael Decker (Director), Noel Albertson, Ophir Lehavy, Joe Maslott, John Mattar, Kris McMasters (Consultant), Scarlett Rajski, Robin Stackhouse

NASBA Staff: Onita Porter (NASBA Examination Review Board)

Committee Reports

At the May 2014 BOE meeting, the BOE heard reports from the State Board Committee (SBC), the Psychometric Oversight Committee (POC) and the Content Committee.

- **Barbara Ley**, Chair of the SBC, reported on the prior day's meeting. The SBC-sponsored 2014 CPA Exam booklet has been published in time for distribution at the June NASBA regional meetings. The booklet will also be available for individual state board meetings and copies will be mailed to the boards of accountancy. A complementary student pamphlet for the "Event in a Box" project will be available in August 2014, which will be a useful resource for educator presentations.
- **Mark Shermis**, Chair of the POC, reported that the psychometric activities and analyses are operating on track. The POC is maintaining its oversight over the Practice Analysis and is prepared to assist in the design of the next version of the CPA Exam, the requisite standard setting and design of any updated test administration model. The Committee suggested meeting three times a year (rather than two) to provide consultation as the team begins to make transitions to the next version.
- **Mari DeVries**, Chair of the Content Committee, reported on updates from the Content and Subcommittee meetings. The Content Committee continues its oversight over item inventory management, Technical Accuracy Reviews (TARs), obsolescence reviews and systems development and access for remote item writers and reviewers. The Content Committee is supporting staff in updated test blueprint designs, the design and development of new item types, increased focus on skills assessment and approaches to prepare the item bank for the next version of the Exam.
 - Members of the Content Committee also approved a document outlining the roles and responsibilities of the Content Committee, which was shared with the BOE.
 - The Content Committee also discussed FASB / IFRS standards and whether revenue recognition should be included in the FAR section now or when the FASB standard is

eligible for testing in 17Q3. This issue is still under review by the BOE, Content Committee and FAR subcommittee.

Market Analysis Update

Michael Decker, Director of Examinations, provided an update on the Market Analysis, which is a study of the candidate pipeline that was defined as an initiative in the BOE's strategic plan. The Examinations team and members of the AICPA Strategy and Communications team are currently drafting the RFP, which the Sponsor Group will review once it is finalized. The plan is to finish the RFP in June, secure a vendor in July and complete the Market Analysis by the end of the year. Since the analysis may result in findings that affect the accounting profession as a whole, the Examinations team will work with the AICPA and NASBA to execute the analysis and implement any findings.

Staffing Update

Kris McMasters, CPA, consultant to the Examinations Team and retired CEO of CliftonLarsonAllen LLP, has presented her staffing recommendations. She has conducted numerous interviews with staff, volunteers and BOE members during the past five months to find greater opportunities for bringing the CPA voice to the team and to assist the Examinations Team in their restructuring. Ms. McMasters is also serving as a senior CPA working on the Practice Analysis.

In addition, **Michael Decker** presented a staffing reorganization that will include the hiring of a (a) Director, Examination Content, (b) Senior Technical Manager, New Product Development and (c) Senior Technical Manager, Content Management. Recruiting has started for the Director, Examination Content position, which will oversee the work of all CPAs and ensure that content is the focal point of the CPA Exam.

The Next Version of the CPA Exam

Staff led a discussion on the next version of the CPA Exam with plans to announce the next version in 2016 and launch in 2017. There are a number of projects and initiatives underway that will ultimately result in the definition and launch of the updated Exam. All of the major projects are overseen by BOE Sponsor Groups and include the Practice Analysis, Enhanced Skills Assessment and NextGen.

- **Practice Analysis:** The AICPA periodically conducts a comprehensive research project known as a Practice Analysis to determine which skills and knowledge areas are the most relevant and aligned with the evolving CPA profession. The current Practice Analysis uses interviews, focus groups, surveys, an invitation to comment and an exposure draft of proposed changes to gather information that will inform the next Exam. Targeted interviews and focus groups have so far been pursued during the Exploration Phase.
- **Enhanced Skills Assessment:** The Exams team has been working with CPAs and the Committees and Subcommittees to determine the new types of questions needed to meet the new specifications of the next version.
- **NextGen:** The Exams team is incrementally moving the technological infrastructure of the Exam to web-based technology over the next few years. This shift will enable the Exam to create new types of questions that can assess candidates' ability to apply knowledge and test higher order skills. At this stage, the Beta version of the driver was created and successfully

demonstrated to the Sponsor Group. Planning is currently underway to accelerate software development to meet a revised timeline.

It is important to note that:

- Ongoing, error-free administration of the CPA Exam remains a priority for the team.
- The Examinations Team is considering the “enterprise” and potential changes to operating policies and procedures (NASBA, boards of accountancy, candidates, Prometric, eligibility processes, cost, score release timelines, etc.) in all of its decisions and will work to both minimize change where possible and abundantly communicate any changes where change is required.
- The Examinations Team has made the necessary financial, operational and human resource commitments necessary for a successful launch of the next version of the Exam.

BOE Sponsor and BOE Oversight Group Reports

The BOE received updates from the Financial Oversight Group (FOG) and Volunteer Recruiting.

- **Leslie Mostow**, Chair of FOG, presented an overview of the budget. The FOG Group reviewed budgeting for the technology projects, which all fall within the scope of the domestic contract.
- **Michael Decker** provided an overview of the volunteer recruiting process and its current status in the Recruiting Report. The process has improved throughout the past several years, and the team has an effective and efficient method of recruiting. There are 18 openings in total across all subcommittees and committees. The Exams team is working collaboratively with the BOE, Chairs, NASBA and staff liaisons to meet this year’s goals and requirements.

Strategic Plan and Operational Update

Michael Decker delivered updates on iARC (Internal Audit, Risk and Compliance) and provided information on the 2014 CPA Exam booklet distribution plan during the Strategic Plan and Operational Update.

In accordance with policy, the BOE discussed the criteria and current operations of the Elijah Watt Sells Award. The team has recommended revisiting the topic during the launch of the next version of the Exam, which provides a timely opportunity to revise criteria as a result of the Exam’s changes.

ERB Report

Onita Porter of the Examination Review Board (ERB), the auditors of the Exam on behalf of the boards of accountancy, reported that the ERB had a very successful year with the AICPA. All requests were provided in a timely manner with a spirit of cooperation and collaboration. The ERB identified one management level finding that Internal Audit had also identified. Throughout its work, the ERB commented on the AICPA’s quick feedback and responsiveness.

National Association of State Boards of Accountancy, Inc.

Meeting of the Board of Directors

January 17, 2014 - J.W. Marriott, Palm Springs, CA

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 Carlos E. Johnson at 9:04 a.m. on Friday, January 17, 2014 at the J.W. Marriott in Palm Springs, CA.

2. Report of Attendance

President Ken L. Bishop reported the following were present:

Officers

Carlos E. Johnson, CPA (OK), Chair
Walter C. Davenport, CPA (NC), Vice Chair
Gaylen R. Hansen, CPA (CO), Past Chair
E. Kent Smoll, CPA (KS), Treasurer, Director-at-Large
Kenneth R. Odom, CPA (AL), Secretary, Director-at-Large

Directors-at-Large

Donald H. Burkett, CPA (SC)
Janice L. Gray, CPA (OK)
Richard Isserman, CPA (NY)
Raymond N. Johnson, CPA (OR)
Telford A. Lodden, CPA (IA)
Harry O. Parsons, CPA (NV)
Laurie J. Tish, CPA (WA)

Regional Directors

Donald F. Aubrey, CPA (WA), Pacific
A. Carlos Barrera, CPA (TX), Southwest
Jimmy E. Burkes, CPA (MS), Southeast
John F. Dailey, Jr., CPA (NJ), Northeast
Tyrone E. Dickerson, CPA (VA), Middle Atlantic
W. Michael Fritz, CPA (OH), Great Lakes
Richard N. Reisig, CPA (MT), Mountain
Douglas W. Skiles, CPA (WA), Central

Executive Directors' Liaison

Mark H. Crocker, CPA (TN)

Staff

Ken L. Bishop, President and Chief Executive Officer

Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer
Michael R. Bryant, CPA, Senior Vice President and Chief Financial Officer
Louise Dratler Haberman, Vice President - Information and Research
Thomas G. Kenny, Director – Communications
Troy Walker, CPA, Director of Finance/Controller
James Suh, Director of Continuous Improvement & Analytics
Noel L. Allen, Esq., Legal Counsel

3. Approval of Minutes

Secretary Odom moved that the minutes of the October 25, 2013 Board meeting be approved as amended, Mr. Parsons seconded and all approved the minutes as amended. Similarly, the minutes of the special meeting on October 29, 2013 were approved as amended on a motion by Mr. Burkett, seconded by Ms. Gray.

4. Report of the Chair

Chair Johnson explained that he had asked President Bishop to describe to the Board the system that is being used to keep track of NASBA's many committee activities as well as its other operations. This can be used by both NASBA's staff and volunteer leadership.

Having met with the Examination Review Board, Chair Johnson and President Bishop had offered some changes to the ERB's plan for the year. Mr. Johnson had met with representatives of the Instituto Mexicano de Contadores Publicos and Past Chair Hansen had attended their annual meeting. Chair Johnson had attended the conference co-sponsored by the NASBA Center for the Public Trust and Baruch College – City University of New York and described the speakers as "high level" and proof that the CPT is spending its money wisely. He had also met with the Ohio Board.

The effort to get NASBA's brand out into the public is continuing. Chair Johnson asked all the members of the Board of Directors to do what they can to raise the image of NASBA and the State Boards. NASBA has been making nominations, and getting appointments, to professional groups. He noted that Ms. Conrad had been appointed a member of the Financial Accounting Standards Advisory Council (FASAC) and Sam Cotterell had been nominated to be chair of FASAC. Mr. Reisig has been added as a member of the Auditing Standards Board, and NASBA will be nominating people to serve on the Public Company Accounting Oversight Board's Standing Advisory Committee, the Board of Examiners and the National Peer Review Oversight Committee, Mr. Johnson said. Selections for these posts are being made well in advance of the nominating deadlines, he reported.

Upcoming meetings that Chair Johnson will be attending include the leadership Summit with the AICPA, the Uniform Accountancy Act Committee meeting, the Association of Chartered Accountants in the U.S. Annual Meeting, the NASBA Executive Directors Conference, the AACSB Accounting Program Leadership Group's conference, the 10th anniversary celebration of the NASBA Guam call center and the international meeting of the AACSB. He said all NASBA committees are being encouraged to have at least one face-to-face meeting this year.

5. Report of the President

President Bishop reported Dr. Peter Farmer had recently addressed a NASBA staff directors' retreat on effective team leadership. Negotiations on office space in the Nashville building are to begin on January 24. Presently NASBA occupies floors 7, 8 and 13 in the building and ways of connecting the spaces will be discussed.

Executive Vice President Conrad reported that NASBA's strategic plan has been embedded in the organization, as is demonstrated by the Smartsheets which track the business units' activities and provide leaders with comments on the units' progress. Updates appear in yellow. The Enterprise Program Report tracks major initiatives in the organization. There is also a Committee Activity Report that staff completes regularly. President Bishop said the strategic plan is used as a daily management tool. Mr. Lodden asked if the committee information could be made available to the Board members, as it would help them to know what other committees are doing. President Bishop said Mr. Suh's group would be working on that.

In September 2011 NASBA's revenue per employee was \$11,291 and in September 2013 that had grown to \$15,565 per employee, President Bishop reported. Ms. Conrad said key metrics for tracking work are being identified for leadership's needs.

President Bishop said it is very important for each Accountancy Board to be relevant in its state and NASBA wants to know how to help with the necessary branding. This is important for enhancing the Board's effectiveness. Ten State Boards are using NASBA's newsletter and communications services and six more are planning on doing so. Mr. Reisig and Ms. Tish said both their states are using NASBA's newsletter service and it has added to their communications' quality.

NASBA's legislative research is important for the State Boards and NASBA, Mr. Bishop said. NASBA Director of Legislative Affairs John Johnson monitors and interprets every piece of pertinent legislation and notifies the states. In May, August and October he notified the Wisconsin Board of pending legislation that would allow someone to sit for a licensing examination in the state without having the required education. The bill was passed and now NASBA and the AICPA are working with the Wisconsin Board to rectify that legislation. If legislation is so bad, then the Boards and NASBA have to speak up and get political, President Bishop commented.

Kimberly Messersmith, KPMG Managing Director of State Government Affairs, visited the NASBA Nashville office along with other KPMG representatives, Ms. Conrad reported. Mr. Bishop said some of the large firms are moving back into consulting and are considering alternative business structures again, and are eager to have a trusting dialog with NASBA and the State Boards. This could be a discussion that would impact smaller or regional firms as well, he noted.

