



GUAM

board of accountancy

May 22, 2014

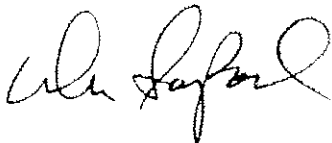
Honorable Eddie B. Calvo
Governor of Guam
Executive Chambers
POB 2950
Hagatña, GU 96932

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 15, 2014.

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 15, 2014 Meeting

cc: Honorable Judith T. Won Pat
Speaker, 32nd Guam Legislature

1664

32-14-1664
2014 MAY 22 PM 3:14
Date: 5.22.14
Time: 2:57pm
Received by: [Signature]

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

Board Meeting – May 15, 2014

AGENDA

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

MINUTES OF MEETING

April 17, 2014

I. CALL TO ORDER:

The meeting was called to order at 4:10 p.m. by Chairman John Onedera. The meeting was held in the GBA Conference Room.

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

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

Also Present: Dave Sanford, Executive Director
 Michele B. Santos, Asst. Executive Director
 David Highsmith, Asst. Attorney General, Legal Counsel
 Arleen Gay, Board Secretary

II. APPROVAL OF MINUTES:

Motion was made by Jennie Chiu and seconded by Francis Quinto Baba to approve the Board minutes of March 20, 2014, 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 asked if more time was needed for the members to review the proposed law changes. He said that attention should be made more to the proposed rule changes as much discussion has already been had on the proposed law changes itself. He also explained again that he had rewritten the proposed rule changes to conform to the proposed law changes. The members agreed that more time would be needed for them to go over the changes. It was hopeful that the proposed law changes would get through the whole process of being introduced, holding of public hearing and enactment by the Governor at least by the end of this year in order to enforce the proposed 5-year phase period for candidates in obtaining their educational requirements.

B. Endowment Update: The members reviewed Bill 303-32, introduced by Senator Ben Pangelinan, which created the Herminia Dierking and John Phillips Visiting Professor and Lecturer Program and appropriated \$1M from the GBA fund to the UOG Endowment Foundation for the proposed Program. The Executive Director explained to the members that once the Bill was heard and enacted, the money would go directly to the Endowment Foundation for the purpose of enhancing and providing support to the University of Guam School of Business Accountancy Degree Program. The Executive Director again explained how the Standing Committee would be formed and what its function would be with respect to the \$1M and its purpose. Also, discussion was had on how to go about getting visiting professors to come to Guam, what the terms would be and the possibility and feasibility of having a lecturer series. It was agreed that accounting professors would be best. With the UOG being 100% behind the endowment agreement, along with Senator Pangelinan's bill, the Executive Director said there should be no problems or questions with the Agency Advised Endowment Fund Agreement and once the bill was enacted and all signatures obtained on the Agreement, the \$1M would be forwarded immediately to the Endowment Fund.

C. Amendment to GBOA/UOG MOU: The Executive Director reviewed the revised MOU agreement with UOG telling the members that the only section changed was Section 3 which was changed to read that GBA would pay for any one of the three courses or one third of the 50% versus the original stipulation that 50% of the total three courses would be paid out. He said he had sent it to UOG for the required signatures.

D. CCR Approvals: The Executive Director told the members that with their approval, the CCR's for 2010, 2011, 2012 and 2013 would be transmitted to the OPA and the Speaker in accordance with Citizen-Centric Report Public Law 30-127. He explained that he would use the templates to forward on to NASBA staff to use for their format in preparing the CCR for the year 2014. The members agreed and the Chair was asked to inform his staff member, who completed the four reports, that the whole Board was impressed with her work.

IV. NEW BUSINESS:

A. Requests for Approval:

- **CPA Exam Applications:** Motion was made by Todd Smith and seconded by Jennie Chiu to approve the CPA Exam Applications for the month of March, 2014, as presented. There being no further discussion or objections, the motion carried.
- **NTS Extension Request:** Applicant Amigad Moneer Ali Abdelmageed requested for approval of an extension of his NTS for one month due to his right hand being broken. His NTS was due to expire on April 24th. Upon review of his documentation and pictures of his broken hand, the members agreed to extend his NTS.

