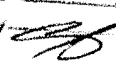




GUAM

board of accountancy

32-13-456

Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: 5/31/13
Time: 2:52 PM
Received by: 

2013 MAY 31 PM 3:29

May 31, 2013

Honorable Eddie B. Calvo
Governor of Guam
Executive Chambers
POB 2950
Hagatña, GU 96932

Dear Governor Calvo:

In compliance with Public Law 31-233, Chapter 8, Title 5GCA, Section 38, §8113.1, attached is an electronic copy of minutes, agenda and other attachments to our Board meeting held on May 16, 2013.

Should you have any questions, please call us at 647-0813 or email to: execdir@guamboa.org.

Sincerely,



Dave N. Sanford
Executive Director

Attachment: Electronic copy of May 16, 2013 Bd Mtg

cc: Honorable Judith T. Won Pat
Speaker, 31st Guam Legislature

456

GUAM BOARD OF ACCOUNTANCY
335 South Marine Corps Drive, Suite 101, Tamuning, GU 96913

Board Meeting – May 16, 2013

AGENDA

	Pages
I. CALL TO ORDER	
II. APPROVAL OF MINUTES – April 18, 2013	1-3
III. OLD BUSINESS	
A. Draft Bill for Law Changes Update	
B. Endowment Update	
IV. NEW BUSINESS	
A. Requests for Approval	
• CPA Exam Applications – April	4-5
• Applications for Initial Certification & License to Practice	6-7
V. GENERAL DISCUSSION/ANNOUNCEMENTS	
• 13Q1 NASBA Candidate Care Report	8-11
• NASBA Quarterly Communications Bundle; Highlights	12-22
• Diligent BoardBooks – Pricing & Fees	23
• PL 32-031: Providing Edu Programs for Board/Commission Members	24-29
VI. ADJOURNMENT	

GUAM BOARD OF ACCOUNTANCY
335 S. Marine Corps Drive, Suite 101, Tamuning, GU 96913

MINUTES OF MEETING

April 18, 2013

I. CALL TO ORDER:

The meeting was called to order at 4:28 p.m. by Chairman John Onedera. The meeting was held in the GBA Conference Room.

Members Present: John Onedera, Chairman
Francis Quinto Baba, Secretary-Treasurer
Jennie Chiu, Member

Excused Absence: Todd Smith, Vice Chairman
Dafne Shimizu, Asst. Secretary-Treasurer
John P. Camacho, Ex-Officio Member

Absent: David Highsmith, Asst. Attorney General, Legal Counsel

Also Present: Dave Sanford, Executive Director
Arleen Gay, Board Secretary

II. APPROVAL OF MINUTES:

Motion was made by Francis Quinto Baba and seconded by Jennie Chiu to approve the Board minutes of March 21, 2013, as presented. There being no further discussion or objections, the motion carried.

III. OLD BUSINESS:

A. Draft Bill for Law Changes Update: The Executive Director updated the members present on the status of the draft bill for law changes. He said that he had recently attended a Guam Society of CPAs Board meeting, he being a Board member, and that the Society Board members had reviewed the proposed law changes and were okay with it; having only a few questions regarding mobility and how it worked, which he explained to them. He told the Board that a draft copy had been emailed to the membership for their review and comments. He said he also forwarded a copy of the draft to the OPA for her review and comment. It was suggested that at least one meeting be held with the membership of the Guam Society of CPAs to discuss the draft bill. The Executive Director said he would ask the President to hold one meeting to discuss the draft and he would also have the draft emailed once more to the entire membership with a possible meeting date.

- B. Endowment Update:** The Executive Director went over his preliminary synopsis of endowment information, along with example funding requirements, he had put together. He said that his information covered various types of endowment programs that he had researched and some of the considerations relative to amounts and expenditure issues in general that he had also researched. He explained that he had tried to put together enough information so as the Board could formulate what fits for GBA where we could create our own endowment agreement and also ensure that the proposed endowment funding would go towards what GBA specifically intends it to go for such as perhaps a lecture series or visiting professorships. It was suggested that the endowment funding be entered into the future financial statements as 'restricted'. The Executive Director said that he would do so on the next financial statement.
-

IV. NEW BUSINESS:

A. Requests for Approval:

- **CPA Exam Applications:** Motion was made by Jennie Chiu and seconded by Francis Quinto Baba to approve the CPA exam applications for the month of March, as presented. There being no further discussion or objections, the motion carried.
- **Applications for CPA Initial Certification and License to Practice:** Motion was made by Francis Quinto Baba and seconded by Jennie Chiu to approve the applications for Initial Certification and License to Practice, as presented (addendum included). There being no further discussion or objections, the motion carried.
- **Grades for January – February Window:** Motion was made by Jennie Chiu and seconded by Francis Quinto Baba to approve the grades for the January-February Windows. There being no further discussion or objections, the motion carried.

V. GENERAL DISCUSSION/ANNOUNCEMENTS:

- **NASBA Jurisdiction Reports: Testing Windows 2013Q1:** The Executive Director reviewed the Jurisdiction Quarterly Report put out by NASBA which indicated overall and Guam exam performances. He pointed out that the biggest difference was that overall there were 1.24 sections per candidate as compared to Guam with 1.55 sections per candidate and Guam's average score was lowering along with the pass rate, but he attributed that to the majority of Guam's candidates being foreign whereas overall their candidates were domestic. He also pointed out that BEC had the highest pass rate for the overall performance of all jurisdictions and Guam had the lowest pass rate for BEC. He also attributed that figure to the fact that the majority of Guam candidates were foreign. He said that Guam ranked number 26 in jurisdictions which meant that half of the jurisdictions in the U.S. had fewer candidates than Guam did.

- **GCTC 2013 First Quarterly Report:** The Guam Test Center's first quarter performance report was discussed with the Executive Director pointing out to the members present that the total exams administered increased by 20% but that was due to the fact that non-CPA exams were included. He said that CPA tests administered was down by approximately 30%, with the Japanese candidates down 84.51% for that quarter. He said that a new column created for ethnicity gave the breakdown of 'other' which included figures for Chinese, Taiwanese, Japanese, Guam and Hong Kong candidates so as to give a better idea of what ethnicity groups were taking the exams and what the percentages were overall. The Executive Director went on to explain his charts attached to the financial statement which indicated actual figures for CPA exam events and ethnicity trends for FY 2013. He pointed out that highest number of candidates were Koreans with the Chinese coming in second and then Hong Kong, but also that the chart indicated the Taiwanese candidates had decreased from last year.

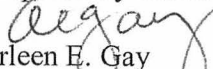
Also Discussed:

- The Executive Director presented the March financial report to the Board, along with his charts on GCTC paid events and ethnicity trends. It was agreed upon that under fund balance, \$500,000 would be shown as restricted for purposes of the proposed endowment plan. The Executive Director told the members that he would create a working draft for the endowment agreement and have Legal Counsel review it.
- The Executive Director told the members of the upcoming NASBA meetings in June and October and said that if anyone wished to attend any of these meetings, to please let him know. He told the members that he would be attending the Western Regional Meeting to be held June 5-7 and that he would be off-island for another three to four weeks after. It was agreed by all members present to cancel the June Board meeting. The next Board meeting will be as scheduled in May with the next meeting being as scheduled for July 18, 2013.

VI. ADJOURNMENT:

There being no further business, motion was made by Jennie Chiu and seconded by Francis Quinto Baba to adjourn the meeting at 5:32 p.m. The motion carried.