Ms. Conrad reported the NASBA staff is reaching out to federal agencies. Ms. Conrad and NASBA attorneys Maria Caldwell and Stacey Grooms met in Washington, D.C., with representatives of the IRS, DOL and SEC. Plans are being made for the agencies to speak with Board representatives at the NASBA Annual Meeting. Meetings with the PCAOB, Department of Justice and Department of Education are also scheduled. Staff-to-staff meetings are proving beneficial, she said. The agencies are interested in CPEVerify and the IRS has been using ALD to check that people who are claiming to be CPAs actually are.

There are now over 2,000 sponsors on the NASBA CPE Sponsor Registry and 46 State Boards are participating in the Accountancy Licensee Database. Other states are in pipeline, with only Utah not intending to become involved, Ms. Conrad reported.

6. Report of the Vice Chair

Vice Chair Davenport reported he had been participating in NASBA Committee's meetings and conference calls. He commented that he has been impressed with how bright and passionate the NASBA Committee members are. He said he looks forward to working with them. Chair Johnson said that, although it is not in the Bylaws, he had appointed Mr. Davenport to be an ex-officio member on all the committees he had chosen, as Chair Johnson believes it is important to have the Vice Chair involved in all of NASBA as early as possible.

7. Report from the NASBA Director of Continuous Improvement and Analytics

Director James Suh reported the NASBA International Evaluation Service has completed approximately 6,000 evaluations of candidates from over 100 countries for 42 Boards of Accountancy. This accounts for about 40 percent of the number of these types of evaluations being performed for the Boards, he noted. NASBA has also started an undecided evaluation component that matches the applicant's education to the requirements of the State Boards. Mr. Suh said he would like to have NIES provide services to all State Boards and to leverage his staff's expertise in working with the accounting profession to other professions. He would like to see the NIES working with college admissions, accounting firms and other professional boards that have international candidates.

The Continuous Improvement and Analytics Division, also headed by Mr. Suh, is working on developing internal operations dashboards. They will also be looking at experience evaluation for international candidates as well as doing analytics on candidate performance. Custom analysis of CPA Examination candidate data for individual schools is being performed by the division.

8. Report of the Audit Committee

The Audit Committee met on December 5, 2013 by conference call and will meet with the independent auditors in May in Nashville, reported Audit Committee Chair Isserman. He summarized areas of risk that the committee was giving additional focus to in the current year. Specifically, those areas were assuring organization compliance with the Foreign Corrupt Practices Act (FCPA), security around NASBA's technology infrastructure, and risks related to funds under the organization's control. In addition, Mr. Isserman related the processes followed in the review of the Form 990s for NASBA and the NASBA Center for the Public Trust. Mr. Isserman informed the Board that the NASBA Center for the Public Trust Form 990 had been circulated to the CPT Board of Directors after review by the Audit Committee and the tax partner of the independent accounting firm that performs the audits for both CPT and NASBA. The CPT Board of Directors was given the opportunity to meet with the Audit Committee prior to finalization of the Form 990 and it was filed with the IRS in January.

Mr. Isserman discussed with the Board issues related to the approval of the Audited Financial statements and the timing of their inclusion in the NASBA annual report for printing. He believes the Audit Committee should give final approval to the Audited Financial Statements before they are printed in the annual report, but that would require a change in NASBA's Bylaws. Mr. Isserman reported that the Audit Committee will be having a planning

meeting in Nashville in May and then asked Senior Vice President and Chief Financial Officer Bryant to further elaborate on the areas of risk.

Mr. Bryant related communications with outside counsel around the FCPA and the opinion that the international contract was crafted in a way to clarify that NASBA was not doing business in a foreign country, and that there was low risk of non-compliance with FCPA. Regarding technology risks, a presentation will be made at the May planning meeting by NASBA's Chief Information Officer Cheryl Farrar or her designee to address how these risks are managed. Finally, in the area of funds, Mr. Bryant discussed communications with outside counsel and the assessment that escrowed funds are safeguarded in a going concern or creditor situation. The Board was given the opportunity to discuss the NASBA Form 990 which had been made available to them on December 23, 2013.

The Audit Committee will review the audit charter and look at the processes for approving the NASBA and CPT financial statements, Mr. Isserman reported.

All the Board members were given copies of NASBA's conflict of interest forms and asked to complete them and return them to Controller Walker.

9. Report of the Administration and Finance Committee

A&F Committee Chair Smoll referred the Board to the A&F report in their binder and pointed out that through November 30, 2013, NASBA's operating excess exceeded budget by approximately \$984,000 and investment income exceeded budget by \$886,000. The total investment income for this period was approximately \$1.2 million. However this year's investment securities are underperforming the benchmark and are being watched, Mr. Smoll said. He, Mr. Bryant, Controller Walker and Vicky Petete (OK) are on the investment committee monitoring the performance.

Mr. Bryant reported the Center for the Public Trust launched the Ethics Leadership Certification program for students in September. Initial sales were lower than anticipated through November, but are expected to steadily ramp up. CPT now has 19 student chapters, with eight additional ones pending and 25 other schools are interested in starting chapters.

Mr. Smoll made a motion to accept the financial statements as of November 30, 2013. Mr. Parsons seconded and all approved.

10. Report of the Executive Directors Committee

The agenda for the March 3-6, 2014 Executive Directors Conference had been distributed to the Board of Directors and ED Committee Chair Crocker said it is a strong program. It is challenging to find topics that are pertinent to new executive directors as well as to experienced EDs, he noted. This year the conference will be paperless, with no hard copy or binders distributed. There will only be two table topics, rather than four, in hopes all attendees will be participating in both of the sessions. The program segments have been condensed to 30 minutes. Representatives from the Internal Revenue Service and the Department of Labor are scheduled to speak about the handling of referrals. Mr. Crocker asked the NASBA Board members to encourage all their states to send their executive directors to the meeting. Mr. Dickerson asked that the registration list be sent to the Regional Directors so that they would know which states need to be prompted to send their EDs. Mr. Crocker said he would have it sent out.

11. Report of the Uniform Accountancy Act Committee

UAA Committee Chair Odom reported several joint NASBA/AICPA UAA Committee task force calls had been held and then a conference call for the full joint committee was held on December 23, 2013. The call was focused on the proposed redefinition of “attest,” which had brought very few comments from interested parties. As a result, the NASBA/AICPA UAA Committee approved the language in the exposure draft, which Mr. Odom presented to the NASBA Board for their approval to become part of the Uniform Accountancy Act. Mr. Burkes seconded and, hearing no opposition, the motion was approved.

The UAA Committee’s firm mobility proposal had so far resulted in 19 comments, including three from CPA societies, three from CPA firms and 13 from State Boards of Accountancy. The Committee anticipates more comments will be received before the comment period ends on January 31, Mr. Odom said. A NASBA/AICPA UAA Committee meeting is scheduled for February 6-7, at which time the firm mobility language will be considered. Other issues are on the Committee’s plate, but they will await input from the Summit as to how these should be approached, Mr. Odom reported.

Chair Johnson said neither NASBA nor the AICPA is pushing firm mobility. The purpose of the proposed language is to have uniform language available for those states that do want to embrace firm mobility. Seventeen states already have it in place and the goal is to try to bring those states’ statutes together, he stated.

Mr. Aubrey reported that comments had been made that responses about the validity of the proposed language, rather than the concept of firm mobility, were going to be taken into consideration by the UAA Committee. President Bishop and Chair Johnson said all comments would be considered by the UAA Committee. Mr. Aubrey made a motion that an advisory vote be taken to either: (a) pass firm mobility with the recommended language, or (b) defer such action for a year until the impact that firm mobility would have on all Boards could be determined. Mr. Isserman seconded.

It was suggested that a letter be sent to the Boards urging them to consider the exposure draft and respond to it. Mr. Odom said that, as a reminder, in early January the Boards had once more been sent the draft along with a letter reminding them the comment period would end January 31, 2013.

Following discussion, Chair Johnson called for a vote on the motion. The motion failed, with a vote of one in favor and 18 opposed.

12. Report of the Diversity Group

Diversity Group Chair Dickerson reported the Group had held a conference call followed by an in-person meeting last week. They considered the 12 recommendations developed by the Diversity Group last year and decided to focus their efforts on two, noting that four or five are under the control of the administration. The recommendations will be discussed at the June Regional Meetings during breakout sessions to promote diversity of State Board members as well as NASBA leadership.

13. Report of the Standard-Setting Group

The Standard Setting Group held a conference call in December and then a three-hour in-person meeting on January 16, Mr. Hansen reported. They agreed upon the flaws in how some standards are set, and they believe that more oversight by the State Boards is needed, but exactly how that is to be provided has not yet been settled, Mr. Hansen explained. NASBA is to be supportive of its volunteers serving on standard setting bodies and NASBA is looking to add staff to provide technical assistance, he told the Board. The SSG is trying to work out a plan that is not just a list of grievances, but will help improve standard setting so that it is more independent. A call will probably be scheduled prior to the Group's next face-to-face meeting, he said.

Ms. Conrad reported a matrix of standard setting bodies and best practices is being developed. There will be discussion about how to implement a monitoring body and how to increase NASBA assistance to State Board representatives.

Mr. Hansen said the SSG is very interested in getting the Board of Director's feedback to see if the SSG has the Board's support for this initiative. The SSG intends to come back to the Board to present something that is more concrete. He asked any Board members who thought the SSG is on the wrong track to share their thoughts with him.

Mr. Isserman observed that the material coming up on standard setting would rise exponentially and he asked if NASBA would have the staff to do the initial vetting. President Bishop said he is in the process of making some hires who are supporting the mission of NASBA. Chair Hansen invited the Board members to suggest good candidates. Chair Johnson pointed out this is a task force with a specific mission and it will conclude its operations once that mission is completed.

14. Report of the Regulatory Response Committee

Committee Chair Fritz reported a letter had been sent to the Public Company Accounting Oversight Board on December 9 on PCAOB Rulemaking Docket No. 34, on Proposed Auditing Standards, and the Regional Directors had seen the final draft prior to the issuance of the letter. Another letter, on PCAOB Rulemaking Docket No. 29, on Improving the Transparency of Audits, is under preparation by the Committee. That PCAOB proposal set out 25 questions and the Committee is responding to those questions that impact state regulators. Several of the Regional Directors voiced their support for the draft they had been given, and Chair Johnson said there would be no need to vet the draft further with the Regional Directors.

The Regional Directors will be invited to participate in all of the RRC's calls, Chair Fritz said, and to comment on any concerns they might have.

15. Report of the International Qualifications Appraisal Board

IQAB Chair Lodden described a pilot proposal being contemplated by the NASBA/AICPA IQAB and asked for the Board members' opinion on its possible acceptance by the State Boards. President Bishop questioned how this agreement differed with others previously entered into by the AICPA and others questioned if this agreement could become a precedent for other agreements.

Mr. Lodden said the pilot agreement would still require those seeking to practice in a State to pass the IQEX. Mr. Isserman observed that globalization is going to make IQAB obsolete. Ray Johnson commented that the State Boards need to think outside of quid pro quo agreements if a global profession is to be built. Mr. Lodden noted that non-U.S. accountants are

already in the U.S. doing work and then having a local partner signing off on the report. He asked if the public would not be better protected if the people who are doing the work are regulated by the State Boards. He asked the NASBA Board members to send him their comments as to whether or not they like the concept being proposed.

16. Policy Discussion

The NASBA Board discussed courses being accepted by some states as fulfillment of the basic CPA education requirement. Different credential evaluation services are providing varying results to the State Boards. It was noted that some Boards are required to accept the credential evaluation service's review. States are putting their licensees' mobility in danger if they accept candidates who do not meet the educational requirements for substantial equivalency.

California's granting a license to practice law to an undocumented alien was discussed by the Board. It is a pre-emption issue, but the U.S. Department of Justice did not prevail, Mr. Allen reported, because the federal act states "unless the state legislates" otherwise.

The Board discussed the AICPA/NASBA leadership summit to be held in February. Mr. Hansen said these summit meetings are important so the two groups can identify where problem areas exist and need to be dealt with. The Uniform Accountancy Act and the International Qualifications Appraisal Board prioritize their work based on what is discussed at the summit.

17. Annual Meeting of the Center for the Public Trust

The Board of Directors meeting went into recess to hold the Annual Meeting of the Center for the Public Trust, as NASBA is the only corporate member of the CPT. On a motion by Ms. Gray, seconded by Mr. Dickerson, the Board affirmed Chair Johnson's appointment of Director-at-Large Donald H. Burkett (SC) as NASBA's representative to the Center for the Public Trust's Board of Directors. The Board also appointed four new members to the CPT Board: Lawrence W. Hamilton, Joseph P. Petito, Vicky Petete and Louis Upkins, Jr. In addition, on a motion by Mr. Parsons, seconded by Mr. Burkes, the NASBA Board elected Mr. Burkett to be secretary of the CPT Board (with Mr. Burkett abstaining from the vote).