- **Applications for CPA Initial Certification and License to Practice:** Motion was made by Todd Smith and seconded by Jennie Chiu to approve the Applications for Initial Certification and License to Practice, as recommended. There being no further discussion or objections, the motion carried. (Note: Correction was made to Applicant No. 16 on the listing; last name of applicant misspelled. Hiroshi Shikamura should be corrected to read Hiroshi *Shimakura*.)
- **Grades – January/February Window 2014:** Motion was made by Francis Quinto Baba and seconded by Jennie Chiu to approve the grades for the January/February 2014 Window. There being no further discussion or objections, the motion carried.

V. **GENERAL DISCUSSION/ANNOUNCEMENTS:**

- **NASBA Jurisdiction Reports: Testing Windows 2014Q1:** Discussion was had on the NASBA consolidated reports of candidate performance on the exam with the Executive Director telling members that everything in this first testing window report remained the same. He said the average score was improving a little with the Guam average score being 70.2 versus overall jurisdictions average score of 71.4. The report showed Guam candidates sitting in the test center versus paid events at 1.8 events per candidate, resulting in a lag between payments and sittings.
- **Emergent DOL/Peer Review Matters:** The Executive Director reviewed the letter from NASBA VP of State Board Relations, Dan Dustin, who said they had recently learned of potential issues related to peer reviews of certain public accounting firms providing audits of pension plans subject to ERISA. In Mr. Dustin's letter, he made mention of Mr. Ian Dingwall, Chief Accountant, Employee Benefits Security Administration, U.S. Department of Labor, and of Mr. Dingwall's concern over the quality of audits of pension plans subject to ERISA. DOL had recently requested that AICPA verify that all public accounting firms conducting audits of pension plans under ERISA be enrolled in peer review. The Executive Director told the members that Mr. Dingwall mentioned that he had a list of over 700 firms and persons who were doing audits, but had said they were not doing governmental audits. Mr. Dingwall was unable to come up the listing. The Executive Director told the members that he did not feel this would be an issue with the Guam Board.

Also Discussed:

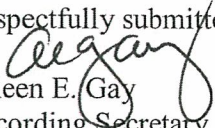
- The Executive Director presented the financial report for March 2014.
- Legal Counsel discussed his March trip to the Legal Counsel Annual Conference that was held in Savannah. He also talked about Mr. Dingwall of the U.S. Department of Labor and his complaint about how unhappy he was that DOL had no say over who does the audits. Legal Counsel said this was more of where the Federal Government was encroaching into state licensing. He said also discussed at the conference was firm mobility and

its disadvantages. It was agreed that firm mobility would only be advantageous to the multi-jurisdictional firms.

VI. ADJOURNMENT:

There being no further business, motion was made by Francis Quinto Baba and seconded by Todd Smith to adjourn the meeting at 5:43 p.m. The motion carried.

Respectfully submitted:


Arleen E. Gay
Recording Secretary

Approved:

JOHN ONEDERA
Chairperson

	JURIS ID	APP REC'D	AUD	BEC	FAR	REG	Last Name	First Name	State/Country
1	GU12104867	4/25/2014	x		x		Akamatsu	Yasuhiro	Japan
2	GU14045641	4/11/2014	x	x	x	x	Ando	Mai	Japan
3	GU13085287	4/16/2014	x	x			Arakawa	Ryo	Japan
4	GU10043950	4/1/2014			x		Cabrera	See	Saipan
5	GU14015506	4/28/2014		x	x		Chang	Lin-Chuan	TX
6	Initial	4/22/2014	x	x	x	x	Chen	Ching-Ju	Taiwan
7	GU13095300	4/7/2014	x	x	x	x	Chow	Gordon Ting Sun	Hong Kong
8	GU13085274	4/14/2014		x	x		Chow	June Kit Ying	Hong Kong
9	Initial	4/22/2014	x	x	x		Chuang	Ya-Feng	Taiwan
10	GU14045649	4/16/2014		x			Chung	Chieh-An	TX
11	GU13014997	4/30/2014	x	x			Cuenco	Girлие	GU
12	GU11124491	4/28/2014		x	x		Cura	Sherillou	GU
13	GU14045633	4/7/2014	x	x	x	x	Fang	Shu Ru	IN
14	GU12104889	4/8/2014		x			Fujibayashi	Ryoma	Japan
15	GU13025038	4/9/2014		x	x		Goto	Masaru	Japan
16	GU13085299	4/15/2014	x			x	Haneda	Sumie	Japan
17	GU13085250	4/7/2014	x				Hirota	Reiko	Japan
18	GU14045636	4/9/2014		x	x		Hsieh	Hsuan	TX
19	GU14045645	4/14/2014	x	x	x	x	Hsieh	I-Ying	Taiwan
20	GU13095338	4/1/2014	x			x	Hsu	Chun-Pin	Taiwan
21	GU14045632	4/7/2014	x	x	x	x	Hu	Guei-Hau	Taiwan
22	Initial	4/25/2014			x		Hussein	Anwar	U.A.E.
23	GU13035081	4/3/2014				x	Ikeda	Kana	Japan
24	GU11054277	4/3/2014	x			x	Iritani	Koichi	Japan
25	GU14045634	4/7/2014		x	x		Isoe	Tomoko	HI
26	GU14045648	4/16/2014			x	x	Iyer	Krishnakumar	U.A.E.
27	GU13105382	4/29/2014		x	x		Kamiya	Kazumasa	Japan
28	GU13125437	4/11/2014		x			Kaneshiki	Yuta	Japan
29	GU14045654	4/14/2014		x	x		Kang	Yunyi	NJ
30	GU13065187	4/28/2014	x			x	Kawai	Yuri	CA
31	GU14045629	4/3/2014		x			Kera	Erika	Japan
32	GU13014995	4/25/2014				x	Kinoshita	Tomohiko	Japan
33	GU14045638	4/9/2014			x		Kobayashi	Shigekazu	Japan
34	GU13055151	4/24/2014	x				Kobayashi	Shinichi	Japan
35	GU11094385	4/3/2014	x	x	x	x	Kobune	Yukari	Japan
36	GU13095318	4/30/2014			x		Kung	Hsiang-Hsuan	TX
37	GU14045665	4/22/2014	x	x	x	x	Kuo	Kan-Ying	China
38	GU13095336	4/21/2014	x	x	x	x	Kurimoto	Shigekazu	Japan
39	GU13025023	4/21/2014	x	x			Liao	Yi-Wen	Taiwan
40	GU14045646	4/14/2014	x	x	x	x	Lin	Cheng-Yu	Taiwan
41	GU14045647	4/14/2014	x	x	x	x	Lin	Ta-Hsiang	NY
42	GU14045651	4/22/2014	x	x	x	x	Lin	Yen-Ju	Taiwan
43	GU13105396	4/22/2014	x			x	Lin	Yu	IL
44	GU13035084	4/21/2014				x	Liu	Yisha	China
45	GU13105385	4/8/2014	x	x			Liu	Yunwei	IL
46	GU13085267	4/7/2014	x	x			Lu	Jiangjiang	NJ
47	GU13075240	4/7/2014	x			x	Ma	Jingchun	NJ
48	GU14045653	4/15/2014			x		Majrashi	Abdullah	Saudi Arabia
49	GU14045637	4/9/2014	x				Matsumura	Yohei	Japan
50	GU14045666	4/2/2014		x	x		Ogahara	Katsushi	Japan
51	GU12024582	4/28/2014				x	Ohara	Junko	Japan
52	GU11084361	4/25/2014		x			Ohashi	Takamitsu	Japan
53	GU14045628	4/3/2014		x	x		Okada	Yutaka	Japan
54	GU13095351	4/9/2014	x				Okunuki	Kunio	Japan
55	GU13095359	4/10/2014				x	Paik	Seung Hyun	CA
56	GU13095311	4/8/2014	x	x			Puguon	Rommel	GU
57	GU12074747	4/15/2014				x	Ryu	Mihoko	Japan
58	GU12064729	4/7/2014		x	x		Sakaguchi	Miki	Japan
59	GU13105397	4/24/2014		x	x		Sakai	Masatsugu	NY
60	GU14045668	4/30/2014		x			Sano	Kengo	Japan
61	GU14045667	4/30/2014			x	x	Sato	Kenji	Japan
62	GU14045623	4/2/2014	x	x	x	x	Senoo	Kazuho	Japan
63	GU12104881	4/21/2014			x		Shah	Samir	U.A.E.
64	Initial	4/22/2014	x	x	x	x	Shen	Wei-Ju	Taiwan
65	GU13075246	4/7/2014		x		x	Shimokawa	Eisuke	Singapore
66	GU12084782	4/2/2014			x		Shiotsu	Takahiro	Japan
67	Initial	4/8/2014	x	x	x	x	Su	Wei-Chun	Taiwan
68	Initial	4/17/2014	x	x	x	x	Su	Yi-Lin	TX