Respectfully submitted:


Arleen E. Gay
Recording Secretary

Approved:

JOHN ONEDERA
Chairperson

**Guam Board of
Accountancy**

**CPA Exam
Applicant**

April 2013

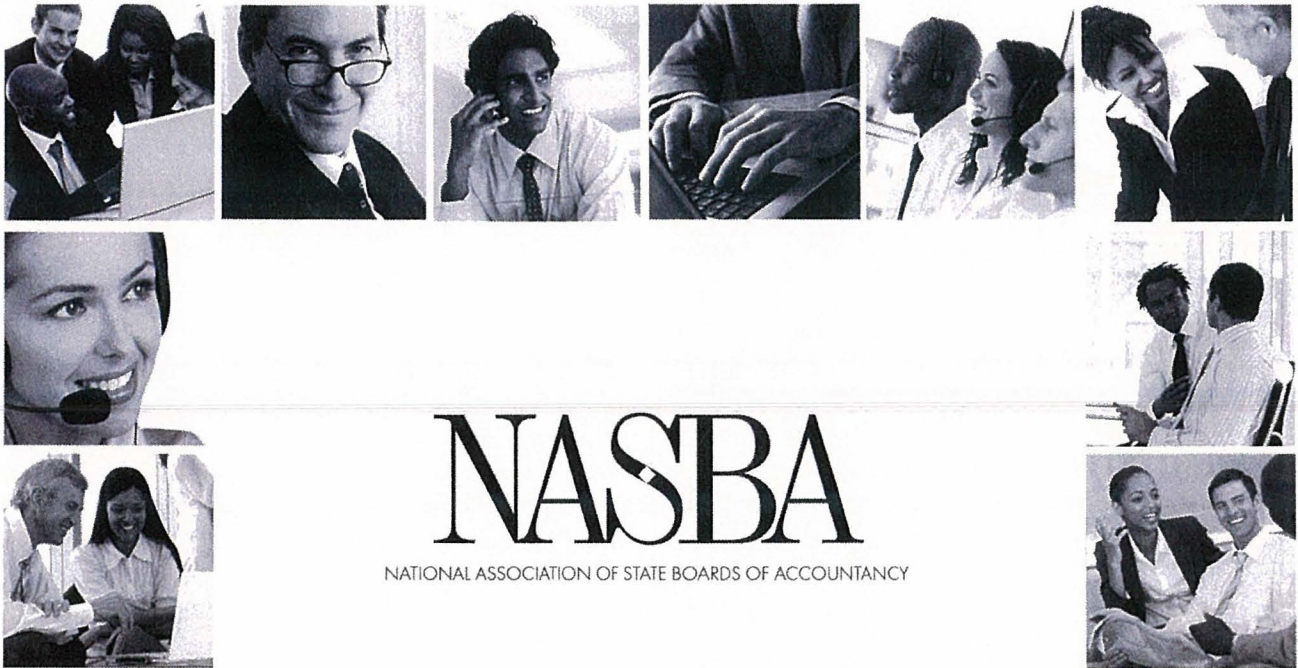
	JURIS ID	APP REC'D	AUD	BEC	FAR	REG	Last Name	First Name	State/Country
1	GU11104429	4/1/2013	x	x			Chen	Lin-Chieh	Taiwan
2	GU13045110	4/1/2013	x		x		Chin	Yuhsi	Taiwan
3	GU13035099	4/1/2013	x				Hsieh	Chung Chiu	Taiwan
4	GU12084791	4/1/2013	x				Jiang	Yao	MO
5	GU11064288	4/1/2013		x	x	x	Kinoshita	Yurika	Japan
6	GU12104887	4/1/2013	x			x	Maru	Ryosuke	Japan
7	GU11094379	4/1/2013	x			x	Matsuhisa	Tsutomu	Germany
8	GU12124952	4/1/2013	x		x		Naka	Yoshihiro	Japan
9	GU13035098	4/1/2013	x			x	Nomura	Kao	Japan
10	GU13035097	4/1/2013		x	x		Sathyamoorthy	Vinod	NJ
11	GU12064728	4/1/2013				x	Tahara	Yoshiko	MA
12	GU11024230	4/1/2013	x		x		Tokita	Eri	Japan
13	GU10074085	4/1/2013	x	x	x	x	Xu	Lei	China
14	Initial	4/2/2013	x	x	x	x	Chou	Shen-Chih	Taiwan
15	GU13035100	4/2/2013	x		x		Fujita	Chihiro	Japan
16	GU12084780	4/2/2013				x	Kumar	Upadhyayula	Japan
17	GU11094402	4/2/2013			x	x	Ono	Kenji	Japan
18	GU12124926	4/2/2013	x				Yamazaki	Masahiro	Japan
19	GU13045107	4/2/2013	x		x		Zhao	Hui	Japan
20	GU13045108	4/3/2013	x	x	x	x	Chang	WenTing	Taiwan
21	GU13035101	4/3/2013	x		x		Hsieh	Ren-Jey	Taiwan
22	GU12084799	4/3/2013		x		x	Jeon	Paul	GU
23	GU12014547	4/3/2013	x				Meng	Ching-Jiou	Taiwan
24	GU12064731	4/3/2013	x				Nakamura	Sachie	Japan
25	GU12094831	4/4/2013		x	x	x	Bautista	Katherine	GU
26	GU11024235	4/4/2013			x		Chou	Man Fai	Hong Kong
27	GU13045106	4/4/2013		x	x		Iijima	Kei	Japan
28	GU13035102	4/4/2013		x	x		Kurei	Tomomi	Japan
29	GU09023377	4/4/2013				x	Otani	Yoshimichi	Japan
30	GU13045122	4/5/2013	x	x	x	x	Chen	Yun-Ju	GA
31	GU11034264	4/5/2013	x	x			Higuchi	Morihiro	Japan
32	GU13035103	4/5/2013	x	x	x	x	Malik	Farhan	Pakistan
33	GU11084362	4/5/2013	x	x			Suto	Fumio	Japan
34	GU12084799	4/8/2013	x				Hori	Takaaki	MA
35	GU11104441	4/8/2013		x			Kang	Lung	Taiwan
36	GU12084808	4/8/2013		x		x	Kawano	Eisuke	Japan
37	GU12054676	4/8/2013	x		x		Luo	Lan	China
38	GU12024576	4/8/2013				x	Maruyama	Yuko	Japan
39	Initial	4/8/2013	x	x	x	x	Mohamed	Youssef	U.A.E.
40	GU12064737	4/8/2013	x	x			Ogawa	Yukie	Japan
41	GU12054678	4/9/2013	x		x		Hira	Toshiya	Japan
42	GU13045116	4/9/2013			x		Hsu	Lien-Chi	Taiwan
43	GU00051837	4/9/2013		x			Ito	Junichiro	Japan
44	GU080129841	4/9/2013	x		x		Oka	Natsuko	Japan
45	GU13045111	4/9/2013	x		x		Oriondo	Lexter Jake	GU
46	GU12094840	4/10/2013	x			x	Imamura	Kosuke	CA
47	GU12124958	4/10/2013				x	Lai	Yufeng	TX
48	GU13045114	4/10/2013	x		x		Mariano	Yoko	GU
49	GU12094834	4/10/2013	x	x			Okubo	Atsushi	Japan
50	GU12024580	4/11/2013	x	x	x	x	Hong	Jin	China
51	Initial	4/11/2013		x	x		Matsuhisa	Shohei	Japan
52	GU13045113	4/11/2013	x	x	x	x	Shinoda	Mitsuaki	Japan
53	GU11094400	4/11/2013		x		x	Su	Chiung-Ju	Taiwan
54	GU12114897	4/12/2013		x		x	Chen	Ya-Yun	TX
55	GU13045117	4/12/2013	x		x		Kuroda	Saori	Japan
56	GU09023357	4/12/2013	x	x			Maekawa	Ritsuko	Japan
57	GU12044625	4/12/2013	x				Zhang	Yue	CA

Guam Board of Accountancy
Applications for Initial Certification and License to Practice
Board Meeting of May 16, 2013