Mr. Burkett will serve a three-year term as NASBA's representative on the CPT as long as he remains a member of the NASBA Board of Directors, Chair Johnson explained.

18. NASBA Board Meeting Reconvenes

Chair Johnson asked for any other business to come before the NASBA Board, and there was no reply. The next meeting of the NASBA Board of Directors will take place in San Juan, PR, on April 24-25, 2014.

19. Adjournment

The meeting was adjourned at 4:31 p.m.

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

Highlights of the Board of Directors Meeting April 25, 2014 – San Juan, PR

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc., held on Friday, April 25, 2014 at the La Concha Resort, in San Juan, PR, the Board took the following actions:

- Approved changes to the Uniform Accountancy Act and Model Rules, as presented by UAA Committee Chair Kenneth R. Odom (AL), to enable firm mobility among jurisdictions. A firm would need to meet both the ownership and peer review requirements as set out in the UAA. Based on comments received to the exposure draft, the AICPA/NASBA UAA Committee had added to the commentary of Section 7: “Any firm practicing pursuant to this provision must, as required by Section 23(a)(3), comply with the practice privilege state’s statutes and rules such as all those related to peer review including disclosures and on all other matters.”
- Approved the memorandum of understanding for the extension of the renewal date for the tri-party mutual recognition agreement with the Canadian Institute of Chartered Accountants (now CPA Canada) and the Instituto Mexicano de Contadores Publicos to December 31, 2016. International Qualifications Appraisal Board Chair Telford A. Lodden (IA) explained the extension was needed to enable IQAB to evaluate the new programs being developed as a consequence of the consolidation of the professional bodies in Canada.
- Heard from Nominating Committee Chair Gaylen R. Hansen (CO) that Donald H. Burkett (SC) had been selected as their nominee for NASBA Vice Chair (2014-2015). If elected Vice Chair by the NASBA Member Boards at the 2014 Annual Meeting, Mr. Burkett would accede to Chair (2015-2016).
- Congratulated the NASBA Guam Testing Center on celebrating its 10th anniversary. President Ken L. Bishop reported the Guam Center remains one of the busiest testing centers. Chair Carlos E. Johnson (OK), who attended the Center’s anniversary celebration on April 5, said the center’s performance is used as a benchmark by Prometric for its other centers in the region.
- Received a report from Chair Carlos E. Johnson on his attendance at the Association to Advance Collegiate Schools of Business (AACSB) International Conference and Annual Meeting in Singapore, April 7-9, 2014. He also met with the accountancy regulatory body for Singapore (the Accounting and Corporate Regulatory Authority), the Institute of Chartered Accountants of Singapore, and the Hong Kong Institute of Certified Public Accountants during his time in Asia. In addition, in the U.S., Chair Johnson attended the meetings of the Association of Chartered Accountants in the United States and the AACSB Accounting Programs Leadership Group.
- Heard of the Legislative Support Committee’s successes in Wisconsin, Georgia, and the Virgin Islands from NASBA President Ken L. Bishop. He noted the Boards are appreciative of the monitoring of legislation being performed by Director of Legislative Affairs John Johnson.

- Learned from President Ken L. Bishop that NASBA leadership is following up on the report made by Ian Dingwall, Chief Accountant of the Employee Benefits Security Administration of the Department of Labor, at the March NASBA Executive Directors Conference, that his department found benefits plan audits being performed by CPA firms which had not been peer reviewed for that type of engagement. NASBA is working with the AICPA to understand how this occurred and to ensure the names of the offending firms are sent to the State Boards.
- Were informed by Treasurer and Director-at-Large E. Kent Smoll (KS) that the Administration and Finance Committee's Investment Committee had met with investment adviser James K. Meek, and determined no change in the investment policy was needed. Looking at NASBA's operations, Treasurer Smoll concluded NASBA is having a very good year. Actual net excess has significantly exceeded the budgeted amount.
- Heard from Chief Operating Officer and Executive Vice President Colleen Conrad that NASBA has hired new senior leaders in the IT area, including Roy Hall, who serves as NASBA's Chief Information Security Officer. Two big IT projects will be pursued by NASBA, a core network upgrade and an infrastructure analysis that is leading to a cloud solution, Ms. Conrad reported. Chief Information Officer Cheryl Farrar will report to the NASBA Board at their July meeting on the work being done by her department.
- Approved the granting of three education research grants as recommended by the Education Committee.
- Received an alert from Ethics Committee Chair Raymond Johnson (OR) that the recodification of the AICPA Code of Professional Conduct was approved in January by the AICPA and the NASBA Ethics Committee is now conducting a survey of the State Boards to see which have adopted the Code and to understand the landscape of how states differ from the Code.
- Heard a summary of NASBA's outreach to the member Boards from Vice President Daniel Dustin. He has visited 33 State Boards in the last 27 months. In the last 16 months, he has responded to 69 different requests from Boards. Since 2012, the Boards in Massachusetts, Pennsylvania, Rhode Island and West Virginia have increased their participation in NASBA activities, Mr. Dustin noted. He thanked the Regional Directors for scheduling Regional conference calls that have given him added feedback from the Boards.
- Congratulated Michael R. Bryant, NASBA Senior Vice President- Chief Financial Officer, on his being named president of the Nashville Chapter of Financial Executives International. President Bishop also announced NASBA had been presented the Nashville Best in Business Award.

The next NASBA Board meeting is scheduled for July 18, 2014 in Coeur d'Alene, ID.

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

Executive Summary
January 22, 2014 – April 1, 2014
Regional Directors' Focus Question Responses
36 State Boards Responding

1. (a) If someone holds the designation “CPA-Inactive” in another state, could he or she hold that designation in your jurisdiction? Yes: 15 No: 20.
(b) Does your state provide for an “inactive” or “retired” status? Yes: 26 No: 9.
(c)(d) If so, what services could such an individual perform without being considered to need to have an active CPA license? If there is a distinction between “inactive” and “retired” status in your state, what could a “retired CPA” do? Among responses: “Inactive” and/or “Retired” cannot render public accounting services: AL, AK, AZ, CA, GU, HI, ID, MS, MO, NE, NV, NJ, NM, PA, SD, TN, TX, VI, WA, WY.
(e) Does it matter if such services are performed pro bono? Yes: 22 No: 9.
2. Your local newspaper reports a national firm has entered into a settlement agreement with the Securities and Exchange Commission. What would cause your state to consider opening an investigation of that firm and/or its CPAs? See responses.
3. Has your Board reviewed the two exposure drafts from the AICPA’s Accounting Review Services Committee regarding a) compilation and preparation services and association and b) the applicable framework? Yes: 24 No: 14. If so, does your Board have concerns with these changes? Yes: 6 No: 14. Please explain. See responses.
4. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?
Among responses: CA: Sponsoring Legislation to Amend California Accountancy Act to allow experience earned in academia to qualify for general accounting experience; ID: Seeing increased number of cases of CPAs with lapsed licenses holding out as CPAs; VA: Approved new license status “Active - CPE Exempt.”
5. Can NASBA be of any assistance to your Board at this time?
Among responses: MT: Suggestions for reorganization of investigation and screening panel processes for licensing boards; OR: Help to advocate against a proposal to down-class Board of Accountancy’s Director position; TN: Work with Department of Labor to get lists of CPAs engaged in pension plan audits.

For details, see Regional Directors' Focus Question Report.

NASBA REGIONAL DIRECTORS' REPORT

The following is a summary of the written responses to focus questions gathered from the member boards by NASBA's Regional Directors between January 22, 2014 and April 1, 2014. Responses which indicated nothing to report have not been included in this summary.

Respectfully submitted,

*Douglas W. Skiles (NE) – Chair, Committee on Relations with Member Boards
Central Regional Director*

Jimmy E. Burkes (MS) – Southeast Regional Director

Donald F. Aubrey (WA) – Pacific Regional Director

Tyrone E. Dickerson (VA) – Middle Atlantic Regional Director

A. Carlos Barrera (TX) – Southwest Regional Director

John F. Dailey (NJ) – Northeast Regional Director

W. Michael Fritz (OH) – Great Lakes Regional Director

Richard N. Reisig (MT) – Mountain Regional Director

1. If someone holds the designation “CPA-Inactive” in another state, could he or she hold that designation in your jurisdiction? Does your state provide for an “inactive” or “retired” status? If so, what services could such an individual perform without being considered to need to have an active CPA license? If there is a distinction between “inactive” and “retired” status in your state, what could a “retired CPA” do? Does it matter if such services are performed pro bono?

Alabama – Yes, a licensee could be inactive in Alabama and other states. Alabama has an “inactive” and “retired” status. CPAs that are inactive or retired are prohibited from practicing public accounting by statute. Yes there is a difference between “inactive” and “retired” but neither can practice public accountancy, pro bono or otherwise.

Alaska – Alaska does have mobility, but the Board has never discussed the ability to use an ‘inactive’ status from another jurisdiction. Alaska does have an inactive status; licensees can change to this status during the open renewal period. The inactive license indicates that they cannot practice public accounting. They would need to reactive the license if they wanted to practice. We do not currently have a retired status. It would not make a difference if the services were performed pro bono.

Arizona – Yes, as long as they identify the state where the status is held (e.g., Mary Smith (Inactive Nevada). While they can use a designation properly labeled they would not be able to perform any services without an active CPA license.

Arkansas – An inactive CPA from another state could apply for an inactive license in our state, but there is little incentive to do so and we hardly ever see this. A person with an original license

from another state wanting a reciprocal license in our state will almost always apply for an active license.

We do have an inactive and a retired status (two distinct license types). ACA 17-12-505 prohibits inactive CPAs from most of the services that CPAs do in a public accounting setting (accounting, audits, tax return preparation, consulting, etc.).

Like an inactive CPA, a retired CPA cannot perform traditional CPA services but is allowed to perform them on a volunteer basis.

California – If an individual is licensed in multiple jurisdictions, including California, the CBA would look to the status of the individual’s California license to ensure s/he is representing him/herself in accordance with California’s laws and regulations. Presently, California provides for an inactive license status and, beginning July 1, 2014, will also provide for a retired license status. Holders of a license in an inactive or retired status may not engage in any activity for which a license is required. Additionally, holders of a license in an inactive or retired status must place the term “inactive” or “retired” immediately after the CPA designation.

Colorado – Yes; however that person could not apply for reciprocity without an active license initially. Yes. Both license statuses are available to Colorado licensees. The laws or rules do not indicate what services may be performed by licensees in these statuses, it simply indicates that an Inactive or a Retired licensee cannot hold out or perform any service for which an active certificate is required.

Guam – Guam has an "inactive" and a "retired" license status, and presumably, under mobility, a CPA from another jurisdiction could hold the same status in Guam, but to what end? Guam requires an "active" CPA license to "hold out" as a CPA or perform any licensed services, pro bono or otherwise. Inactive or Retired licensees are prohibited from performing any services, though they are subject to the same rules and disciplinary actions as "active" licensees.

Hawaii - No, Hawaii has neither an “inactive” status nor a “retired” status for its CPA licensees. In order to practice public accountancy in Hawaii, an individual needs a license, an individual permit to practice, and be affiliated with a CPA firm that holds a firm permit to practice.

Idaho – An individual who holds a “CPA-Inactive” status may apply for a like license designation via reciprocity to be licensed in our state and be in compliance. *Idaho Code 54-211(1)(c)* states in part. “Any licensee in current compliance with the provisions of this chapter who chooses not to perform or offer to perform for the public one (1) or more kinds of attest or compilation services may apply to place his or her license in inactive status.... Licensees with inactive status must place the word ‘inactive’ adjacent to their CPA or LPA title on any business card, letterhead, or any other document or device when using the title, with the exception of their certificate on which their title appears.” Regarding Retired status a person who reaches the age of 55, or in the event of a disability preventing continued practice, upon application to the board by the holder, may be placed by the board in retired status. *Idaho Code 54-211(1)(d)* states in part “...Licensees with retired status must place the word ‘retired’ adjacent to their CPA or LPA title on any business card, letterhead or any other document or device when using the title with the exception of their certificate on which their title appears. An individual who performs or offers to perform for the public attest or compilation services shall not qualify for retired status.”