69	GU13095329	4/11/2014			x		Sugiura	Yusuke	NY
70	GU11084362	4/10/2014			x		Suto	Fumio	Japan
71	GU14045661	4/24/2014			x		Takeshima	Masahiko	Japan
72	GU12044646	4/3/2014		x			Takimoto	Daisuke	Japan
73	GU14045635	4/8/2014	x		x		Tatsuwaki	Kazuki	Japan
74	GU13025022	4/10/2014		x	x		Tochio	Mayumi	Japan
75	GU11114459	4/25/2014			x		Tsujihara	Toru	Japan
76	GU13115407	4/2/2014				x	Tsuruoka	Kazuhiko	Japan
77	GU11104415	4/11/2014			x		Uemura	Kenji	Japan
78	GU13075245	4/30/2014	x	x	x	x	Wu	Tian	IL
79	GU13025041	4/9/2014		x		x	Wu	Ya-Chun	Taiwan
80	GU14045662	4/28/2014		x	x		Xu	Siyuan	China
81	GU10084102	4/16/2014	x		x	x	Xue	Lan	CA
82	GU14045650	4/17/2014		x	x		Yamada	Yuya	Australia
83	GU14045622	4/2/2014	x	x	x	x	Yang	Yi-Hua	NY
84	GU11084370	4/11/2014			x		Yonezawa	Akiko	CA
85	Initial	4/4/2014	x	x	x	x	Zhao	Qingyuan	China
86	GU14015485	4/17/2014	x			x	Zheng	Siyu	TX
Total by Section			40	50	54	38			

Ralia Mendiola-Gogue

From: alaa salama <alaasalama2005@gmail.com>
Sent: Wednesday, May 07, 2014 4:25 AM
To: support@guamboa.org; execdir@guamboa.org; admin@guamboa.org; exammgr@guamboa.org; guamboa@guamboa.org; licensing@guamboa.org
Subject: Fwd: Fw: Extension of NTS dates
Attachments: 201406111427.jpg

Dear Mrs. Gogue,

I trust you are fine.

Please find attached medical reports indicates that I was staying with my wife during the surgery.

Thanks and kind regards

Alaa Salama

From: Ralia Mendiola-Gogue <exammgr@guamboa.org>
To: 'alaa salama' <alaasalama2005@yahoo.com>
Sent: Wednesday, April 30, 2014 1:43 AM
Subject: RE: Extension of NTS expiration date

Mr. Salama,

You must provide proof from her doctor that you where her primary care taker and the extent of her surgery. I must present this before the board to see if they will approve your extension.

Regards,

Mrs.Ralia Mendiola-Gogue

Exam Manager
335 S. Marine Corps Dr. Ste.101
Tamuning, GU 96931
671-647-0813 ext.605
Fax: 671-647-0816
exammgr@guamboa.org
admin@guamboa.org

From: alaa salama [mailto:alaasalama2005@yahoo.com]
Sent: Monday, April 28, 2014 4:34 PM
To: Jessica Reyes; exammgr@guamboa.org; admin@guamboa.org
Subject: Extension of NTS expiration date

Dear Sirs,
I hope you are fine.

I have been experiencing unexpected personal circumstances (surgery operation to my wife) which destroyed my study plan completely.

On the other hand my NTS's 6-month duration was being consumed and I could not be able to prepare for the exams especially I applied for two parts.

So, I'm sending this email with great hope that you'll help me by extending my NTS expiration date for BEC **only** (# 5324108) for **three weeks** only i.e. to expire in **07-07-2014** to be able to enter the exam in July.