	Name of Applicant	Application for	Employer/period	Schools Attended	Experience	U.S. CPA Verifying Jurisdiction Status	Other licenses held	Recommendation
1	Mr. Mohamed Alsebayni Ontario, Canada	Init Cert LTP Active-Attest	Deloitte M.E. Syria 8/08 to 02/11 Canadian Embassy Syria 9/01 to 08/08 Deloitte LLP London 02/11 to 02/13	Univ of Damascus, Syria BA	100% Audit/Attest Services	Mirvat Lawand New Hampshire Good Standing	None	Approval
2	Ms. Takako Akimoto Chiba, Japan	Init Cert LTP Active - Non Attest	Teradata Japan Ltd 10/10 to present Applied Materials Japan 4/02 to 9/10	Aoyama Gakuin Univ BA, MS California State East Bay	60% Acctg Services 30% Financial Services 10% Tax/Tax Advis Services	Keiko Tomura California Good Standing	None	Approval
3	Mr. Kan Huan Chien Taiwan	Init Cert LTP Active - Non Attest	Ernst & Young, Taiwan 9/10 to 4/13	Univ of Toronto BA	100% Audit/Attest Serv	Li-Shih Liu Texas Good Standing	None	Approval
4	Ms. Hiroko Hamaguchi Kanagawa-Ken, Japan	Init Cert Active - Non Attest	Calypso, Japan 1/12 to 12/12 SunGard 9/98 to 11/11	Kyushi Univ Japan BS Cal State East Bay Univ	100% Accounting Services	Toyoaki Miwa Guam Good Standing	None	Approval
5	Mr. Kiyozo Ishimaru Kanagawa, Japan	Init Cert LTP Active - Non Attest	Fujitsu Ltd. Japan 4/86 to 3/13	Osaka Univ BA Economics Cal State East Bay	50% Accounting Services 50% Tax Services	Toyoaki Miwa Guam Good Standing	None	Approval
6	Mr. Hitomi Mori Dusseldorf NRW	Init Cert LTP- Active - Non Attest	Hartung Consulting 10/11 to present Self Employed 9/09 to present Fujitsu Ten Europe 11/03 to 4/08	Sophia College Univ of Guam	50% Accounting Services 20% Tax Services 30% Consulting Services	Hirokazu Sasaki New York Good Standing	None	Approval
7	Ms. Pei-Hsun Chien Taiwan	Init Cert LTP - Inactive	First Commercial Bank 8/10 to current PricewaterhouseCoopers Taiwan 9/08 to 4/09	Univ of Illinois MS Acctg Natl Chengchi Univ			None	Approval
8.	Ms. Yin-Yu Lin Taiwan	Init Cert LTP Inactive	DBS Bank 4/13 to current KPMG Taiwan 12/05 to 8/08; 11/08-9/10	National Taiwan Univ BBA			None	Approval

Guam Board of Accountancy
 Applications for Initial Certification and License to Practice
 Board Meeting of May 16, 2013

	Name of Applicant	Application for	Employer/period	Schools Attended	Experience	U.S. CPA Verifying Jurisdiction Status	Other licenses held	Recommendation
9.	Mr. Yu-Chun Liu Taiwan	Init Cert LTP Inactive	Siliconware Precision Ind. 1/12 to present Diwan Int'l Mgmt Co. 10/10 to 5/11	Nat'l Chengchi Univ MS Acctg Natl Chung Cheng Univ BA Acctg			None	Approval
10	Mr. Adil Mazhar Kuwait	Init Cert LTP Inactive	Alghanim Group of Shipping Co. 7/04 to present	Univ of Punjab BA Sarhad Univ			None	Approval
11	Mr. Tadimitsu Nishida Los Angeles. CA	Init Cert LTP Inactive	Ministry of Education 4/07 to present	Nagoya Univ BA UCLA - MBA Cal State East Bay			None	Approval
12	Mr. Chun-Heng Tsai Taiwan	Init Cert LTP Inactive	Kuehne & Nagel 7/08 to 9/08	Univ of Texas MS Nat'l Taiwan Univ BBA			None	Approval
13	Mr. Kosuke Ushijima Singapore	Init Cert LTP Inactive	Zeirishi -Hojin PricewaterhouseCoopers 3/13 to present IKARI Enterprise 7/11 to 2/13	Ritsumeikan Asia Pacific Univ BBA Cal State East Bay			None	Approval
14	Ms. Karen Yuk Shan Wong Hong Kong	Init Cert LTP Inactive	Ernst & Young HK 9/02 to present	Simon Fraser Univ BBA Buffalo State College			None	Approval
15	Ms. Huiling Xu China	Init Cert LTP Inactive	None given	Southwestern Univ of Finance & Econ BBA Actg Suffolk Univ MS Acctg			None	Approval
16	Ms. Maki Ogawa Japan	CPA # 1238 Reinstatement Inactive	Electronic Arts. K.K Japan				License approved 2009 - never renewed	Approval



NASBA

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY

CANDIDATE CONCERNS 13Q1

CANDIDATE CARE DEPARTMENT

JANUARY 1-FEBRUARY 28, 2013



PENNY VERNON, MANAGER
BRUCE COSTAIN, CANDIDATE ADVOCATE



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

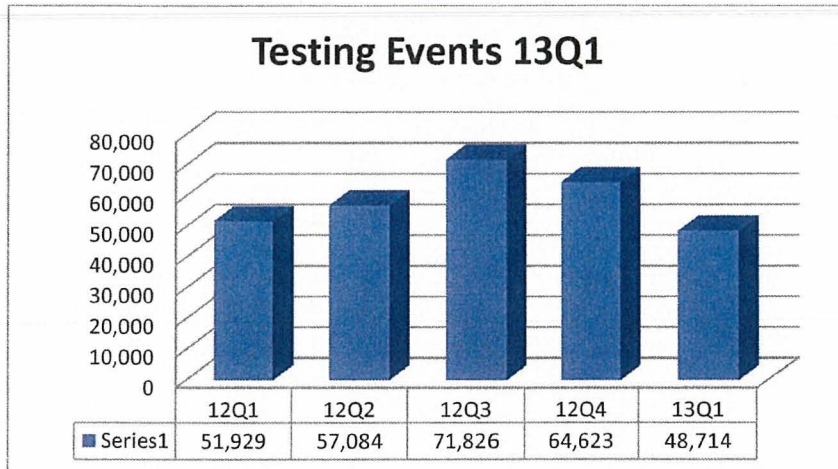


20CANDIDATE CONCERNS

13Q1

JANUARY 1-FEBRUARY 28, 2013

This report offers a synopsis of reported concerns expressed to NASBA's Candidate Care Department by CPA candidates during the 13Q1 testing window.



SNOW:

The entire testing window was plagued with winter storms. Many testing centers had to be closed or driving conditions were such that candidates were not able to travel to their scheduled appointments.

Prometric was pro-active in monitoring impending weather events and attempted to notify candidates of site closures as far in advance as possible. They also posted the list of closures on their website. Candidates with NTSs that had not expired were contacted by Prometric's OutBound Team and assisted in the rescheduling process. Those who required extensions to their NTSs were referred to NASBA.

Candidates referred to NASBA fell into two categories; those whose test centers had been closed by Prometric and those who were unable to reach an open testing center due to travel conditions.

Candidates who were unable to attend their examinations because the sites were closed were verified by NASBA by confirming with the list provided to NASBA by Prometric. They were granted extensions to the end of the testing window or into the beginning of the next testing window based on the timing of the particular weather event.

Candidates who were unable to attend their scheduled appointments at open testing centers due to driving conditions were required to fill out an 'Exception to Policy' form found on

NASBA's website. They were also instructed to attach documentation of the weather conditions in their areas.

Due to some additional blasts of winter snow storms at the end of the testing window Prometric opened their scheduler until the end of the first week of March to accommodate candidates affected during the last week of February.

NOTEBOARDS:

The introduction of the use of Noteboards and markers in lieu of scratch paper and pencils at the beginning of the testing window was not well received by many candidates. They expressed their concerns either in the survey at the end of the examination or directly by email to NASBA's Candidate Care Department.