Illinois Dept. Fin. & Prof. Reg.— The Illinois Public Accounting Act (225 ILCS 450) defines “CPA (inactive)” as “a licensed certified public accountant who elects to have the Department place his or her license on inactive status pursuant to . . . [the] Act.” Any CPA licensed or registered under the Illinois Public Accounting Act with an active, unencumbered license or registration who notifies the Illinois Department of Financial and Professional Regulation in writing on forms prescribed by the Department, may elect to place his or her license or registration on an inactive status and shall, subject to rules of the Department, be excused from payment of renewal fees and completion of continuing education hours until he or she notifies the Department in writing of his or her desire to resume active status. 225 ILCS 450/17.2(a). Any licensed CPA or registered CPA whose license is in an inactive status shall not perform accountancy activities, as outlined in the Act. 225 ILCS 450/17.2(d).

A CPA (inactive) may perform governance functions on a non-profit volunteer board using his or her accountancy skills and competencies, so long as he or she discloses to the non-profit volunteer board and respective committees that his or her license is on inactive status; and he or she is not serving as an audit committee financial expert as defined in Section 407 of the federal Sarbanes-Oxley Act of 2002. 225 ILCS 450/17.2(f).

Illinois does not provide a “retired” status for CPAs.

Kentucky – Kentucky does not have an inactive status so a CPA from another state could not use that title in Kentucky.

Louisiana – Yes, someone can be registered as CPA-Inactive in both our state and another. Louisiana only provides for an “active” and “inactive” status; we do not have a “retired” status.

Under Board Rule §1707(C), any accounting, financial, management, tax or consulting services (other than attest) may be performed provided that the title “CPA Inactive” may not be used in connection with the volunteer services or in connection with any other concurrent employment of any nature. It does not matter if the services are *pro bono*. However, if these services are performed as an actual employee of the charity, the “CPA-Inactive” title may be used (as would be the case for any CPA Inactive working as an employee in industry).

Michigan – No. In Michigan you can either be a licensed CPA or a registered CPA. If you are a registered CPA you can still hold yourself out as a CPA, but you cannot perform services that require a licensed CPA to perform. If you are a registered CPA there is no CPE requirement and the bi-annual fee is lower than of you are a licensed CPA.

If a service does not require one to be a licensed CPA, a non-CPA could perform such a service but would not be able to sign as a CPA unless they were either licensed or registered.

Minnesota – No.

Mississippi - Mississippi only allows the use of “CPA” for active CPA licenses and “CPA-Retired” for CPAs 55 years old or older, which are no longer practicing public accounting while holding out as a CPA, to whom the Board granted this title. Persons previously granted “CPA-Retired” status by the Board, who later become (or desire to reenter public practice) engaged in the practice of public accounting while using the “CPA” designation must apply for

reinstatement, pay fees, meet CPE requirements, and surrender the “CPA-Retired” status. There is no “inactive” status in Mississippi.

Missouri – (1) Our current Rule and Statutes do not address the “CPA Inactive” designation from another state. (2) Yes. (2a) No public accounting work as defined by Missouri law. (3) No.

Montana – Montana has both an inactive permit to practice and a retired status. Services cannot be performed under either status. It does not matter if the services are performed pro bono.

Nebraska – No and Yes. No, you must be an active CPA to achieve reciprocity within Nebraska; however, we would recommend if the person was visiting Nebraska to hold out as CPA-Inactive (the state they are inactive). Simply the person must be active to go inactive to eventually have inactive registrant status with our Board. Yes, our Board provides for inactive/retired status at the age of 60. Yes, inactive retired the person does not pay Board fees. The inactive registrant and the inactive retired status does not allow for the practice of public accountancy. The Board’s policy has not been to actively pursue services performed by inactive status unless a complaint is filed or holding out as an active CPA.

Nevada – No, an individual with an Inactive CPA license would not be able to utilize the CPA designation unless they obtained licensure in Nevada. Yes, Nevada has both Inactive and Retired Status. Individuals with this status cannot be involved in any financial functions of business. The Board recently changed its regulations that include the following areas that a person with Inactive/Retired cannot be involved in: (a) Any employment related to the financial functions of any business, governmental entity or nonprofit organization; (b) Any supervision of the financial functions of any business, governmental entity or nonprofit organization; (c) Any preparation of tax returns or schedules in support of a tax return for compensation except when prepared for family members; (d) Any volunteer position related to the financial functions of an entity, except financial oversight required by law in a fiduciary capacity for the volunteer position; or (e) Any work as a trustee that includes the preparation of financial information for the trust except for a family trust. The only difference between the status types is that Retired you must be at least 60 years of age.

New Hampshire – New Hampshire has the designation of CPA – Inactive. They can hold inactive status in other states. Inactive CPAs in New Hampshire could do taxes but cannot hold themselves out to be a CPA. They cannot do pro bono CPA work. New Hampshire does not have retired status.

New Jersey – New Jersey does have an “inactive status” that licensees can request usually at the time of license renewal. Electing such status results in the relaxation of the requirements relative to continuing education but the licensee forfeits the right to practice public accountancy. Licensees electing “inactive status” may still refer to themselves as a CPA (inactive). New Jersey does not have a “retired status.”

An “inactive” or “retired” licensee from another jurisdiction would be treated as a New Jersey licensee who has elected “inactive status” as previously described.

New Mexico – Yes. Individuals can hold the designation from another jurisdiction, as long as they are not practicing public accountancy. Yes, New Mexico allows “inactive” and “retired” status. The individual cannot provide any services of public accountancy. There is no distinction between “inactive” and “retired” status.

North Dakota – “Inactive” doesn’t mean the same thing in all states. For North Dakota, it’s a self-designation a non-public CPA could use with their credential, without having the typical level of CPE.

Ohio – No. They must hold a license in an active status prior to getting licensed in Ohio. Yes, we have an “inactive” and “retired” status. As long as they’re not working for a CPA firm, or being compensated, they may do *some* taxes (family). In a retired status, they may also only do *some* taxes, no compensation, for family.

Oklahoma – Oklahoma is a two tier state in that an active CPA may be exempted from CPE requirements due to retirement, military, disabled, or inactive status (not performing any accounting related services or unemployed). A registrant must be in good standing and eligible to practice public accounting in another jurisdiction before Oklahoma will issue a reciprocal license. Note: Oklahoma has an active, revoked, cancelled, disabled and suspended CPA Certificate status. An active/retired CPA may perform non-compensated services and provide services to immediate family members.

Oregon – a) If this question is intended to mean whether a CPA-inactive from another state could use that title in Oregon without being licensed here, the answer is yes as long as the title is followed by the state where the inactive license is held. So an inactive CPA from Montana could hold out in Oregon as a “CPA-inactive (Montana)” but could not use the “CPA” or “CPA-inactive” in isolation in Oregon as doing so would imply licensure by the Oregon Board.

b) Yes, Oregon provides for both an inactive and retired status license. A retired status license does not permit a holder of such a license to act as a preparer of tax returns nor may that holder perform any attest services. No public accounting services are permitted for direct or indirect compensation. Oregon rules do not use the term “pro bono” specifically, but “uncompensated” services by a retired licensee are permitted as long as the previously outlined prohibitions are adhered to. Any documents or correspondence generated by such uncompensated services by the retired status licensee must be signed as “CPA Retired” or “PA Retired” as applicable.

By contrast, inactive status simply directly prohibits any performance of public accounting services, compensated or not.

Pennsylvania – A licensee can apply for domestic reciprocity in Pennsylvania if they are actively licensed in another jurisdiction. If they hold a license in another state and it is inactive, they cannot obtain a CPA license in Pennsylvania. Pennsylvania has an inactive status, but not a “retired” status at this time. Inactive CPA’s cannot perform any work that would require them to use their CPA credentials. Pennsylvania does not consider work performed on a pro bono basis as work that would be exempt from having an active CPA license.

Puerto Rico – Only if the person holds a Reciprocity License in the jurisdiction, at this moment.

Rhode Island – No. Yes. Anything up to the attest function services notwithstanding taxes.

South Dakota – CPA, Inactive is permitted in South Dakota in accordance with SDCL 36-20B-27 and ARSD 20:75:03:11. We do also provide the status of retired (ARSD 20:75:03:11). If a licensee is inactive or retired they may not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory, consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.

Tennessee – Someone holding the designation CPA-Inactive in another state could hold that designation in Tennessee. A CPA holding an Inactive license may not perform any accounting services as defined in the statute. That includes management advisory services, consulting services, and tax preparation in addition to any attest functions.

Texas – Texas recognizes the retired status but not the inactive status. In order to qualify for the Texas retired status, a licensee must be over 60 years old and have no association with accounting work for compensation.

Virginia – The Virginia Board of Accountancy does not have an “inactive” status. In Virginia, you are either a licensed CPA, or you are not. However, Virginia does have a provision in its regulations that a CPA who is not performing services for the public or to an employer may be exempt from CPE requirements. As such, the Board recently approved a “status change” in Virginia – beginning July 1, 2014, there will be a new status called “Active – CPE Exempt.” This decision was made to provide information to the public (through the Board’s licensee lookup status) that this individual is a licensed CPA in Virginia; however, they are exempt from Virginia’s CPE requirements. They can still use the CPA title, however. Individuals will have to apply for this status; otherwise, they are subject to Virginia’s CPE requirements.

A licensee from another state would not be permitted to use a designation other than those approved in Virginia.

Virgin Islands – Currently the CPA Inactive status does not apply in the U.S. Virgin Islands. Recent legislation once passed will allow for this designation. The rules relative to the new legislation would not allow for an inactive CPA to perform services, pro-bono or otherwise.

Washington – No. Yes. Such persons could not use the title CPA. A “retired CPA” could only perform those services covered by RCW 18.04.359, Practices Not Prohibited. No.

Washington State has a status “CPA-Inactive certificate holders” that only applies to those certificate holders on June 30, 2001 who have not made application for a full license. After July 1, 2001 only licenses are issued and only licensees can practice public accounting.

In Washington State, after June 30, 2001, “Retired” means you have relinquished your right to practice public accounting and use the restricted titles “CPA” or CPA-Inactive”.

Effective June 2, 2012, the board authorized the use of the designation (not a license or certificate status) “CPA Retired” in Washington State by licensees in this state or a substantially equivalent state who, upon notice to the board to retire a license, meet the following criteria:

- Reached 60 years of age and holds a license in good standing; or
- At any age, has held an active license in good standing, not suspended or revoked, to practice public accounting in any state for a combined period of not less than 20 years.

Neither an individual who retired their license or CPA-Inactive certificate nor an individual qualified to use the designation CPA Retired for non-commercial use may use the restricted titles (CPA or CPA-Inactive) or provide any professional services restricted to licensees by the Washington State Public Accountancy Act, Chapter 18.04.RCW in conjunction with the use of designations such as retired CPA or CPA Retired.

Wyoming – Holders of certificates in “CPA-Inactive” status are not provided for in Board Rules and Regulations Chapter 10 pertaining to Practice Privileges. Holders who have made Wyoming their principal place of business may not hold out as “CPA-Inactive” based on licensure in a different jurisdiction.

Wyoming law does provide for inactive and retired status certificates. For both inactive and retired status the holder is prohibited from providing any accounting services as defined in Chapter 1 Section 2(dd) of Board Rules and Regulations.

There is a distinction between retired and inactive statuses. A holder who intends to retire his or her active or inactive certificate may do so with filing an application and payment of a one-time fee. Certificate holders who hold inactive status certificates must annually certify through an application and payment of a fee that they continue to meet the qualification to hold an inactive certificate and that they do not provide any accounting services as defined in Wyoming law.

Currently, neither inactive nor retired certificate holders may provide any accounting services as defined by Wyoming law. There is an effort on the part of a committee of the Board to revise the Board’s rules to allow for pro bono activities on the part of retired holders and under what conditions.

2. Your local newspaper reports a national firm has entered into a settlement agreement with the Securities and Exchange Commission. What would cause your state to consider opening an investigation of that firm and/or its CPAs?

Alabama – If information was obtained that the acts were committed in Alabama.

Alaska – Alaska requires that every licensee/firm answer professional fitness questions with each renewal. Typically this is when the Board would have the opportunity to investigate any actions reported/taken during the preceding two years. The statutes/regulations dictate the types of offences that can result in the board investigating and taking action.

Arizona – The Board would likely open an initial analysis file based on a media article whether or not someone from the public copied us on the article. Also, if the settlement includes revocation or suspension to practice before the SEC, a registrant is required to report it to the Board within 30 days, pursuant to AAC R4-1-456(A)(1).

Arkansas – We would want to know if any Arkansas residents were harmed by the action, or were any Arkansas licensed CPAs involved in the work performed.

California – To begin, under Business and Professions Code section 5063 requires any California licensee is required to report, within 30 days, any notice of the opening or initiation of a formal investigation of the licensee by the Securities and Exchange Commission (SEC). If the licensee fulfilled this obligation, the California Board of Accountancy would have known about the pending case prior to any newspaper report and would have already been keeping an eye on the case. If the licensee failed to do so, this would be cause for further charges beyond the SEC action and its root causes.