Thanks and kind regards

Alaa Salama

Arleen E Gay

From: alaa salama <alaasalama2005@gmail.com>
Sent: Saturday, May 03, 2014 5:01 AM
To: support@guamboa.org; exammgr@guamboa.org; execdir@guamboa.org; admin@guamboa.org; licensing@guamboa.org; guamboa@guamboa.org
Subject: Fwd: Fw: Extension of NTS dates
Attachments: 20140212_204843.jpg; United Doctors.jpg; Residence ID.pdf

Dear Sirs,

I tried to send this email so many times but every time I receive this message : "The e-mail message could not be delivered because the user's mailfolder is full"

Thanks and kind regards
Alaa Salama

----- Forwarded message -----

From: **alaa salama** <alaasalama2005@gmail.com>
Date: Fri, May 2, 2014 at 10:44 AM
Subject: Fwd: Fw: Extension of NTS dates
To: exammgr@guamboa.org, admin@guamboa.org

Dear Mrs. Gogue,

I trust you are fine.

As you know I'm Egyptian but I moved to live in Saudi Arabia with my family so I'm the only breadwinner to them here (attached residence ID and driving license copy)
Also I attached all medical reports related to this surgery to prove the following :

1. Doctors discovered the problem in the beginning of February-2014.
2. We left the hospital after surgery at 26-March-2014
3. I was responsible for my family's affairs during my wife's followup and Convalescence period because we are not at home.

I hope these clarifications and attachments be enough to persuade the board to approve my NTS extension.

Thanks and kind regards

Alaa Salama

From: Ralia Mendiola-Gogue <exammgr@guamboa.org>
To: 'alaa salama' <alaasalama2005@yahoo.com>
Sent: Wednesday, April 30, 2014 1:43 AM
Subject: RE: Extension of NTS expiration date

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You must provide proof from her doctor that you were her primary care taker and the extent of her surgery.
I must present this before the board to see if they will approve your extension.
Regards,

Mrs. Ralia Mendiola-Gogue

Exam Manager
335 S. Marine Corps Dr. Ste.101
Tamuning, GU 96931
671-647-0813 ext.605
Fax: 671-647-0816
exammgr@guamboa.org
admin@guamboa.org

From: alaa salama [mailto:alaasalama2005@yahoo.com]
Sent: Monday, April 28, 2014 4:34 PM
To: Jessica Reyes; exammgr@guamboa.org; admin@guamboa.org
Subject: Extension of NTS expiration date

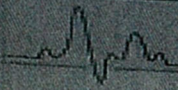
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So, I'm sending this email with great hope that you'll help me by extending my NTS expiration date for BEC **only** (# 5324108) for **three weeks** only i.e. to expire in **07-07-2014** to be able to enter the exam in July.

Thanks and kind regards
Alaa Salama



FILE NO. : 122337 Patient Name : ASMA MUSTAFA MAHMOUD Request : 06/02/2014 07:51:00 م
 ID NO. : Doctor Name : *HAMDY ABDELSATAR* Specimen : 0.00
 Sex: : Female COMPANY : BUPA/SADS Test Date :
 Age : 33 Years Room Num : Result Date : 08/02/2014 05:37:00 م
 Trans Num: : 8140 Trans Type : OR

COMPLETE URINE ANALYSIS

Test Name	Result	Expected Value
<u>Physical Examination</u>		
Colour	YELLOW	
Aspect	CLEAR	
Reaction	ACIDIC	
PH	6.0	
Sp. Gravity	1.025	1.015 - 1.025
<u>Chemical Examination</u>		
Sugar	NIL	-- NIL
Ketone Bodies	NIL	-- NIL
Bilirubin	NIL	-- NIL
Urobilinogen	NORMAL	-- NORMAL
Nitrites	NEGATIVE	-- NEGATIVE
Protein	NIL	-- NIL
<u>Microscopic Examination</u>		
Pus Cells / HPF	2-3	0 - 1
RBCs / HPF	1-3	
Epithelial cells	+	
Casts /LPF	NIL	-- NIL
Crystals	NIL	
Amorphous	NIL	
Bacteria	NIL	
Others	-----	

Remarks

Technician

Clinical Pathologist



Report Date : 06-May-2014

Page No. : 1
Report No. : 250141

REPORT FOR PATIENT DISCHARGE

Patient Name : ASMAA MUSTAFA MAHMOUD SALEH Sex : Female
Patient File No. : 464798 Age (years) : 32
Physician : DR. FATMA ELNEMR
Department : OB/GYNE
Admission No : 152218
Room No. : 428
Date of Admission : 23-Mar-2014
Date of Discharge : 26-Mar-2014

