

## NASBA meeting notes

November 2

### **NASBA Chair's address**

- CPA Evolution is still going strong
- Lots of legislation around the country to monitor, especially around de-regulation
- Increase diversity in the profession
- New CPA exam in January 2024

### **AICPA Chair address**

- Echoed NASBA chair
- Collaboration with NASBA is important and has been strong
- Accounting is closer to being recognized as a STEM profession
- Working on legislation to protect self-regulation and protection of CPA license
- Working on promoting uniformity through mobility
- Working on increasing CPA pipeline

### **CPA Evolution and Exam**

- Covid update—still requiring masks in testing centers
- Remote testing development is on pause
- CPA Evolution
  - Model recap—accounting/audit/tax with tech as a foundation
  - Surveyed students to monitor outreach efforts
  - Developed model curriculum for CPA track education; very well-received
  - Make sure state rules don't need to change
  - NASBA is modernizing its own systems for 2024 new exam rollout
  - Will require a black-out period prior to introduction
  - Working on keeping exam up-to-date and relevant
  - Still looking for volunteers to help review exam content
- Lots of discussion about international candidates
- Significant declines in college enrollment due to Covid, obviously impacts number of CPA candidates
- Big CPA firms are hiring fewer CPAs; offshoring and automation

### **EY programs to foster CPA hiring**

- Addressing cost of fifth year (Master's degree) of accounting education
- Hire people with four years of education, assist with fifth year
  - But trying not compete with colleges and universities
  - Obtain up to 20 hours of college credit hours
- Presentation content was very specific to EY but shows options available to smaller firms
- Just one element of hiring program

### **Peer Review Oversight Committee**

- Boards use a variety of enforcement for compliance issues; fines and partial suspension were common
- Web site for PROC is very underutilized
- Goal is to increase sharing resources and best practices

### **Legislative update**

- Professional licensing is under pressure to de-regulate
- US Supreme Court ruled that if CPAs serve on the Board, the Board needs “active state supervision” [North Carolina Dental decision from 2015]
  - Over 75 anti-trust cases filed against various boards (but not Accountancy, yet)
    - Board members could be personally liable for treble damages!
  - Federal legislation has been proposed to clarify but has stalled
  - There is a coalition of 12-15 professional associations to address this, including NASBA and AICPA
- There are also a Executive Orders from 2020 and 2021
  - Designed to ease licensing restrictions to improve labor markets, reduce government involvement in the markets and strengthen anti-trust guidance
  - Could take many months to fully implement
- Alliance for Responsible Professional Licensing (ARPL)
  - Group of licensing bodies like NASBA to promote Board interests
  - Pushing against de-regulation

### **Diversity Initiative**

- Focus on HBCUs [Historically Black Colleges and Universities]
- Also work with National Association of Black Accountants [NABA]
- Minimal discussion of gender diversity

### **Regional breakout session**

- No burning issues in the Northeast
  - Firm mobility
  - UAA conformity
  - Substantial equivalency
  - Peer review
- No big enforcement issues, except NH has had an uptick but from a very low level
- CPE compliance is an issue with many states
- NJ is very strongly opposed to the 150 credit hour requirement
  - Too expensive vs. minimal benefit to profession
  - Additional 30 hours can be in any subject
  - Hurts recruiting/pipeline
- Alternative practice with private equity firms acquiring CPA firms
  - Not just CPA firms but medical practices, for instance
  - Independence issues; consulting vs. audit influence
- *Recommendation for rule-making to review education requirements with new CPA Evolution*
- CPA Evolution: candidates select a “track” but it is non-binding and can’t be publicized
- In person meetings resuming in the Spring 2022 but with virtual elements
  - Virtual attendance was very high at this meeting