Colorado – Several factors would be considered to include but not be limited to. The facts, the discipline and/or penalty, and the impact to Colorado consumers.

Guam – A complaint or other indication that such activity occurred in our jurisdiction, or that any of the licensees involved held licenses under our jurisdiction.

Hawaii – The Board would need to know the underlying facts of the case to determine there have been violations to its statutes or administrative rules.

Idaho – Based on what is contained in the settlement agreement, would be used to help the Board determine whether any further investigation would need to be launched and at what level. Also, with this being a national firm, we'd want to know what involvement our licensees or offices in our state had in the matter.

Illinois Dept. Fin. & Prof. Reg. - There are many factors that go into whether or not whether the Illinois Department of Financial and Professional Regulation would consider opening an investigation into such a firm or CPAs. This includes, but is not limited to: whether any complaints have been received, the safety and wellbeing of consumers and the public, the history of allegations against the firm or CPAs, and the likelihood of a violation of the Illinois Public Accounting Act.

Kentucky – If the article included a reference to a CPA who held a Kentucky license or was located in an office in Kentucky, the Board would open an investigation.

Louisiana – It would depend on facts and circumstances. We would research the matter and determine if additional investigation/enforcement actions were warranted in our state.

Michigan – An investigation may be opened under various scenarios. A complaint filed to LARA (Michigan Department of Licensing & Regulatory Affairs). The Attorney General's Office could request an investigation be started based on information that has come to its attention. LARA on its own could decide to open an investigation. This would depend on where the matter reported took place and if the person referenced was a Michigan CPA, among other considerations. LARA would need to perform its own investigation and could not solely rely on the settlement agreement with the SEC. Therefore just because it has been disclosed would not automatically result in the commencement of an investigation.

Minnesota – Facts and circumstance.

Mississippi – A complaint would only be opened if: a Mississippi resident or entity filed a complaint that alleged a rule violation by the national firm in connection with this matter; or the Board was able to document that Mississippi residents or entities were the firm clients on the engagement which was the subject of the SEC action against the firm. The national CPA firms are already self-reporting these settlement agreements to the Mississippi Board. The documentation provided usually states that the firm is unable to determine the number of Mississippi residents or entities affected.

Missouri – A direct Missouri connection to the settlement (firm office or CPAs have a Missouri permit/license).

Montana – Our compliance unit would send a letter of inquiry. The Screening Panel would determine if an investigation is required.

Nebraska – Based on the merits of the case and whether the firm, and more importantly, whether the CPAs were licensed within Nebraska. Additionally, whether any harm was conducted within Nebraska regarding the agreement.

Nevada – The Board would request information from the firm providing assurances that the issues did not involve Nevada clients or Nevada licensees. The Board would also review the order to identify what actions have occurred and if further Board involvement is needed.

New Hampshire – The Board would evaluate these cases on a case-by-case basis to determine if they are within the jurisdiction of the Board.

New Jersey – If the firm was registered in New Jersey.

New Mexico – The New Mexico Accountancy Board would pursue an investigation if the firm was licensed in New Mexico or performing an engagement in New Mexico.

North Dakota – Likely only if the firm were based here. We do not have a physical presence of any of the 15 largest firms in the country.

Ohio – The nature of the settlement and any follow-up with the SEC.

Oklahoma – The Oklahoma Accountancy Board Enforcement Committee would open an investigation if any portion of the settlement involved an Oklahoma registrant.

Oregon - If the conduct occurred in Oregon / victimized Oregon consumers, or if an Oregon licensee is involved, would be key factors. Even in the absence of such a nexus to Oregon of conduct or licensee involvement, if the SEC settlement were to lead to a disciplinary action by another state's board of accountancy, then (if the firm is registered in Oregon) the Oregon Board could take action based on the action by another board of accountancy. The Oregon Board has

authority to take action against a firm registered in Oregon either on the basis of the SEC action itself or on the basis of an action by another board that is triggered by the SEC action.

Pennsylvania – The SEC does provide quarterly reports to the Board through NASBA. Our Board Counsel and staff refer such matters to our Prosecutorial Division for further consideration.

Puerto Rico – If the reasons for what the settlement agreement was accomplished are related to local partners of practitioners.

Rhode Island – An individual complaint and/or a referral from a Federal/State Government Agency.

South Dakota – The Board would review if the failure occurred within our state. They would also review which clients were served.

Tennessee – We would contact the firm to determine if any of the licensees involved in the acts which led to the settlement agreement were Tennessee licensees. If so, then we would open a complaint which would lead to an investigation.

Texas – There would need to be a state based nexus between the act disciplined and the Texas public, a Texas client or a Texas licensee for this agency to open an investigation.

Virginia – If the firm is a registered CPA firm in Virginia (or upon investigation, they should be registered with Virginia), then the Board would open an investigation. Likewise for its CPAs – if named CPA in the SEC agreement are licensed Virginia CPAs, the Board would open an investigation.

Virgin Islands – The state has not had such an experience. However, if the firm is active in the U.S. Virgin Islands an investigation would be launched as to the impact the services performed would have on the conduct of the CPA and its firm on the U.S. Virgin Islands.

Washington – A regulatory expectation to determine if Washington State citizens were directly and adversely affected and if any persons licensed by the Washington Board were members of the engagement team or otherwise had significant involvement in the subject engagement.

Wyoming – Wyoming Board Rules and Regulations at Chapter 3 Section 6 requires self-reporting on the part of the firm that is registered with the Wyoming Board. If a national firm that is not registered in Wyoming, it would not be pursued in an investigation for possible disciplinary action. Any national firm that is registered in Wyoming and enters into a settlement agreement with the SEC will result in opening a docket. Board staff will issue a pre-investigation letter asking the firm whether any CPA involved is registered in Wyoming and whether any Wyoming people or interests have been identified as having been harmed. If the firm's response is "no" the Board considers a recommendation to dismiss the matter. If the firm's response is "yes" the Board will appoint a committee to investigate the matter and make recommendations to the Board for formal action.

3. Has your Board reviewed the two exposure drafts from the AICPA's Accounting Review Services Committee regarding 1) compilation and preparation services and association and 2) the applicable framework? If so, does your Board have concerns with these changes? Please explain.

Alabama – Yes. The Board does have some concerns and will be submitting a comment letter. Overall the compilation draft has the appearance of going backwards from where we are now, i.e. issuing non-professional work products.

Alaska – Yes, the drafts have been distributed to the Board; the Board has not taken any action on either exposure draft. Preliminary discussions have identified a concern for Alaska in that accountant's providing compilation services are not currently required to have a peer review per our standards. Many non-CPA's provide compilation services, due to the unavailability of a CPA in many remote areas, and therefore compilations were excluded from our state's peer review requirements.

Arizona – The Board has been provided with the exposure drafts, but they have not made any comments.

Arkansas – Yes, and there are no concerns at this time.

California – California Board of Accountancy staff has reviewed the exposure drafts and have determined that the proposed changes will not have a direct impact on California's statutes and regulations. Although the California Board of Accountancy members are aware of the exposure drafts, because there is no impact California's statutes and regulations they have not taken a formal position.

Colorado – No. Not as a Board.

Guam – With respect to the comment letters submitted thus far, our concerns with the three new proposed SSARS on Preparation, Compilation and Association per the exposure draft lay chiefly in their schizophrenic recounting of the accountant's responsibilities, i.e., both Preparation and Compilation explicitly deny any accountability as to accuracy, completeness, misstatements or lingering material modifications re: the "scope of the engagement" or the "objectives", respectively, yet the "requirements" of both mandate withdrawal if the accountant becomes aware of such and management does not correct same to the accountant's satisfaction. This, in utter contrast with Association's "objective" to prevent misinterpretation of the named accountant's responsibility for financial statements *that were never reported on* by "requiring" such be "read" and "revised" (by management) for obvious material misstatements!? This effete trilogy of SSARS (proposed) simply leaves one pondering: how now, do we count our cow and eat it too? It seems most apropos to have a single Compilation SSARS while delineating preparation as a non-attest service without a "required standard", and foregoing the concept of association (truly a more purposeful misrepresentation than potential misinterpretation) altogether. Bottom line - the CPA either DID or DIDN'T!

- 1.** ARSC asks for specific feedback about whether respondents are supportive of the revised applicability for the compilation engagement so that **the standard applies only when the accountant is engaged to perform a compilation** engagement. **YES!!!**
- 2.** ARSC asks for specific feedback about whether respondents are supportive of the issuance of standards and guidance for an engagement to prepare financial statements. **NO!!!**
- 3.** ARSC asks for specific feedback about whether respondents are supportive of the requirement that the engagement letter or other suitable form of written agreement be signed by (a) the accountant or the accountant's firm and (b) management. **YES, presuming it's a Compilation engagement letter!**
- 4.** ARSC asks for specific feedback about whether respondents are supportive of the proposed requirement that each page of the financial statements that the accountant has prepared include a statement or legend stating that no CPA provides any assurance on the financial statements or else the accountant would be required to issue a disclaimer. **NO!!!**
- 5.** ARSC asks for specific feedback about whether respondents are supportive of the proposed compilation reporting requirements. **YES!!!**
- 6.** ARSC asks for specific feedback about whether respondents are supportive of the proposed standard that would provide requirements and guidance when an accountant permits the use of the accountant's name in a report, document, or written communication containing financial statements on which the accountant did not issue a compilation, review, or audit report. **NEVER!!!**
- 7.** ARSC asks for specific feedback about whether respondents are supportive of the proposed effective dates, specifically the permitting of early implementation. **YES, presuming Compilation is the only SSARS standing!**

Hawaii – No, this matter has not been reviewed at the Board level.

Idaho – Board members have been provided the two exposure drafts and at this time the Board does not have concerns with these changes.

Illinois Dept. Fin. & Prof. Reg. – The Board has not reviewed the drafts at this time; however, the Illinois Department of Financial and Professional Regulation will obtain this information and review it with the Board as needed.

Kentucky – The Board reviewed and discussed them briefly but came to no final conclusion.

Louisiana – The Board has not yet reviewed these drafts.

Michigan – No.

Minnesota – It is a future Board agenda item.

Mississippi – The Board members discussed the exposure draft on several occasions but have not reviewed the draft in great detail. Concern with the preparation service and the required legend on each statement - seems like a step back rather than a step forward. Also concern regarding Compilation independence - the assessment of client accountant skills, knowledge and experience.

Missouri – (1) Yes. (2) None was expressed when reviewed by the Board. No action is currently underway regarding changing a Missouri statute or rule as a result of these exposure drafts.

Montana – The Board did review the exposure drafts. The Board did not express any concerns with the changes.

Nebraska – Informal discussion within the Board’s Legislative Committee and the Board itself with no further request to discuss further. Board members attending NASBA meetings have been briefed on the exposure drafts.

Nevada – The Board has not reviewed or discussed the above exposure drafts.

New Hampshire – Yes, the Board reviewed the two exposure drafts and has no concerns with the changes.

New Jersey – Our Board has not taken any position regarding these matters.

New Mexico – We are in the process of fully reviewing both documents.

North Dakota – Not as a group. This is definitely an interest area for our Board.

Ohio – No formal review at this point.

Oklahoma – The Oklahoma Accountancy Board has reviewed the AICPA ARSC Exposure Drafts. While the Board does support the proposal to require clients to sign compilation engagement letters, it is concerned that establishing preparation services as another level of service would cause confusion between it and compilation services. **However, the Board has formed a committee to review the drafts and will be forwarding their comments to the ARSC as well as to our regional director.**

Oregon – Due to other pressing matters the Oregon Board of Accountancy has not had an opportunity to spend any significant time reviewing these two exposure drafts.

Pennsylvania – The Board has not met since January 2014, therefore there may be some discussion in the future at a Board meeting on these exposure drafts. However, since our statute requires compliance with all promulgations of standard setting bodies, our Board typically does not partake in discussion of any proposed changes to accounting standards.

Puerto Rico – No reviewed yet.

Rhode Island – In progress.

South Dakota – The Board has reviewed and a letter will be forthcoming.

Tennessee – We have not yet reviewed the exposure drafts.

Texas – The Texas Board has reviewed the two exposure drafts regarding compilation and preparation services and association and the framework and expresses no concern with the proposals.

Virginia – The Board has not yet discussed the exposure drafts in a Board meeting. I plan to include this discussion with our Board at our next meeting, April 30, 2014. The Board will be prepared to provide comments, if any, by the May 2 comment period deadline. Initial review of the exposure drafts by one Board member has raised some potential concerns in relation to our statutes; however, this has not been fully discussed or vetted as of yet.

Virgin Islands – No comments or concerns from the Board.

Washington – Yes. Yes. No concerns have been expressed.