Final Diagnosis : Right ovarian cyst + Dermoid cyst
Medication/Procedure : Unilateral ovarian cystectomy
Date of OPD : After 1 week
Sick Leave : Husband, Mr. Alaa Mohammad Ali Salama stayed with the patient during hospitalization

Signature

DR. FATMA ELNEMR
OBSTETRIC & GYNECOLOGY



Handwritten signature of Dr. Fatma Elnemr over a rectangular stamp that reads 'Dr. Emman Hussein Omar OB-GYNE'.

Financial Clearance

Patient Name : ASMAA MUSTAFA MAHMOUD SALEH Patient File Number : 464798
Room Number : 428 / 428 NORTH FIRST CLASS Admission Number : 152218
Discharged By : MOSTAFA JAAFER
Discharge Date : 26-Mar-2014 Discharge Time : 9:00:00 AM

Note :

- 1 - If The Patient is a child or disoriented adult, Please Inform The Patient Relation Officer to Make sure that the patient is received officially by his parents or substitute decision maker.
- 2 - The Patient is Financially Cleared, No Service to be given after issue of financial clearance.

Printed By : MOSTAFA JAAFER

Print Date & Time : 26-Mar-2014 9:05:32 AM

	Name of Applicant	Application for	Employer/period	Schools Attended	Experience	U.S. CPA Verifying Jurisdiction Status	Other licenses held	Recommendation
1	Mr. Keric R. Chang Hawaii	Init Cert LTP Active - Attest SE	Ernst & Young Hawaii				Hawaii - current and in good standing	Approval
2.	Mr. Hon Him Cheang Macao, China	Init Cert LTP Active - Attest	Baker Tilly Macao CPAs 5/2013 to present Espirir Macao Comm 1/2013 to 5/2013 CSC & Associates 12/2007 to 1/2013	Fu Dan University BA Keiser University	100% Audit/Attest Services	Yue Chen Hawaii Good Standing	None	Approval
3	Ms. Hsi-Nien Lin Hershey, PA	Init Cert LTP Active - Attest	The Hershey Company 6/2013 to present Deloitte & Touche Taiwan 9/2006 to 5/2011	Natl Taiwan University BBA Indiana University MBA	90% Audit/Attest Serv 10% Tax/Tax Advis Serv	Sheau-Chi Wang Florida Good Standing	None	Approval
4	Ms. Fei Deng Beijing, China	Init Cert LTP Active - Non Attest	Capita Malls Asian Ltd 10/2013 to present KPMG Huija Zhen 6/2011 to 10/2013	Heizhong Univ BA Univ of Findlay MBA Cleveland State Univ - MA Acct	100% Audit/Attest Serv	Yu Duan Maine Good Standing	None	Approval
5	Mr. Nelson Z. Li Arcadia, CA	Init Cert LTP Active- Non Attest	Paisson Corporation 5/1998 to present	Pasadena City College AA Univ of Calif Irvine BS UCLA MBA Devry Univ	10% Acct Services 10% Financial Serv 40% Consulting Skills 40% Mgmt Advis Skill	Robert Moretti Virginia Good Standing	None	Approval
6	Mr. Hideyuki Miyazaki Tokyo, Japan	Init Cert LTP Active - Non Attest	The Tokyo Star Bank 3/2012 to 3/2014 Mizuho Bank Ltd 4/2006 to 2/2012	Waseda University BA Cal State East Bay	100% Financial Advis Serv	Toyoaki Miwa Guam Good Standing	None	Approval
7	Mr. Ryo Nagaike Japan	Init Cert LTP-Active Non Attest	Duff & Phelps K.K. 11/2011 to 3/2014 Ito Chee Corp 4/2005 to 10/2011	Waseda Univ Ba Cal State East Bay	100% Financial Services	Toyoaki Miwa Guam Good Standing	None	Approval
8	Ms. Yi-Hui Chiu Taiwan	Init Cert LTP-Inactive	Horiba Taiwan Inc. 8/2013 to present HAVI Logistics Co. 6/2010 to 10/2012 Volvo Cars Taiwan 8/2007 to 5/2010	Sterling Univ MBA			None	Approval
9	Mr. Mahmoud Saad Elsayed Effayoumy UAE	Init Cert LTP-Inactive	Al Naboadah National Contracting Group 5/2006 to present	Mansoura Univ BA			None	Approval
10	Mr. Raafat E.R. Hashem	Init Cert LTP - Inactive	Kuwait Intl Bank 8/2012 to present Klean Rite Co. 1/2009 to 8/2012	Ain Shams Univ BA			None	Approve
11	Ms. Shih-Yuan Ruan Taiwan	Init Cert LTP - Inactive	Raritan Int'l B.V. Taiwan Br. 10/2012 to 1/2013 Intemax Tech Center Corp 7/2011 to 6/2012 Camfil Farr - Taiwan 3/2010 to 7/2011	Natl Taiwan Univ of Science & Tech BA Natl Kaoshung Univ AA			None	Approval
12	Mr. Hardeep Singh Soni UAE	Init Cert LTP-Inactive	Al Ishaan Trading 4/2012 to present MSM India Ltd 1/2012 to 3/2012 UTStarcom India 6/2008 to 9/2011	Delhi Univ BA Inst of Chartered Accts Of India			None	Approval
13	Ms. Yu-Ting Tsai Taiwan	Init Cert LTP-Inactive	Ernst & Young 12/2013 to present	Natl Taipei Univ BA			None	Approval