Although an email blast had been sent out to candidates and the information posted on NASBA's website prior to the beginning of the testing window, some candidates were still unaware of the change. Candidates reported that they were sometimes only given one noteboard and one marker and/or that in some instances the markers did not work well or were dried up. Prometric was informed of these concerns and sent word to all of their testing centers reminding the TCAs of the proper procedure for CPA candidates. Other candidates reported that they were bothered by a glare from the laminated noteboards or that they felt awkward using a marker which they were not used to using for calculations.

Candidates who contacted NASBA were informed that they could request the use of scratch paper and pencils by contacting our Testing Accommodations department or their Boards of Accountancy. These comments will continued to be monitored going forward.

IEXAM:

Effective this testing window, candidates taking the CPA Examination internationally were permitted to schedule appointments in both testing months rather than just the last month of the window. This has reduced the number of concerns previously received by NASBA's Candidate Care Department from candidates unable to find available seats or concerned that their NTSs were expiring before they would be permitted to test.

TESTING ACCOMMODATIONS:

In the 13Q1 testing window, NASBA's Testing Accommodations Department administered 314 exam sections, of these, 5 were international exams and 4 were multiple-day examinations. Candidates who were approved to test over several days were accompanied by a NASBA staff member to ensure the correct administration procedures were followed.

IQEX:

The purpose of IQEX (the International Qualification Examination) is to facilitate the U.S. CPA qualification process for those accounting professionals from other countries whose professional bodies have entered into mutual recognition agreements with the U.S. accounting profession, and to provide reasonable assurance to Boards of Accountancy that those who pass

the examination possess the level of technical knowledge and skills necessary for licensure to protect the public interest.

Until 12Q4 IQEX was a separate examination. However, after several years of investigating possible alternatives it was determined and decided that the REG section of the CPA Examination covers all of the topics that are needed for a reciprocal examination. Beginning with the 12Q4 testing window, the IQEX transitioned to a new format that uses an administration of the Regulation section as the required examination. Candidates were able to test November 1-30.

In the 13Q1 testing window IQEX candidates continued to use the REG section. However, the examination was made available to them in the same testing windows throughout the year as the CPA Examination.

We appreciate the opportunity to assist your candidates as they continue with their professional development. We understand and empathize with the importance that the CPA Examination plays in achieving this life-goal and attempt to treat each personally with respect. We also welcome comments and suggestions.

Penny Vernon, Manager Candidate Care, NASBA 615-880-4209 or pvernon@nasba.org

Summary of Candidate Concerns:

Candidate Concerns: Categories and Totals					
Window	12Q1	12Q2	12Q3	12Q4	13Q1
Category					
AICPA & Test Content	12	7	6	6	3
Calculator	5	1	1	0	0
Candidate Error	62	54	74	57	58
Confirmation of Attendance	83	121	105	102	79
Delay/Time Loss	22	15	0	0	0
Environment	18	1	70	253	84
International Exam	424	361	255	177	137
Other	0	0	0	0	0
Prometric Scheduling Issues	16	3	18	12	13
Prometric Site Issues	36	35	56	37	36
Technical	46	216	85	100	107
Total	724	814	670	744	517
*Coordinator follow-up	95	84	83	72	39
*CPAES & NCD	83	88	72	79	71
TOTAL	902	986	825	895	627

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

National Association of State Boards of Accountancy, Inc.

**Meeting of the Board of Directors
January 25, 2013 –Key West, FL**

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 Gaylen Hansen at 9:00 a.m. on Friday, January 25, 2013 at the Marriott Key West Beachside Hotel, in Key West, Florida. Chair Hansen welcomed Donald Aubrey, Nicole Kasin and Douglas Skiles to the Board. The format of this meeting will be changed to focus the Board's attention on critical issues, Mr. Hansen explained. Written committee reports were submitted in the Board's agenda materials and committee issues requiring the Board's input had been placed on the meeting's agenda.

2. Report of Attendance

President Ken Bishop reported the following were present:

Officers

Gaylen R. Hansen, CPA (CO), Chair
Carlos E. Johnson, CPA (OK), Vice Chair
Mark P. Harris, CPA (LA), 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)
Richard Isserman, CPA (NY)
Raymond Johnson, CPA (OR)
Telford A. Lodden, CPA (IA)
Theodore W. Long, Jr., CPA (OH)
Harry O. Parsons, CPA (NV)
Laurie J. Tish, CPA (WA)

Regional Directors

Donald Aubrey, CPA (WA), Pacific
Jim Burkes, CPA (MS), Southeast
Jefferson Chickering, CPA (NH), Northeast
Bucky Glover, CPA (NC), Middle Atlantic
Janice Gray, CPA (OK), Southwest
Douglas Skiles, CPA (WA), Central
Karen F. Turner, CPA (CO), Mountain - Via conference call
Kim Tredinnick, CPA (WI), Great Lakes

Executive Directors' Liaison

Nicole Kasin (SD)

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, Director - Information and Research

Thomas G. Kenny, Director – Communications

Noel L. Allen, Esq., Legal Counsel

3. Approval of Minutes

NASBA Secretary Odom presented the minutes of the Board's October 2012 meeting. On motion by Mr. Glover, seconded by Mr. Parsons, the minutes were approved as submitted.

4. Election of Board Officers

Mr. Isserman nominated Mr. Odom to be NASBA Secretary and Mr. Tredinnick seconded. The Board unanimously elected Mr. Odom to be NASBA Secretary.

Mr. Odom nominated Mr. Smoll to be NASBA Treasurer and Mr. Isserman seconded. The Board unanimously elected Mr. Smoll to be NASBA Treasurer.

5. Report from the Chair

Chair Hansen handed out copies of NASBA's "Strategic Mission, Vision, Values and Objectives" and told the Board members they must make sure their focus is on the protection of the public and the values espoused in the distributed pamphlet.

NASBA's response letter to the International Ethics Standards Board for Accountants' exposure draft on suspected illegal acts was a letter that required significant involvement of the Regional Directors, as well as the Ethics Committee and the Regulatory Response Committee. The resulting letter is one all can be proud of, Mr. Hansen said. NASBA will continue to talk about how to streamline the vetting process and to better monitor the response cycle, he stated.

As NASBA's representative on the Public Company Accounting Oversight Board's Standing Advisory Group, Mr. Hansen said the PCAOB is going to continue to discuss auditor rotation and will continue to have roundtables on the revised reporting model, though he believes the proposed auditor's analysis is no longer under consideration. PCAOB is planning to have an outreach effort on fraud, including roundtables and a task force, which Mr. Hansen believes NASBA should be involved in. He met with the PCAOB's Steve Harris and they are arranging a meeting of all the PCAOB members with NASBA leadership to discuss how to assist the PCAOB and enhance its effectiveness. No matter what the PCAOB decides, Mr. Hansen believes that Europe will pass legislation that will require auditor rotation and the international accounting firms will have to deal with that.

On December 7, Chair Hansen and Executive Vice President Conrad attended the inaugural meeting of the Private Company Council, as did all of the members of the Financial Accounting Standards Board and Financial Accounting Foundation. Mr. Hansen said this

ongoing activity is off to a good start and NASBA will be closely involved with its progress. Director-at-Large Odom will attend the next PCC meeting in February.

Chair Hansen praised the 2012 Annual Meeting and the International Forum, but admitted he was disappointed in the Forum's attendance.

NASBA and AICPA leaders will meet February 11-12, Chair Hansen said. Topics to be discussed include: definition of "attest" in the Uniform Accountancy Act, the AICPA's financial reporting framework for private companies, compilations and firm mobility.

6. Report of the President

President Bishop said one of the most important things NASBA does to be relevant is to be the collective voice of the State Boards. As a collective voice, the Boards have a lot more power and influence. He reported meetings had been held with the Accountants Coalition, the Center for Audit Quality and the AICPA federal and state legislative teams. President Bishop will also be meeting with Puerto Rico's new Secretary of State. NASBA staff members were in the Virgin Islands to assist the Board in writing legislation and to find key sponsors to move the bill. A meeting with the Center for Public Interest Law is planned to take place in Nashville.