Wyoming – The Board receives all exposure drafts that are routed through the Board office; however, the Board's position has consistently been that it will not take a position. That having been said, the Board would be interested in knowing any position taken by NASBA with respect to exposure draft issues.

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

Alabama – Alabama's legislation to amend the attest definition has passed the Legislature and the Governor signed it into law on March 18, 2014, as Act No. 2014-178.

Alaska – Note to NASBA – the Alaska Board may continue to have limited participation at NASBA events due to funding issues. The Board may approach NASBA to request scholarships if the Board would be otherwise unrepresented.

Arizona – The Board revised its rules, and the rules became effective February 4, 2014.

California - Mobility Program. Effective July 1, 2013, California implemented a no-fee no-notice, practice privilege (mobility) program. One public protection element of the program is that California is required to disclose information on all CPAs who were disciplined by the SEC and Public Company Accounting Oversight Board on its website. Additionally, the disciplined CPA is required to request approval from the California Board of Accountancy prior to practicing in California under mobility. California Board of Accountancy staff contacts the CPAs and inform them of this requirement via regular mail. Please visit the California Board of Accountancy website www.cba.ca.gov to search for CPAs listed from your jurisdiction.

Mobility Stakeholders Group. In 2012, California passed legislation that allowed mobility for California. The same legislation created the Mobility Stakeholder Group (MSG) for the purpose of considering whether the provisions of California's mobility law are consistent with the California Board of Accountancy's duty to protect the public, and whether the

provisions of practice privilege law satisfy the objectives of stakeholders of the accounting profession in California, including consumers. The members of the MSG have been appointed, and held their first meeting on March 20, 2014.

Peer Review Reporting. When California's peer review requirement first took effect in January 2010, the California Board of Accountancy established a three-year phase-in period for reporting. This phase-in period began in July 1, 2011 and was completed July 1, 2013. This initial phase-in period was based on the last two digits of a licensee's license number. The California Board of Accountancy revised the reporting requirement to now occur at the time of license renewal, which began January 1, 2014.

Fingerprinting. Beginning with licenses that expire after December 31, 2013, all licensees renewing their license in an active status who have not previously submitted fingerprints as a condition for initial licensure or for whom no electronic record of the licensee's fingerprints exists with the California Department of Justice (DOJ) must submit fingerprints for the purpose of having a State and federal criminal offender record background check.

Continued Exploration of California's Attest Experience Requirement and Allowing Academia as Qualifying Experience for CPA Licensure. For a significant portion of last year, the California Board of Accountancy established a Taskforce (known as the Taskforce to Examine Experience for CPA Licensure) that explored California's experience requirement for CPA licensure. As a result of the Taskforce's work, for the upcoming year the California Board of Accountancy will be undertaking a research project regarding the attest experience requirement and moving forward with sponsoring legislation to allow for experience earned in academia to qualify toward California's general experience requirement.

The research project associated with the continued exploration of California's attest experience requirement will entail performing a survey of California's licensees. The California Board of Accountancy will be engaging the services of a consultant to aid in the data collection and preparing a final report. Additionally, the California Board of Accountancy will be surveying other state boards of accountancy to obtain relevant data and information. As for allowing academia experience to qualify, the Taskforce recommended that the California Board of Accountancy explore allowing qualifying academia experience as it believed it could aid in bridging the gap between theory and practice and benefit both the students and accounting profession. The California Board of Accountancy adopted the Taskforce's recommendation to allow for experience earned in academia to qualify for general accounting experience. For the upcoming year the California Board of Accountancy will be sponsoring legislation to amend California's Accountancy Act and will begin discussion on establishing a framework for how academia experience will qualify.

Guam – Individual mobility adoption, law/rules update legislation, creation of an educational endowment fund at University of Guam, and the Guam Computer Test Center 10th anniversary.

Hawaii – The Board continues its efforts to promulgate administrative rules to implement the recently enacted peer review requirement for Hawaii CPA firms.

Idaho - As reported at both the Executive Director and Legal Counsel conferences, we are seeing an increase in the number of cases of individuals holding out as CPAs who are actually individuals who have a lapsed license with the state. The Board will continue to work on this issue as there is growing interest from legislatures of the state who are concerned that not allowing certain terms and phrases such as 'former CPA' or 'CPA-Lapsed' may be an infringement on free speech. We will continue to hold true to protecting the brand and monitor future legislation.

Illinois Dept. of Fin. & Prof. Reg. – Currently, the Illinois Department of Financial and Professional Regulation – Division of Regulation is working on a rules draft to compliment the sunset changes from 2013.

Kentucky – We are working on revisions to our CPA Exam and CPE regulations.

Michigan – The State has expanded its CPE reporting requirement. Previously on a bi-annual basis hours by category (i.e. Accounting & Auditing, Ethics, and Other) were reported. For the most recent reporting cycle, in addition to reporting hours by category, the licensee was also required to provide a detail listing of all classes supporting the hours provided.

Minnesota – Minnesota has newly adopted Rules.

Mississippi – The Board continues to work with the State of Mississippi to develop a replacement licensing and regulation database. The State project manager estimates that the system will go live in the fall of 2014. The Board is considering the adoption of the NASBA CPE Audit and CPE Tracking Service as a replacement for the current paper CPE Reporting form and manual CPE audit process. The proposed legislation to consolidate the Board under an umbrella agency died in committee.

Montana – The Board is considering seeking single tier licensing. The Board is still trying to navigate the recent legislative change requiring professional/occupational licensing boards to accept satisfactory evidence of military education, training or service to satisfy licensing requirements.

Nebraska – The Board recently revamped licensing requirements for required experience including allowing private, expanded governmental, and academia to count. Two years of experience are required within a CPA firm while all others require three years. All must be under the supervision of a current active CPA.

The Board continues to prepare to amend the Public Accountancy Act to require CPA firms to complete Peer Review and end the Board's own QEP program.

New Hampshire – The Board will soon be transitioning to the 7/1/14 exam and licensure requirements. Some applicants have asked for a grandfather provision. There is no grandfather provision. All candidates must meet the 2014 requirements as of 7/1/14.

New Jersey – Our Executive Director, William Mandeville, recently retired. In addition, we continue to work with NASBA to be part of the ALD program.

New Mexico – Resolution for forensic accountants who may practice accountancy with an overlap in private investigations and not have to be licensed through both Practicing Boards. Revising administrative Code to address the accounting education requirements.

North Dakota – We are a little chilly at times. But we're hangin' on.

Ohio – We are in the process of revising our CPE rules and, where possible, we are attempting to be consistent with the UAA.

Oklahoma – The Oklahoma Accountancy Board is undergoing Sunset Review by the Legislature this time. The Board is amending its rules through the legislative process and is dealing with consolidation of certain functions by the centralized agency.

Oregon – The Board is working on a significant set of statutory proposals (for the 2015 session of the Oregon Legislature) and rules updates. Legislatively, the focus is on improving the Board's authority language by bringing it closer in line with best practices for regulatory boards and the UAA, including consistent rule making authority and authority for emergency suspension in egregious cases. This work will also include some definitional updates. The Board is also working on a separate legislative proposal to update the definition of attest along UAA lines.

Pennsylvania – We are currently working on draft Regulations to reflect changes in the law with the August 2013 signing of Act 15 which amongst its key provisions eliminates the need for attest experience when applying for certification. The Board is concerned that newly certified individuals with no attest experience will be able to issue attest reports although lacking specific training and experience. The proposed regulations will offer several options to newly certified licensees who have yet to undergo their first peer review. Those options will include specific CPE requirements, or specific hours of experience requirements in order to issue or supervise attest engagements.

Furthermore, since the new law eliminates the need for attest experience as a prerequisite for certification, the Board is considering eliminating specific areas of CPE for attest and tax as currently required in our regulations. Thus, licensees would only have to meet the annual and biennial totals with the only specific CPE requirement in the area of ethics. This matter is still in the discussion stages amongst the Board and hopefully will be acted upon at the April 2014 meeting.

Puerto Rico – Mobility legislation should be approved by June 2014.

Tennessee – Tennessee will be using CPETracking for our CPE audits this year. We have settled our first enforcement action in regard to mobility. An out of state firm issued financial statements to a client in Tennessee without proper licensure in the home state. Complaints were opened against the firm and against the individual CPA. The Board assessed civil penalties in the amount of \$500.00 to each Respondent. We received the signed Consent Orders and penalty

payments to settle the matter. The home state has been notified of the disciplinary action taken by this Board.

Texas – The Texas Board is in the process of implementing online firm licensing to complement its existing online individual licensing.

Virginia – The Virginia Board of Accountancy was successful in getting passed a bill this year that will require all Virginia CPA firms to participate in the AICPA’s Facilitated State Board Access System (FSBA). Additionally, as described in question #1, the Board has approved a new license status – “Active – CPE Exempt.”

Virgin Islands – We are very close to finally becoming substantially equivalent and have also joined the ALD database.

Wyoming – The Wyoming Legislature is in session and several bills are being tracked with John Johnson’s assistance.

5. Can NASBA be of any assistance to your Board at this time?

Alaska – See response to question 4 above.

Arizona – The Board’s Law Review Advisory Committee is working on professional conduct rules and discussing incorporation by reference of the AICPA Code of Conduct and/or the AICPA Professional Standards. The Board’s Assistant Attorney General will be reaching out to NASBA legal counsel to get some guidance to help further these efforts.

California – Due to budgetary considerations, California has been unable to attend NASBA events held outside of California. The California Board of Accountancy has taken steps to further emphasize the importance of out-of state travel and is working diligently to obtain support and approval to attend national events, including NASBA’s various conferences and meetings. Until approval is received or the budgetary considerations are resolved, it would be beneficial if some NASBA events were held in California.

Hawaii – Continue to assist and support the Hawaii Board with scholarships and other assistance to attend NASBA meetings and conferences.

Kentucky – We have used NASBA in the past to publish and email our newsletter. We would like to see NASBA continue to provide that service. I would also like to see NASBA assist the Boards in dealing with the IRS, SEC, and Department of Labor issues. This could include NASBA serving as a contact for those agencies to use for assistance in contacting and working with the State Boards. I am also interested in NASBA assisting us with setting up a system where CPAs can download their CPE completion documents which the Board can access if the CPA is selected to participate in a CPE audit.

Michigan – A representative from NASBA is planning to visit at our May meeting.

Mississippi – Provide support to Board staff for NASBA CPE Audit and CPE Tracking Service if adopted by the Board. Provide support to the Board to start up a Board newsletter. ALD/CPA Verify and Exam Candidate Gateway managers provide support to the State ITS Agency project manager on the development of the system to replace the Board’s licensing and regulation database.

Missouri – Currently working with NASBA on several items.

Montana – The Department of Labor is attempting to reorganize the investigation and screening panel processes for all professional/occupational licensing boards. The Board asks if NASBA has any suggestions/recommendations for this process.

Nebraska – Requests have been made to assist State Boards with IT/backend data base creation and issues.

New Mexico – Consideration of newsletter assistance.

Ohio – NASBA has been of great assistance and we will continue to rely on the services of NASBA. We are interested in the NASBA CPE Audit Program.

Oregon – The Board appreciates NASBA’s continual and on-going assistance with respect to improving its services, with respect to the ALD and CPAverify implementation, automating the upload to the exam database, and switching to NASBA’s NIES service for foreign credentialed applicants.

At the policy level, NASBA’s help to advocate against a proposal to weaken this agency by down-classing its Director position as part of a government-wide re-classification project would be helpful. The Board has also begun the work to reach out to NASBA’s staff for help with the Board’s legislative initiatives for the 2015.

Pennsylvania – Pennsylvania will be working towards greater automation in their Board processes and will look to NASBA for an electronic exchange of Examination information. Additionally, we will be sending our Board Administrator to NASBA University to gain a better understanding of the services and resources available to our staff.

Rhode Island – Continuing support of the ALD and CPAverify.

Tennessee – The best assistance that NASBA can give at this time is to work with the Department of Labor to ensure that the lists of CPA firms engaging in ERISA and pension plan audits is sent to the Board of Accountancy so that we can ensure compliance with the peer review program as specified in the Tennessee statute.

Wyoming – See response to question 4 above.

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: PA, PR, VI
 - Input only from Executive Director: AR, AZ, CO, KY, LA, MO, ND, NH
 - Input only from Board Chair and Executive Director: AK, CA, MI, NJ, NM, TX, WA
 - Input from all Board Members and Executive Director: AL, GU, HI, MN, NV, OK, SD, TN, WY
 - Input from some Board Members and Executive Director: ID, MS, MT, RI
 - Input from all Board Members: NE
 - Input from some Board Members
- Other (please explain):
- Input only from Board Chair, Executive Director and Vice Chair: OR
 - Input from some Board Members, Chair and Executive Director: OH, VA
 - Input from Assistant General Counsel and Executive Director: IL Dept. of Fin. & Prof. Reg.