Arleen E Gay

From: Dave Sanford <daves@stgg Guam.com>
Sent: Tuesday, May 06, 2014 2:46 PM
To: 'Arleen E Gay'; 'Michele B. Santos '
Subject: FW: NASBA CAC release of Report on NPRC
Attachments: NPRC Oversight Report 2012-2013 and Cover Letter.pdf

ARLEEN – please include in next board meeting package. Thanks! dave

From: Leona Johnson [mailto:ljohnson@nasba.org]
Sent: Tuesday, May 06, 2014 7:34 AM
Subject: NASBA CAC release of Report on NPRC

Good Afternoon Board of Accountancy Executive Directors and PROC Chairs,

NASBA's Compliance Assurance Committee (CAC) has released the 2011-2013 Report on Oversight of the National Peer Review Committee (NPRC) of the AICPA Peer Review Program. The report is attached herein for your review and is also available from the NASBA.org [PROC Resources](#) website. Please share this report with the members of your Board as well as the members of your Peer Review Oversight Committee.

Kind regards,
Leona Johnson, MBA, CPS, DTM
Accountancy Licensing Library (ALL) Manager
Compliance Assurance Committee (CAC) Liaison

National Association of State Boards of Accountancy (NASBA)
150 Fourth Avenue North Suite 700
Nashville, TN 37219

Phone and Fax: [615.312.3813](tel:615.312.3813)
Toll-Free/Alternate Phone: 866-MY-NASBA
Email: ljohnson@nasba.org
www.nasba.org

Our Mission: Enhance the effectiveness and advance the common interests of the Boards of Accountancy

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National Association of State Boards of Accountancy

◆ 150 Fourth Avenue, North ◆ Suite 700 ◆ Nashville, TN 37219-2417 ◆ Tel 615.880.4200 ◆ Fax 615.880.4290 ◆ www.nasba.org ◆

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,

A handwritten signature in black ink that reads "Janice L. Gray".

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

Arleen E Gay

From: Dave Sanford <daves@stgguam.com>
Sent: Monday, May 05, 2014 6:22 PM
To: 'Arleen E Gay'
Cc: 'Michele B. Santos '
Subject: RE: NASBA Quarterly Communications Bundle
Attachments: NASBA Comms Bundle 2014Q2.pdf

ALREEN - please include in next board meeting package. Thanks! Dave

-----Original Message-----

From: Denise Flagg [mailto:dflagg@nasba.org]
Sent: Saturday, May 03, 2014 2:34 AM
To: Denise Flagg
Subject: FW: NASBA Quarterly Communications Bundle

From: Louise Haberman
Sent: Friday, May 02, 2014 11:08 AM
Subject: NASBA Quarterly Communications Bundle

TO: State Board Members, Executive Directors, NASBA Board of Directors and NASBA Staff Directors
RE: Quarterly Communications Bundles

Attached you will find: Cover note; Highlights of April NASBA Board meeting; Approved minutes of January NASBA Board meeting; and the Regional Directors' Focus Question response compilation and executive summary. We hope you find these documents informative and helpful.