Executive Vice President Conrad reported NASBA representatives had been meeting with the Congressional Accounting Caucus on a regular basis and plan to go to Congress in September to talk about things that NASBA feels important for them to do.

NASBA has done an inventory of all its activities with an international flavor, President Bishop reported. Because of the Uniform CPA Examination's international outreach, candidates are now communicating with NASBA through its Web site. He had a discussion with the Chinese Institute's representatives which provided a deep dive into future relationships. The number of Chinese CPA candidates has shown amazing growth, he observed.

Ms. Conrad travelled to Japan and met with review course providers and candidates there. She reported NASBA received good press coverage from her visit. The NASBA International Evaluation Service (NIES) also held a meeting in Nashville with review course providers which received great feedback, she said.

Vice President – State Relations Dan Dustin in the past few months has met with the Boards in Indiana, Rhode Island, the Virgin Islands, Ohio, Illinois and Nebraska, and is setting up meetings with the Boards in Puerto Rico, Arizona, District of Columbia, Idaho and Maryland. President Bishop said that almost all of Mr. Dustin's meetings have resulted in deliverables which are enhancing NASBA's services to the State Boards.

The Accountancy Licensee Database now has 40 states on it and inroads have been made with other states. The NIES is serving 23 jurisdictions and the NASBA CPE Sponsor Registry includes over 1900 sponsors, Ms. Conrad reported. She announced an advertising campaign will be launched for the school book developed as one of NASBA's Candidate Performance Data Products.

NASBA has been using outside assessment of its operations, President Bishop reported. The human resources department was the first to undergo this review, resulting in the promotion of Lisa Dampf to interim director. The information technology department is the second to undergo this assessment as consideration is given to changing NASBA's hardware and/or software and whether or not to outsource.

The finance department had an outside consultant come in too, President Bishop said. He wants NASBA's financial reports to be intuitive, so that everyone can easily see where NASBA

is spending money on State Boards. He reported he had received many positive comments about the new reporting formats inaugurated for this Board meeting.

Four examination related contracts are in the process of being amended or extended, Ms. Conrad said. Contract negotiations are going well but the contracts are not signed yet. The IQEX for international professionals is available for two months in a quarter starting in January. Mr. Bishop said consideration is being given to extend the international testing sites for the Uniform CPA Examination into other countries where other accounting certifications are expanding.

Ms. Conrad reported 99 candidates from 33 jurisdictions were affected by a rescoring situation that resulted from multiple correct answers to a multiple choice question in the REG section of the Uniform CPA Examination and a cell in a spreadsheet not working. AICPA has notified all those involved and reimbursed them for unnecessary re-testing and travel expenses. Ms. Kasin said a conference call had quickly been set up with all the executive directors who had candidates involved.

The NASBA Center for the Public Trust is focusing on the development of student chapters, President Bishop reported. There are 14 chapters, with 10 launched in 2012. Discussions are going on for chapters in over 20 additional colleges. A student certification program is also under development with the assistance of Linda Ferrell.

Mr. Bishop is now on the board of the Nashville Downtown Partnership and was asked to be on the board of another association. The staff is involved in assisting several local charities and are giving back to the Nashville community, he said.

7. Report of the Administration and Finance Committee

A&F Committee Chair Smoll directed the Board's attention to the executive summary of the financial report, which showed that NASBA had spent all of its profits for the quarter on activities associated with its mission. An operating budget in excess of \$1 million is expected. He praised the new format of the financial statements for their understandability.

Mr. Smoll reported that he, Vice President and CFO Michael Bryant, A&F Committee member Vicky Petete (OK) and Controller Troy Walker had met with investment adviser Jim Meeks on January 23. The investment committee had been charged with evaluating if the adviser was meeting or exceeding the benchmarks set for him, and they decided to let Mr. Meeks continue on. NASBA is having a great year with its investments, Mr. Smoll concluded.

He pointed out the statement had been changed to show bonuses in the budget.

CFO Bryant said the 990 will be prepared by his department in the March-April time period and will be circulated to the Board before it is filed. He also reported NASBA had received in October its first note payment from PCS, NASBA's formerly owned subsidiary, and a second payment is expected at the end of January.

8. Consideration of AICPA FRF for SME

The AICPA has released an exposure draft on its Financial Reporting Framework for Small- and Medium-Sized Enterprises, Chair Hansen said, and the question is whether or not this is in the public interest. NASBA, AICPA and the Financial Accounting Foundation had co-sponsored the Blue Ribbon Panel that considered private company GAAP. As a result of that panel, the FAF formed the Private Company Council, which NASBA supports. However, it now

appears AICPA is moving forward with a parallel solution of its own. The comment period ends on January 30, 2013. Chair Hansen asked the Board if NASBA should respond to the exposure draft.

Following several hours of discussion, on a motion by Mr. Burkett, seconded by Mr. Lodden the Board agreed unanimously (three members not voting) to the following resolution to be sent to the AICPA including an explanatory letter to be developed by staff:

*We, the NASBA Board of Directors, have reviewed the AICPA Exposure Draft, **Proposed Financial Reporting Framework for Small- and Medium-Sized Entities**, and have significant concerns on behalf of the Boards of Accountancy (BOA) in their mandate to protect the public interest. Based on the BOA authority derived under the Tenth Amendment to the U.S. Constitution, and the Sarbanes-Oxley Act, at our January 25, 2013, regularly scheduled meeting, we unanimously adopted the following Resolution:*

Section 209 of the Sarbanes-Oxley Act recognizes the pivotal role State Boards have in the development, adoption and enforcement of standards, particularly those applicable to the private sector. Indeed, that Section provides in pertinent part:

“In supervising nonregistered public accounting firms and their associated persons, appropriate State regulatory authorities should make an independent determination of the proper standards applicable, particularly taking into consideration the size and nature of the business of the accounting firms they supervise and the size and nature of the business of the clients of those firms;”

NASBA continues to strongly support the Financial Accounting Foundation’s establishment of the Private Company Council (PCC) to improve the process of setting accounting standards for private companies. We believe the AICPA’s development and promotion of its Financial Reporting Framework for Small- and Medium-Sized Entities (FRF-SME) will confuse the profession, the public, and regulators.

The PCC needs a reasonable opportunity to develop standards uniquely applicable to private companies that can be authoritative and part of generally accepted accounting principles (GAAP). Therefore, we strongly believe the FRF-SME initiative should be tabled or withdrawn to allow the PCC to achieve its objectives.

The NASBA Board of Directors has therefore authorized its leadership to prepare and submit a letter to the AICPA expressing these concerns and urging the AICPA to either table or withdraw the FRF-SME proposal in order to allow the PCC to do its work to improve the process of setting accounting standards for private companies.

We remain faithfully dedicated to continuously monitor the activities of the PCC, including its accountability to serve the public interest.

9. Action of Uniform Accountancy Act Committee

UAA Committee Chair Ken Odom reported a NASBA/AICPA working group had invested a lot of time in revising the definition of “attest.” He asked a member of the working group, Vice Chair Carlos Johnson, to report on their progress. Mr. Johnson explained a fifth element had been proposed to add to the UAA’s definition of “attest,” which caused a modification of the definition of “report” and of Sections 14(a) and 14(h) (1). The language is being vetted by the joint UAA Committee and it is expected a recommendation will be brought to the April NASBA Board of Directors meeting. A timeline for the introduction of the proposed changes has been developed by Ms. Conrad with AICPA Vice President – State Regulatory and Legislative Affairs Mat Young. The proposed language would also be voted on by the AICPA Board and the AICPA Council would approve the expansion of the definition at their May meeting.

Mr. Odom said the UAA Committee is also working on the foreign firm, whistleblowing, client records and inactive CPA issues.

10. Board Effectiveness and Legislative Support Committee

Committee Chair Burkett reported the Committee is monitoring legislation and prioritizing the issues on which NASBA will spend its resources. The development of a key contact person network is under consideration. Recommendations for the Boards are also under development. Mr. Burkett praised the work of Director of Legislative Affairs John Johnson.