4/21/14



May 20, 2014

Dear State Boards of Accountancy, State CPA Societies, CPA Firms, and Other Interested Parties:

We are pleased to announce that the AICPA and NASBA have recently released the 7th Edition of the Uniform Accountancy Act (UAA). Electronic versions of the documents are available on the AICPA (www.aicpa.org) and NASBA (www.nasba.org) websites. This new edition of the UAA contains important additions related to both the definition of “attest” and CPA firm mobility. Concurrent with these updates, the two organizations also approved a conforming change to Rule 6-7 to make the use of the term “Inactive CPA” consistent in the UAA Model Rules. The following material is not intended to be persuasive, but is meant to be informative as to the process that led to the adoption of these changes.

We would like to thank all of you who contributed your concerns, questions and suggestions while the AICPA/NASBA UAA Committee considered these proposed, now final, provisions. As you know, the UAA consists of volunteer representatives of the AICPA and NASBA working to balance the needs of both the public and the profession, but we could not accomplish our mission without your invaluable help.

While the feedback on the changes to “attest” were broadly supportive and without controversy, during consideration of the CPA firm mobility changes, we received a more mixed collection of approximately three dozen comment letters from State Boards of Accountancy, State CPA Societies, and CPA firms. Because of the complexity of this issue and the breadth of important issues raised within those CPA firm mobility letters, we felt it was important to write an open letter to you explaining what those issues were and how the UAA Committee addressed them. Since we found several letters contained common themes, we thought it might be helpful to review and discuss those themes below.

Both the AICPA and NASBA leadership have made it clear, in releasing this new CPA firm mobility language, that this model language will not be the focus of a concerted national campaign in the same way that individual CPA mobility was. Rather, each State CPA Society and each State Board of Accountancy, working together, will have to review the model language and decide if it is in the best interests of the public and the profession in their respective jurisdictions, given current political, budgetary and other relevant factors. Different jurisdictions will come to different conclusions; however, we believe that ultimately, over time, all of the potential concerns can be addressed, as we explain below. Indeed, tackling such questions was done with individual CPA mobility with great success. And, now, after considering the issues outlined below, we hope you, too, will consider working with the AICPA’s State Regulation and Legislation Team and NASBA’s Legislative Affairs Team to introduce and pass legislation on this matter in your jurisdiction

Before delving into the comments, we would like to briefly review how the new CPA firm mobility language will work and why the Committee began to examine this issue approximately two years ago. The new CPA firm mobility model language follows exactly the same format as individual CPA mobility, operating under a “no notice, no fee, no escape” proposition. That is to say, for the provision of attest services, CPA firms would now be able to enter a mobility jurisdiction, where they are not registered, offer services and not have to pay any fees or give any notice to the mobility jurisdiction’s Board of Accountancy. However, should the CPA firm be found to have engaged in wrongdoing, by virtue of entering that mobility jurisdiction, it would be subject to the regulatory jurisdiction of that Board of Accountancy as well as its home state’s jurisdiction. Such a practice privilege model is already enshrined in approximately one third of the jurisdictions and appears to be working quite well.

As you may also note, CPA firm mobility is already allowed throughout the entire country for the provision of non-attest services. It is only attest services that currently trigger registration requirements for a firm without an office in a jurisdiction. In looking back at the history of mobility, it is worth noting that the original individual CPA mobility proposal included full CPA firm mobility. However, because of the lack of substantial equivalency requirements for firms, regulators felt it was important to retain the attest-firm registration requirement, given the unique role CPAs serve in performing such engagements. Nonetheless, although the firm mobility provision was dropped in 2007, it was recognized at the time that this issue would be revisited once everyone better understood how individual CPA mobility was working. Almost a decade later, and with 49 states and the District of Columbia having implemented their laws successfully, the AICPA and NASBA asked the UAA Committee to re-examine firm mobility a little over a year and a half ago.

As we collaborated on the issue, and as we heard from you, the UAA Committee found that questions and concerns about the proposal fell into five broad categories:

- Understanding the peer review protections
- Potential Insufficient Information without registration/notification
- Questions about enforcement
- Inconsistency between states (e.g. compilations)
- Concerns about insufficient information or study of the issue.

Understanding the Peer Review Protections

Comment letters received that raised questions about peer review as it would relate to firm mobility came from: the Arkansas, Guam, New Hampshire, Montana, Oklahoma, and South Dakota Boards of Accountancy and the Texas Society of CPAs. The comments all tended to

point out the variances among the different jurisdictions' laws and regulations regarding peer review.

To assist in considering this situation, the CPA Firm Mobility Task Force leaders consulted with NASBA Compliance Assurance Committee Chair Janice Gray and AICPA Vice President for Ethics and Practice Quality, James Brackens.

Early in the group's discussion it was noted that practically all jurisdictions now have peer review requirements in place and that the state societies are all administering the AICPA's peer review program. Consequently, the differences in peer review do not stem from the program itself, but from how the program is regulated in each jurisdiction. While some State Boards can directly access the reports or have Peer Review Oversight Committees to perform that function, others do not have either full access or a PROC. In addition, it was pointed out that Boards are also not consistent across the country in the conclusions they may draw from these reports.

State Board members were concerned about what peer review information they could examine under CPA firm mobility, even if they do not have a PROC. The answer is that it is consistent with what is now available to those Boards. Under the new model language, any out-of-state CPA firm entering a mobility jurisdiction accepts the regulatory oversight of that state's Board of Accountancy and the firm will be required to provide those peer review documents that an in-state firm is required to provide. Furthermore, it was noted that the AICPA's Facilitated State Board Access program (FSBA) could significantly expedite that process because a State Board could go to FSBA for the information and the out-of-state firm could pre-approve, via a standardized checkoff, the release of those documents to any Board where the firm is practicing as an out-of-state firm. A jurisdiction considering adopting a CPA firm mobility provision may want to reach out to the AICPA's Peer Review team to better understand how the FSBA could serve as an enhancement in their oversight of out-of-state firms.

It should be noted that the peer review process is currently under review and information on how that program will be strengthened will be presented at the 2014 NASBA Regional Meetings as well as other future meetings of professional groups.

Potential insufficient information without registration/notification

Some State Boards of Accountancy expressed reservations about if they would have sufficient information to regulate out-of-state firms if there is no registration/notification requirement. Basically, jurisdictions would not know if a firm has come into their jurisdiction unless there is a complaint lodged against the firm, but the same is true with individual CPA mobility. If a firm did not meet either the peer review or the ownership requirement that would not be apparent until a complaint was lodged. However, even with firm registration, complaints drive investigations of potential wrongdoing.

Individuals on the Task Force pointed out that when individual mobility was introduced there were also concerns about having insufficient information to regulate. But, in the intervening years, the jurisdictions have not reported subsequent problems stemming from individual mobility. Also noted was NASBA's Accountancy Licensee Database (ALD), which alerts all State

Boards to the disciplinary history of CPAs, and which could be expanded to include information about firm discipline. Additionally, it is worth pointing out that not a single state which already had CPA firm mobility in its statute wrote to us to say that the Society and/or Board felt that they had insufficient information to fulfill their responsibilities; in fact, several wrote us to endorse the CPA firm mobility concept and urge other jurisdictions to join them.

Questions about enforcement

Another concern was what enforcement powers a jurisdiction has in regard to an out-of-state firm that comes into its jurisdiction. A related question was what might be done if a mobility jurisdiction felt that the out-of-state firm's home Board of Accountancy might not have the same support and oversight capacity.

Under the substantial equivalency provisions currently in UAA Section 23(a)(3), a Board can take any action against an out-of-state firm that it can take against its own licensees, short of revoking the out-of-state firm's license. License revocation remains the exclusive purview of the home jurisdiction, but a Board can bar a firm from practice within its jurisdiction. This is true with or without a CPA firm mobility law. The enforcement powers of Boards of Accountancy will not be harmed by the passage of CPA firm mobility. Furthermore, NASBA has offered to assist Boards with resources when constraints impact their ability to enforce mobility laws and regulations, which may be an important mitigating aid should a specific problem be identified.

Inconsistency between states (e.g. Compilations)

Both the Texas Board and the Texas Society raised the issue of inconsistency, particularly in respect to Texas' requirements for those doing compilations in the state. Under the Texas definition of "attest," compilations must be performed by a CPA firm. Compilations fall under the definition of "attest" in certain other states as well, although not in the UAA. The UAA Committee believes that Section 7(a)(2) and Section 23(a)(3) of the UAA addresses this issue sufficiently, since a mobility jurisdiction is able to enforce its definition of "attest" requirements for out-of-state firms just as it would for in-state firms. Issues such as this may indeed arise in a handful of jurisdictions and will require unique tailoring of the UAA language to conform to the specific statutes in certain jurisdictions. An important tool that AICPA and NASBA are considering to address these jurisdiction-specific issues is www.CPAmobility.org; indeed, the site could readily be expanded to cover differences among jurisdictions' requirements for firms as well as individuals seeking to practice under mobility laws.

Concerns about insufficient information or study of the issue

Some commenters were concerned that there is not enough information available to assess if CPA firm mobility is a good idea. However, several states have had firm mobility in place for well over a decade and have not found such laws a barrier to regulating and protecting the public. Given this track record, the Task Force concluded that sufficient experience already exists on how the proposed law would work. For example, the Nevada State Board of

Accountancy's executive director wrote to the UAA Committee, commenting that: "Based on the Board's experience with mobility over the past four years there have not been any complaints received or disciplinary actions taken against an individual or firm under practice privilege." Some State Boards and Societies believe they have too recently passed their individual mobility laws to begin the firm mobility debate, but we do not see signs, in the third of the country that already has CPA firm mobility, that the Boards and the profession feel it is untested and other jurisdictions should not join them.

Out-of-state registration fees

Although it was not a major theme in the comment letters, we would be remiss if we did not also address the issue of out-of-state registration fees that was raised in many conversations. We are sensitive to the fact that this is not an insignificant issue for many Boards of Accountancy and the passage of this legislation will indeed require Boards to find other ways to make up revenue lost from these fees. No doubt some legislators will likely conclude that the change would not be revenue neutral and, consequently, they are unlikely to support a change at this time. Jurisdictions are facing tight budgets and State Boards of Accountancy are often potential targets for revenue sweeps. It is precisely for reasons such as this that the AICPA and NASBA are not driving a national campaign on firm mobility, but instead are offering model language and encouraging State Boards and State Societies to examine the impact of the proposal in their jurisdictions. However, despite the associated challenges, this issue is not new and we hope revenue would not be the sole reason to prevent State Boards and State Societies from partnering on trying to facilitate firm mobility. State Boards of Accountancy, in collaboration with State Societies, had to consider this exact same issue when individual mobility was passed. And, 50 different jurisdictions were able to find a way to pass their mobility laws and reapportion the levying of fees on licensees in a way that made sense for their jurisdiction.

Jurisdictions will have to judge what can work best for them, as NASBA and the AICPA have pledged not to launch a campaign for firm mobility. If a State determines that at this time they can only adopt the new definition of "attest" into their law, and need to postpone firm mobility for future consideration, NASBA's Legislative Affairs Team and the AICPA's State Regulation and Legislation Team are ready to assist with that more limited legislative change from that proposed by this Seventh Edition. However, if a jurisdiction is able to move forward with firm mobility, the AICPA and NASBA will work to ensure that this full UAA model language can be implemented in those states.

A change to the UAA commentary

Although the UAA Committee did not make any substantive changes to the CPA firm mobility language in light of the comments received, it did feel that a sentence should be added to the UAA commentary to underscore that a firm availing itself of firm mobility must accept the authority of the mobility jurisdiction and be obligated to meet its rules and regulations. The new sentence states:

“Any firm practicing pursuant to this provision must, as required by Section 23(a)(3), comply with the practice privilege state’s statutes and rules such as all those related to peer review, including disclosures, and on all other matters.” The firm mobility language with that addition was brought to both the NASBA and AICPA Boards of Directors and was approved for inclusion in the UAA’s Seventh Edition.

A joint effort

Our Committee took the examination of this issue very seriously and we, as Co-Chairs, owe a debt of gratitude to many others on the Committee who were leaders in this effort. In particular, we would like to thank the recent UAA Committee Co-Chairs, Steve McConnell and Carlos Johnson, as well as the CPA Firm Mobility Task Force Co-Chairs, Andrew DuBoff and Debbie Lambert, for their many hours of hard work on this subject. All of us felt it was important to proceed cautiously and deliberately and benefited from robust and lively debates among Committee members.