Louise Dratler Haberman
Vice President - Information & Research
National Association of State Boards of Accountancy
12 East 49th Street, New York, NY 10017
(212)644-6469
lhaberman@nasba.org<mailto:lhaberman@nasba.org>

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. Reising, 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.

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. ← Most all are only concerned if licensees are in their jurisdiction

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. ← A few concerned as we are that changes are a step backward

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.

4/21/14

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.

GUAM BOARD OF ACCOUNTANCY
FY2014 Revenue, Expense and Fund Balance Summary w/History and FY2014 Budget
 (Modified Accrual Basis: updated 5/14/14 mbs/dns)

BUDGET CATEGORY Description	NOTES	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Actual YTD 4/30/2014	FY2014 Approved Budget
REVENUES SUMMARY							
Exam Application Fees		40,776	26,875	66,976	79,050	44,500	60,000
Guam Computer Test Center Administration Fees		762,150	531,315	402,985	391,490	222,970	306,000
Certification Fees		39,550	29,250	42,875	49,200	27,525	35,000
Individual Licensing Fees		37,050	48,250	72,425	87,100	42,900	69,000
Firm Licensing Fees		4,000	3,000	4,025	3,800	2,350	4,000
Penalties/Miscellaneous Fees/Interest		4,605	5,147	8,840	10,590	4,239	0
TOTAL REVENUES		888,131	643,837	598,126	621,230	344,484	474,000
220 Travel		0	0	0	0	0	0
230 Contractual							
Administrative Services Contract		275,038	270,135	272,707	274,867	161,951	285,000
Legal Services Contract		0	0	0	0	0	0
Copier Services		5,811	5,874	5,529	5,920	3,422	6,500
Education & Testing		0	0	15,255	0	0	45,000
Others (Publications, Dues, etc.)		14,269	15,068	14,392	22,100	0	16,000
Web/Database development & maintenance		0	0	0	375	0	15,000
233 Office Space		23,868	23,868	23,868	23,868	13,923	25,000
240 Supplies		6,889	9,610	8,603	10,174	4,871	7,500
250 Small Equipment		376	511	2,689	2,907	0	5,000
290 Miscellaneous							
Bank Charges		30	0	2,322	4,784	2,376	3,600
Postage		10,600	10,140	12,466	11,990	6,622	14,000
Training		580	0	50	50	0	4,000
Notices/Compliance Investigations/Others		1,348	1,234	1,978	2,691	294	0
363 Telephone Services		0	0	0	0	0	0
450 Capitalized Equipment		0	0	0	0	0	0
TOTAL EXPENDITURES	(2)	338,809	336,439	359,858	359,726	193,458	426,600
NET EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES		549,323	307,398	238,268	261,505	151,026	47,400
FUND BALANCE:							
Beginning	(1)	1,062,615	1,611,938	1,919,336	1,157,604	1,419,109	1,419,109
UOG Appropriation Paid (per PL 31-77)				(1,000,000)			
Ending		1,611,938	1,919,336	1,157,604	1,419,109	1,570,135	1,466,509
Consisting of:							
Cash - Bank of Guam (established FY2008)		1,582,267	672,088	93,292	344,918	1,063,160	
Cash - Time Certificates of Deposit		0	1,251,002	1,053,501	1,055,496	501,505	
Accounts Receivable-NASBA		54,450	36,190	32,945	50,765	32,340	
Accounts Payable		(24,779)	(39,944)	(22,134)	(32,044)	(26,870)	
Restricted Fund Balance		0	0	0	1,069,000	1,039,000	
Unrestricted Fund Balance		1,611,938	1,919,336	1,157,604	350,135	531,135	

NOTES:

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

(2) During FY2014-Oct the Board paid \$33,309 of prior year obligations, shown as FY2013 expenditures. There are no outstanding prior year encumbrances as of 11/30/2013.

GCTC CPA Exam - PAID Events (CY2014 Average 1.8 events per candidate)