11. Global Strategies Committee

Committee Chair Long reported the Committee recommends discontinuing the international forum for accounting regulators for 2013 and, instead, focusing on having international speakers for NASBA’s meetings, having NASBA’s speakers address international meetings and generally strengthening international relationships. The Committee expects to have a strategy to present to the July Board of Directors’ meeting. The Committee is developing an international activity baseline for NASBA which will reflect what other NASBA committees are doing in this area to help focus the strategy.

12. Report on ARSC

NASBA Compliance Assurance Committee Chair Gray reported she had attended her first AICPA Accounting and Review Services Committee (ARSC) meeting in November. The ARSC talked about disclosure of opinions, legend with or without firm name, independence and doing away with the term “compilation,” as well as other topics. At the ARSC’s January meeting: (1) ARSC directed the task force that is drafting the proposed SSARs to reposition compilations as a non-attest service. (2) They voted to withdraw the association/compilation exposure draft. (3) ARSC is considering requiring an engagement letter signed by management that would state exactly what service the CPA will provide, i.e. preparing the financial statement and/or compiling it. The language is still not finalized. (4) ARSC is also considering a requirement for management to agree to include a legend on the financial statements indicating that the statements were not audited or reviewed and no CPA was involved. (5) The report on a compilation should look totally different from the report written for an audit or review. (6)

There should be a separate exposure draft that would cover pro forma information and prospective financial statements. The plan is to have an exposure draft ready for approval by the May ARSC meeting, to be followed by a 120-day exposure period concluding at the end of September. Ms. Gray pointed out that the term “compilation” is used 18 times in 15 sections of the UAA and 12 times in nine sections of the Model Rules.

Mr. Hansen said the ARSC is trying to link up its standards with international standards. The international accountants consider compilations a management service and, consequently, compilations do not hook to independence. They are the client’s financial statements and should be treated that way. He said the ARSC exposure draft will contain serious issues for the State Boards to consider. He will speak to Regulatory Response Committee Chair Isserman and Ethics and Strategic Issues Committee Chair Ray Johnson as the exposure draft is due out in May.

13. Nominating Committee

The Nominating Committee will meet on March 18 to select their nominee for Vice Chair 2013-14, Nominating Committee Chair Harris reported. He encouraged the Boards to send in their nominations for all of the Board positions.

14. Education Research Grant Program

Education Committee Chair Turner, via conference call, reminded the Board that NASBA had committed to an education research grant program and it had worked well for its initial \$25,000, which had been divided between three grants. The Education Committee would like to propose that the grant program’s funds be increased in steps over the next three years so that by the third year \$150,000 would be granted for this research. Dr. Turner said very little grant money is available for business and accounting education research. The IMA has established a new research grant program for up to \$100,000. Dr. Turner noted. She said she believes this is a good way to get NASBA’s name noticed by the academic community and to continue to build its relationship with the American Accounting Association.

CFO Bryant said that \$25,000 had been budgeted and final payments are being made as the research is completed. Any increase would fall into next year’s budget, which the Board will approve at its July meeting. Dr. Turner agreed to speak with Mr. Bryant about what steps staff and the Education Committee need to take to have this request considered during the budgeting process. Dr. Ray Johnson said he would support increasing the amount and suggested that more research on public interest issues would result in better public policy.

15. Committee on Relations with Member Boards

Relations with Member Boards Committee Chair Chickering invited the NASBA Committee chairs to suggest Focus Questions that would assist their committees’ work.

The Committee has selected topics for the Regional Meetings’ breakout sessions and has determined a panel format will be used to present the summaries of the Regional Breakout sessions, Mr. Chickering said. A session for those not affiliated with State Boards will be planned, but the content has yet to be determined. In addition the script for the “Not Quite Masterpiece Theater” orientation script is to be revised, Mr. Chickering said.

16. Vetting Process

Chair Hansen outlined how the NASBA response process is being reviewed and improved to involve leadership, the appropriate committees and the Regional Directors. To avoid last minute crunches, the responses will be tracked using project management techniques. President Bishop pointed out that he and Chair Hansen have to sign the letters, so they may see fatal flaws that were overlooked earlier in the response development process. However, he believes it is necessary to put some clarity around the vetting process, he said.

Regulatory Response Committee Chair Isserman said the NASBA response process involves three groups: the committees that draft the response, leadership and the Regional Directors. If there is a veto, then the response does not get issued. That needs to be worked out so that it is clear to an outsider, he recommended.

Dr. Ray Johnson suggested it would be helpful if the Regional Directors had some kind of paper outlining where the key differences in viewpoints were. President Bishop agreed that language showing majority and minority positions' concerns should be given to the Regional Directors.

Vice Chair Carlos Johnson asked if all letter from NASBA committees need to be signed by the Chair and President. The individual committees do not speak for NASBA, Chair Hansen responded. President Bishop pointed out that routine responses that do not rise to the level of vetting can be quickly signed by the NASBA President and Chair.

Southeast Regional Director Burkes said he was encouraged by the discussion of the vetting process that had been held over the last couple of days.

17. New Business

Chair Hansen called for discussion of how the Board's resolution about the Framework would be distributed. It will be placed on the NASBA Web site and sent to all the State Boards, as well as *Accounting Today*. The topic should be discussed at the Regional Meetings and could become the focus of a special conference, the Board members suggested.

The next meeting of the Board will be on April 19, 2013 in Rancho Palos Verdes, CA, and Chair Hansen reminded the Board members to make their reservations.

18. Adjournment

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

Executive Summary
February 7, 2013 – April 8, 2013
Regional Directors' Focus Question Responses
40 State Boards Responding

1. What has your Board done to ensure a high percentage of CPE compliance?

Among responses - Perform annual, monthly and/or periodic random audits for CPE compliance at license renewal and otherwise; Impose fines, suspension, or other sanctions or discipline if fail to pass audit.

2. Should NASBA urge universities to put a CPA track in their programs, one offering specific classes focused on subject areas needed to pass the Uniform CPA Examination? Is there an outstanding model in your state?

(a) Among responses - Could provide universities with information, but curriculum development should be left up to universities (AZ, CA, LA, MT, NV); Good idea (AK, AR, ID, IN, GU, KY, PA, PR, TX).

(b) Yes – 8.

3. One state has considered requiring a forensic accountant to have a private investigator's license. Has your state established/considered a similar requirement?

Yes – 1.

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

Among responses - State senator introduced legislation to prohibit CPAs and PAs from performing engagements on contingency fee basis related to court claims (AL); Changing experience requirement – NE, NV; Added new regulation requiring criminal background check for all licensees who have not previously submitted fingerprints as a condition of licensure, or for whom no electronic record of licensee's fingerprints exists within the California Department of Justice's criminal offender record identification database; WI legislature has established a "Right the Rules" initiative; FL legislation introduced to enact peer review requirement for firms engaged in practice of public accounting; IL educational requirements will change on July 1, 2013.

5. Are there any ways in which NASBA can assist your Board at the present time?

Among responses - Be prepared to assist State Boards who are targeted for consolidation (AL). Prepare summary of the re-codification of the AICPA Code of Conduct, and provide comparison of Code of Conduct with Hawaii Board's laws and rules to assist Board in determining whether Code of Conduct should be adopted in its entirety or otherwise (HI); NASBA staff could assist Board in their presentation when they visit college campuses (NH); Help us learn how other state licensing authorities address first time misdemeanor offenses for alcohol or drug abuse (TX).

For details, see Regional Directors' Focus Question Report.

4.29.13

NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY, INC.