We would like to thank all of you again for your comments, contributions and important questions throughout this process. We appreciate the opportunity to co-chair the UAA Committee and look forward to hearing from you on other issues that will come before the Committee. If you and your colleagues are interested in introducing CPA firm mobility legislation in your jurisdiction or you have additional questions, we encourage you to contact Mat Young, AICPA Vice President, State Regulatory and Legislative Affairs, myoung@aicpa.org, and John Johnson, NASBA Director of Legislative and Governmental Affairs, jjohnson@nasba.org for assistance.

Sincerely,

Handwritten signature of Gary McIntosh in black ink, followed by the text "CPA, CFF".

Gary McIntosh, CPA, CFF
UAA Co-Chair

Handwritten signature of Kenneth R. Odom in black ink.

Kenneth R. Odom, CPA
UAA Co-Chair

NASBA

National Association of State Boards of Accountancy

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May 1, 2014

Dear Members of the 55 Boards of Accountancy and
the respective Peer Review Oversight Committees:

Enclosed is the second monitoring report of the National Peer Review Committee (NPRC) of the American Institute of Certified Public Accountants (AICPA) by the NASBA Compliance Assurance Committee (CAC).

As previously announced, an agreement was reached between NASBA and the AICPA to provide a mechanism by which the operations of the NPRC could be monitored and reported on by the CAC. Going forward, the CAC will issue a report on oversight of the NPRC on an annual basis.

For more information about the National Peer Review Committee, refer to NPRC website at <http://www.aicpa.org/INTERESTAREAS/PEERREVIEW/COMMUNITY/NATIONALPRC/Pages/NationalPeerReviewCommittee.aspx>

I hope this information is helpful.

Kind Regards,



Janice Gray, CPA, CVA, CFF
Chair, NASBA Compliance Assurance Committee

NASBA Compliance Assurance Committee Report on the AICPA National Peer Review Committee

The American Institute of CPAs (AICPA) National Peer Review Committee (NPRC) administers peer reviews for (i) all firms who serve SEC issuer clients and, accordingly, are required to be registered with and inspected by the Public Company Accounting Oversight Board, and (ii) other firms who elect to have their peer review administered by the NPRC. The NPRC has firms that are located in every state. These are firms that provide audit services and assurance services. To provide transparency in the operations of the NPRC such that individual state boards of accountancy and their peer review oversight committees (PROCs) may rely on the effectiveness of the NPRC, NASBA and the AICPA developed a process by which the activities of the NPRC may be monitored and reports issued.

By agreement, two appointments on the NPRC are designated to be filled by NASBA representatives. These appointees must meet the requirements of all members appointed to serve on the NPRC and they cannot be currently serving on any State Accountancy Board. The members are selected by the AICPA from a list of qualified individuals recommended by NASBA. The individuals serve on the NPRC as fully-participating members with full voting rights and the same responsibilities as other NPRC members.

Those NPRC members representing NASBA report periodically to NASBA's Compliance Assurance Committee (CAC) as to whether:

- The NPRC is complying with the AICPA *Standards for Performing and Reporting on Peer Reviews* (Standards) and other Guidance issued by the AICPA Peer Review Board and the NPRC;
- The NPRC has an appropriate oversight process in place for the reviews it administers and its peer reviewers;
- Results of the oversight process are transparent;
- Reviews are being conducted and reported upon in accordance with the Standards;
- Results of reviews are being evaluated on a consistent basis;
- The AICPA Peer Review Program is achieving its objectives based on the administration by the NPRC; and
- Comments, suggestions and other input from these two members are given full consideration as other such matters would be from any NPRC members.

During the period November 1, 2011 – October 31, 2012 two former state board members sat as members on the NPRC. These members participated in 18 of the 25 report acceptance bodies (RABS) held during this time period which represented 72% of the total RABS.

NASBA Compliance Assurance Committee Report
on the AICPA National Peer Review Committee
Page Two

Following are the review statistics for period November 1, 2011 – October 31, 2012:

	<u>Total Reviews</u>	<u>NASBA Member Participation</u>	<u>Percent of Participation</u>
Pass	220	162	73.6%
Pass with Deficiencies	8	5	62.5%
Fail	3	1	33.3%

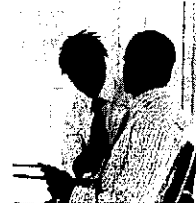
During the period November 1, 2012 – October 31, 2013 two former state board members sat as members on the NPRC. One new appointee came on as a new member of NPRC in October, 2012. These members participated in 15 of the 23 report acceptance bodies (RABS) held during this time period which represented 65% of the total RABS.

Following are the review statistics for period November 1, 2012 – October 31, 2013:

	<u>Total Reviews</u>	<u>NASBA Member Participation</u>	<u>Percent of Participation</u>
Pass	180	108	60.0%
Pass with Deficiencies	11	8	72.7%
Fail	3	2	66.7%

Based on the oral reports provided at each Compliance Assurance Committee meeting by the NASBA representatives serving as members on the NPRC, as well as reviewing the comprehensive oversight report prepared by the NPRC and the administrative oversight report issued by a third party October 26, 2012, we are satisfied and can report that the NPRC has operated appropriately for the period of November 1, 2011 – October 31, 2013.

Janice L. Gray, CPA, CVA, CFF
Chair, NASBA Compliance Assurance Committee
March 31, 2014



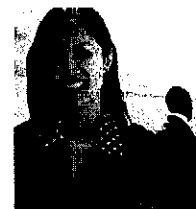
NASBA

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY

CANDIDATE CONCERNS 14Q1

CANDIDATE CARE DEPARTMENT

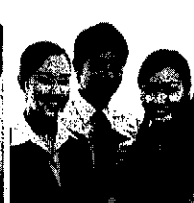
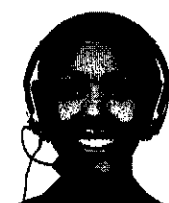
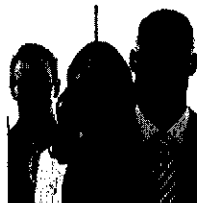
JANUARY 1-FEBRUARY 28, 2014



PENNY VERNON, MANAGER



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This report outlines concerns expressed to NASBA's Candidate Care Department by CPA candidates during the 14Q1 testing window.

Environment:

The winter season was plagued with severe storms that impacted CPA candidates and test centers alike across the United States and Japan. The severe weather caused test centers to close and candidates to reschedule. This affected 803 candidates' plans to test in January and 516 in February. In some instances, candidates had to be rescheduled more than once due to repeated snow storms. Prometric's Out Bound Team acted swiftly and informed the candidates of the closures and gave them instructions on how to reschedule. They also kept their webpage up to date with the list of sites that were closed.

NASBA's Candidate Care Department was busy throughout the window making extensions to NTSs that were about to expire as well as responding to general questions from candidates who were impacted. Candidates who reported that the test center was open but that the travel was too dangerous were asked to submit an 'exception to policy' form as well as documentation of the conditions in their areas in order to have their eligibilities cleared so that they could schedule new appointments. Despite all of the interruptions, the testing window closed on the designated date of February 28th.

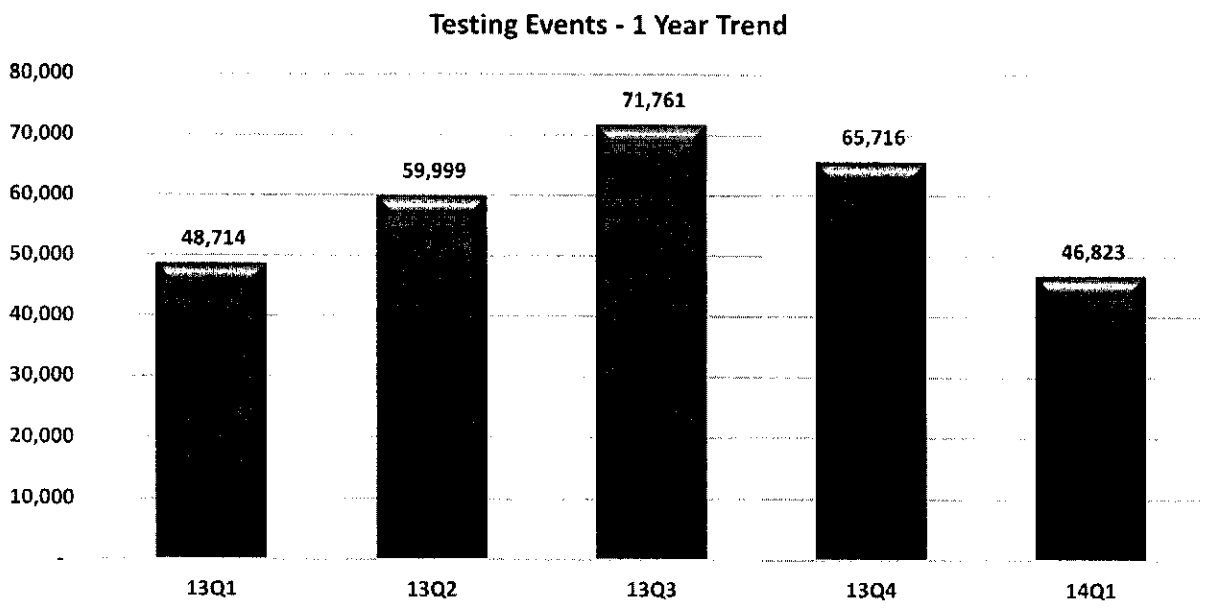
Testing Accommodations:

There were 332 examination sections delivered with testing accommodations during the first window of 2014, 4 of which were given internationally.

Boards may now approve candidates for a new extended time accommodation. Previously, the only two options for extended time were Time and a half (50% extra time) and Double time (100% extra time). The new extended time is: Additional 30 minutes which is to be used for candidates who only need a small amount of extra time.

Testing Events:

In the current period were 46,823 testing events recorded. This represents a decrease of 28.75% (18,893 exams) when compared to 65,716 test in the previous quarter. Although the decrease appears to be significant, the current quarter test count is in line with the tests recorded in the same time period in previous years. In the first quarter in 2013 48,714 tests were recorded, thus there is only a 3.8% variance between 13Q1 and 14Q1.



10 - Minute Clock:

Previously, when candidates entered the launch code at the beginning of the examination they were warned on the computer that they had 10 minutes to complete the first three introductory screens or else the exam would terminate and could not be restarted. They were also warned of this in the Candidate Bulletin and the NTS and were encouraged to move swiftly through the introduction. However, there was no clock on the computer to count down the minutes. Historically candidates have used the 10 minutes to write down notes or formulas on their note boards although warned not to do so, and discovered that the time had run out and the exam had ended. This is considered candidate error and the candidate would then have to apply and pay for a new NTS in order to take the exam.

In the 14Q1 testing window the AICPA added 10-minute clock to the computer for this section so that candidates would have the ability to keep a closer watch on the time. However, it has become apparent that candidates are still using the time to write notes and leave only a few seconds to complete the last two screens. This often causes them to time out as before and to lose their opportunity to test.

UTD-18 Error Messages:

In the current quarter the UTD-118 Error message, which caused the exam not to launch, impacted 383 candidates. It was possible to solve the issue for 363 candidates while they were waiting. The remaining candidates decided to reschedule the exam.

Prometric addressed the issue with a temporary fix that took effect in April 2014 (14Q2). In addition, Prometric will continue to monitor the issue and investigate the cause and is collaborating with the AICPA as well.

Summary of Candidate Concerns:

The Summary of Candidate Concerns show an increase in the total amount of concerns in the current quarter of 169 when compared to the previous quarter where the total amount of concerns was 879 versus 1,048 concerns in the current quarter. One of the contributors to the increase were the 281 coordinator follow ups that were needed in the current quarter, whereas only 178 were need in the previous quarter. The higher follow-up activity was caused by the severe winter weather that was experienced, which caused candidates to call and ask for NTS period extensions and other related issues. Another factor to the current quarter increase were the concerns related to the Environment, which increased in the current quarter from 40 to 160. This increase also relates mainly to the severe weather reported at many test centers.

Category	13Q1	13Q2	13Q3	13Q4	14Q1
AICPA & Test Content	3	13	28	13	16
Candidate Error	58	69	74	77	57
Confirmation of Attendance	79	19	147	133	124
Environment	84	17	0	40	160
International Exam	137	176	127	100	83
Prometric Scheduling Issues	13	8	18	16	21
Prometric Site Issues	36	39	53	47	49
Technical	107	73	115	119	118
Subtotal	517	414	562	545	628
*Coordinator follow-up	39	44	174	178	281
*CPAES & NCD	71	58	151	156	139
Total	627	516	887	879	1048

*Note: The Coordinator follow-up and the 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.

As always we appreciate acting as advocates for your candidates. If you have any questions or concerns please contact me either by phone 615-880-4209 or by email pvernon@nasba.org.