**Highlights of the Board of Directors Meeting
April 19, 2013 – Rancho Palos Verdes, CA**

At a duly called meeting of the Board of Directors of the National Association of State Boards of Accountancy, Inc, held on Friday, April 19, 2013 at the Terranea Resort, in Rancho Palos Verdes, CA, the Board took the following actions:

- Resolved, after discussing public protection implications surrounding the lack of authoritative standards for “other comprehensive bases of accounting” (OCBOA) reporting, to reach out to the Boards of Accountancy to share such concerns. The Board further resolved to develop Model Rule guidance, through appropriate channels, which would be provided to Boards of Accountancy for consideration. Such Model Rules would provide structure for the Boards’ oversight of non-authoritative OCBOA for reporting purposes.
- Heard from Nominating Committee Chair Mark P. Harris (LA) that Walter A. Davenport (NC) had been selected as their nominee for NASBA Vice Chair (2013-2014), to accede to Chair (2014-2015). The Board voiced its lack of support for a possible Bylaws change that would have added limitations on who could serve on the Nominating Committee.
- Congratulated David A. Vaudt (IA), NASBA Chair 2003-4, on his being named chair of the Government Accounting Standards Board (GASB).
- Received a report from Chair Gaylen Hansen (CO) on the February leadership summit meeting with the American Institute of CPAs. Topics discussed during that meeting included: proposed changes to the Uniform Accountancy Act related to the definition of “attest” and firm mobility, the consideration of compilation services becoming non-attest services, and reporting standards for private companies. He praised the Executive Directors Committee and legal counsel for their excellent conferences in March.
- Heard plans from Chair Hansen to establish a new committee on relationships with State CPA Societies and a task force on standard setting.
- Approved, effective May 1, 2013, the appointment of Ronald E. Nielsen (IA) as Vice Chair of the Examination Review Board, to accede to Chair the next year, and of Douglas E. Warren (TN) as an ERB member, to replace David Vaudt upon his resignation to become GASB chair.
- Learned from President Ken Bishop that NASBA leadership will be meeting with the Public Company Accounting Oversight Board on May 1, 2013 in Washington, D.C. He also announced that NASBA is projecting an additional \$100,000 of revenues this year, and expects to have a \$1.9 million operating excess, without including the amount that is earned from investments. President Bishop described improvements being implemented in NASBA’s information technology, human resources and finance operations.

- 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 of Graystone Consulting, who reported a 12.6 percent return on long-term investments for calendar year 2012 compared to a 11.5 percent portfolio benchmark. Chief Financial Officer and Senior Vice President Michael Bryant pointed out that NASBA projects spending of \$5.3 million on mission-focused activities this fiscal year, up from \$4.8 million spent last year.
- Approved the filing of Federal Form 990, which had been provided by the NASBA Finance Department to the members of the Board of Directors for review.
- Heard from Chief Operating Officer and Executive Vice President Colleen Conrad that there are currently 43 jurisdictions fully participating in the Accountancy Licensee Database with additional states working to achieve full participation. She also reported there are now in excess of 1,900 sponsors on the NASBA CPE Sponsor Registry, including the AICPA, multiple state CPA societies, and many major corporations. A CPE conference has been scheduled for September 9-10, 2013 in Houston, TX. In addition, 27 states have already agreed to use the NASBA International Evaluation Service, with another 11 in the pipeline. Ms. Conrad reported.
- Approved the granting of three education research grants, subject to legal review, as presented by Education Committee Chair Karen Turner (CO).
- Learned from Enforcement Resource Committee Chair Harry Parsons (NV) that the Investigator Resource Pool and the Expert Witness Pool are to become available soon to the State Board's executive directors. In addition, an investigator training program is being placed on www.nasba.org.
- Received an alert from Ethics Committee Chair Raymond Johnson (OR) that the recodification of the AICPA Code of Professional Conduct has been exposed for comment and should be considered by all State Boards. The Ethics Committee is preparing a NASBA response to the recodification exposure draft.
- Heard a summary of NASBA's Client Services Business Unit's activities from Patricia Hartman, NASBA Director of Client Services, including CPA Examination Services, National Candidate Database, Licensing, Candidate Care and Accommodations. Self-scheduling for Uniform CPA Examination candidates has recently been introduced, Ms. Hartman reported. Because of winter storms, as well as the closing of the testing centers in Boston because of the bombings, many candidates are rescheduling for retesting.

The next NASBA Board meeting is scheduled for July 26, 2013 in Park City, UT.

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



PRICING AND FEES

Configuration of Boards, Committees, and Users as of the Effective Date

<u>Accessing Entities and Individuals</u>	<u>Qty</u>	<u>Price Each</u>	<u>Total</u>
• Boards.....	1	\$3,360	\$3,360
• Committees/Meeting Groups	0	\$70	\$0
• Online Users (Board Members/Executives)	8	\$560	\$4,480
• Offline Capability.....	8	\$420	\$3,360
• Online Users (Administrative).....	1	\$840	\$840
• Offline Capability (for meetings)	1	No charge	
TOTAL ANNUAL SUBSCRIPTION FEE.....			\$12,040
ONE-TIME INSTALLATION FEE (set-up, installation and training for above configuration) ..			\$2,226

Annual Subscription and Installation Fees

Based upon the number of boards, committees and Users to be accessing the Diligent Product, the total annual Subscription Fee for the Initial Term and each Extended Term (unless additional Boards, Committees and/or Users are subsequently added or removed, or pricing is revised pursuant to Section 3) is as detailed above. All pricing is in United States dollars (USD) unless otherwise stated herein.

The first invoice for the Subscription Fee then due and the installation fee will be sent fifteen (15) days after the Effective Date of this Agreement. Thereafter, the Subscription Fee is payable in advance. Subsequent invoices will be sent thirty (30) days prior to the commencement of the applicable billing period. All payments due must be made within thirty (30) days of the date of invoice.

Costs for Adding Boards, Committees and Users

<u>Additional Accessing Entities and Individuals</u>	<u>Installation Fee</u>	<u>*Annual Fee</u>
• Boards.....	\$672	\$3,360
• Committees/Meeting Groups	\$35	\$70
• Online Users (Board Members/Executives)	\$84	\$560
• Offline Capability	\$84	\$420
• Online Users (Administrative).....	\$210	\$840

* These annual fee amounts will also apply to any reduction in the number of Boards, Committees and/or Users.

PRICING VALID UNTIL 05/15/2013

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

MAY 10 2013


Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 5/10/13
Time 9:24a
Received by [Signature]

Dear Madame Speaker:

Transmitted herewith is Bill No. 65-32 (COR) "AN ACT TO ADD A NEW §43116 TO ARTICLE 1 OF CHAPTER 43, DIVISION 4 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING FOR EDUCATIONAL PROGRAMS FOR MEMBERS OF BOARDS AND COMMISSIONS" which I signed into law on May 10, 2013 as Public Law 32-031.

Senseramente,


EDDIE BAZA CALVO

Attachment: copy of Bill

Ricardo J. Bordallo Governor's Complex • Adelup, Guam 96910
Tel: (671) 472-8931 • Fax: (671) 477-4826 • www.governor.guam.gov • calendar.guam.gov



Eddie Baza Calvo

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

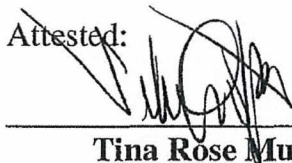
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Bill No. 65-32 (COR)**, "AN ACT TO ADD A NEW §43116 TO ARTICLE 1 OF CHAPTER 43, DIVISION 4 OF TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING FOR EDUCATIONAL PROGRAMS FOR MEMBERS OF BOARDS AND COMMISSIONS", was on the 30th day of April, 2013, duly and regularly passed.



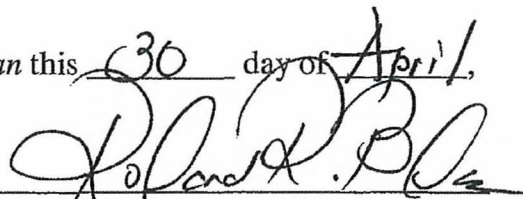
Judith T. Won Pat, Ed.D.
Speaker

Attested:




Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 30 day of April,
2013, at 2:00 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



EDWARD J.B. CALVO
I Maga'lahaen Guåhan

Date: MAY 10 2013

Public Law No. 32-031

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

Bill No. 65-32 (COR)

As amended by the Committee
on General Government Operations and
Cultural Affairs.

Introduced by:

Michael F. Q. San Nicolas
T. C. Ada
V. Anthony Ada
Frank B. Aguon, Jr.
B. J.F. Cruz
Chris M. Dueñas
Michael T. Limtiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
Vicente (ben) C. Pangelinan
R. J. Respicio
Dennis G. Rodriguez, Jr.
Aline A. Yamashita, Ph.D.
Judith T. Won Pat, Ed.D.

**AN ACT TO ADD A NEW §43116 TO ARTICLE 1 OF
CHAPTER 43, DIVISION 4 OF TITLE 5, GUAM CODE
ANNOTATED, RELATIVE TO PROVIDING FOR
EDUCATIONAL PROGRAMS FOR MEMBERS OF
BOARDS AND COMMISSIONS.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Short Title.** This Act *shall* be cited as the “Responsible Boards
3 and Commissions Education Act.”

4 **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
5 that Public Law 24-191 established a single educational program at the University

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1 of Guam to train members of boards and commissions. This educational program
2 was repealed by Public Law 28-76.

3 *I Liheslaturan Guåhan* further finds that, although the existence of training
4 for board members is beneficial to the operations of boards and commissions, each
5 board and commission generally has its own specific statutes and rules and
6 regulations which it must follow. Such a program should be optimized to deal with
7 matters most relevant for each board and commission.

8 Additionally, *I Liheslatura* finds that errors by the members of boards and
9 commissions can result in procurement delays, as well as litigations, which have
10 historically cost the government significant sums.

11 Therefore, it is the intent of *I Liheslaturan Guåhan* to establish training and
12 curriculum to educate members of boards and commissions on the various statutes,
13 rules and regulations which they must follow, and of which they must be aware to
14 accomplish the purposes for which each board or commission is established, by
15 adding a new §43116 to Title 5 GCA.

16 **Section 3. Boards and Commissions Educational Programs.** A new
17 §43116 is hereby *added* to Article 1 of Chapter 43, Division 4 of Title 5, Guam
18 Code Annotated, to read:

19 **“§ 43116. Boards and Commissions Educational Programs.**

20 (a) Development of Training and Curriculum. Each board or
21 commission *shall* have an educational program established to prepare
22 its members for the duties of the board or commission to which they
23 are appointed. Such educational program *shall* cover procurement
24 laws, as applicable, applicable statutes, executive orders, and rules
25 and regulations which govern the board or commission and their
26 respective areas of purview. Each educational program *shall* be
27 established, within ninety (90) days of the enactment of this Section,

1 by the Director of the agency with which the board or commission is
2 associated, or his designee; or, if there is no such agency, then *I*
3 *Maga'lahi* (the Governor), or his designee. Each educational program
4 shall be updated, as needed, *no less than annually*, to reflect any
5 changes to procurement laws, applicable statutes, and rules and
6 regulations. The Director of each agency shall report to *I Maga'lahi*
7 (the Governor) within thirty (30) days when member(s) of an
8 associated board or commission complete the applicable educational
9 program. The Director, or his designee, shall conduct the training
10 sessions at a time and location to be determined by the Director, in
11 compliance with the Americans with Disabilities Act and other
12 relevant statutes.

13 (b) Education of Current Board and Commission Members.

14 Each current member of a board or commission shall complete the
15 applicable educational program within thirty (30) days of the
16 establishment of the program.

17 (c) Education of New Board and Commission Members.

18 Each new member of a board or commission shall complete the
19 applicable educational program within thirty (30) days of his election
20 and qualification, or his confirmation by *I Liheslatura* to the board or
21 commission.

22 (d) Continuing Education for Board and Commission

23 Members. Each year, the members of each board and commission
24 shall, as a form of continuing education, complete the applicable
25 educational program for the board or commission on which they
26 serve.

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(e) Failure to Complete an Educational Program. Failure to complete an educational program within one hundred eighty (180) days of a board or commission member's appointment shall result in the member's removal and the appointment of a new member to fill the vacancy, pursuant to §2101 of Chapter 2, Title 4, Guam Code Annotated. Actions of a board or commission shall not be invalidated by the failure of a member to complete the applicable educational program."

GUAM BOARD OF ACCOUNTANCY
FY2013 Revenue, Expense and Fund Balance Summary w/History and FY2013 Budget
(Modified Accrual Basis: updated 5/15/13 mbs/dns)

BUDGET CATEGORY Description	NOTES	FY2009 Actual	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual YTD 4/30/2013	FY2013 Approved Budget
REVENUES SUMMARY							
Exam Application Fees		28,881	40,776	26,875	66,976	46,550	45,000
Guam Computer Test Center Administration Fees		657,750	762,150	531,315	402,985	208,065	475,000
Certification Fees		26,600	39,550	29,250	42,875	25,250	25,000
Individual Licensing Fees		27,435	37,050	48,250	72,425	40,000	50,000
Firm Licensing Fees		3,550	4,000	3,000	4,025	1,100	3,000
Penalties/Miscellaneous Fees/Interest		3,759	4,605	5,147	8,840	1,794	0
TOTAL REVENUES		747,975	888,131	643,837	598,126	322,759	598,000
220 Travel		0	0	0	0	0	0
230 Contractual							
Administrative Services Contract		270,021	275,038	270,135	272,707	156,606	285,000
Legal Services Contract		0	0	0	0	0	0
Copier Services		5,262	5,811	5,874	5,529	3,228	6,500
Education & Testing		0	0	0	15,255	0	45,000
Others (Publications, Dues, etc.)		14,200	14,269	15,068	14,392	7,900	16,000
Web/Database development & maintenance		935	0	0	0	188	15,000
233 Office Space		23,868	23,868	23,868	23,868	13,923	25,000
240 Supplies		5,892	6,889	9,610	8,603	4,004	7,000
250 Small Equipment		2,819	376	511	2,689	2,478	5,000
290 Miscellaneous							
Bank Charges		15	30	0	2,322	2,199	3,600
Postage		8,535	10,600	10,140	12,466	3,060	12,000
Training		410	580	0	50	0	4,000
Notices/Compliance Investigations/Others		5,173	1,348	1,234	1,978	2,540	0
363 Telephone Services		0	0	0	0	0	0
450 Capitalized Equipment		0	0	0	0	0	0
TOTAL EXPENDITURES	(2)	337,130	338,809	336,439	359,858	196,125	424,100
NET EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES		410,845	549,323	307,398	238,268	126,634	173,900
FUND BALANCE:							
Beginning	(1)	667,119	1,062,615	1,611,938	1,919,336	1,157,604	1,157,604
UOG Appropriation Paid (per PL 31-77)					(1,000,000)		
Ending		1,077,964	1,611,938	1,919,336	1,157,604	1,284,238	1,331,504
Consisting of:							
Cash - Bank of Guam (established FY2008)		1,029,666	1,582,267	672,088	93,292	218,656	
Cash - Time Certificates of Deposit		0	0	1,251,002	1,053,501	1,053,501	
Cash - Treasurer of Guam		15,348	0	0	0	0	
Accounts Receivable-NASBA		56,400	54,450	36,190	32,945	34,540	
Accounts Payable		(23,450)	(24,779)	(39,944)	(22,134)	(22,459)	
Restricted Fund Balance		0	0	0	0	1,069,000	
Unrestricted Fund Balance		1,077,964	1,611,938	1,919,336	1,157,604	215,238	

NOTES:

(1) FY2010 Beginning Fund Balance Adjusted for sweep of FY2009 Treasurer of Guam Cash balance.

(2) During FY2013-Oct the Board paid \$23,724 of prior year obligations, shown as FY2012 expenditures. There are no outstanding prior year encumbrances as of 11/30/2012.

GCTC CPA Exam - PAID Events (FY2013 Average 1.9 events per candidate)

