

State Board Relevance and Effectiveness

NASBA Regional Meeting - June 2011
Ray Johnson and Rick Sweeney - Western
Bucky Glover and Mike Barham - Eastern

Restatement of Goals

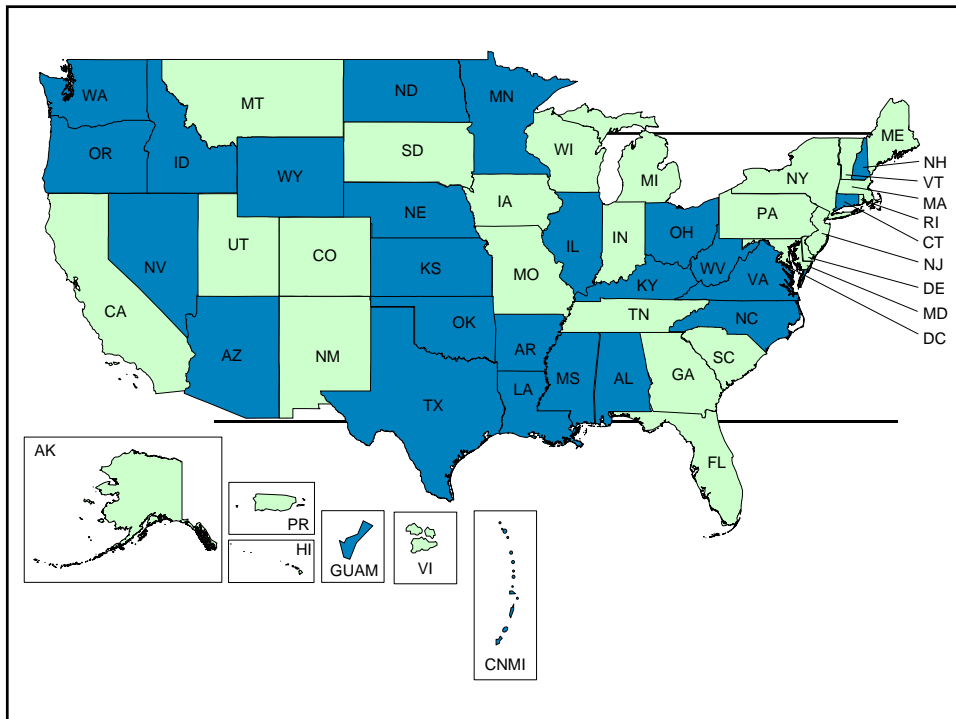
- Previous goal was to draft a position paper and a legislative template as a model for State Board autonomy
 - Accomplished
 - Adopted and Accepted by NASBA Board of Directors in October 2010
 - See NASBA website for copy
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New Goals – Plainly Stated

Retain and Increase the number of State Boards operating on an independent basis.

But to be relevant we must also be sure:

The consumer **knows us** and our **public protection role**.



What Does “Independence” Mean?

- Ability to:
 - Control the qualification & licensing process
 - Promulgate rules/regulations over licensees
 - Maintain competency standards
 - CPE
 - Peer review
 - Enforce rules/regulations
 - Operate Board effectively

Why Independence?

- CPA practice covers a multitude of services:
 - Requires specific knowledge of complex business matters
 - Ability to react quickly to protect the public
 - Ability to hire or employ investigators
 - Ability to make reactive rule changes.

Accomplishing the Goal of Independence

- The SBREC/NASBA is developing and implementing a three-pronged strategy to begin the change process:
 - Code name ***EPA***
 - ***Educate***
 - ***Promote***
 - ***Assist***
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Educate

- 4 groups need to be educated
 - Legislators
 - The public – consumers & third-party users
 - State Society Executives and Boards
 - State Boards
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Informing the Legislators

- **Every legislator, Every year**
 - What is the purpose of the State Board?
 - The role we serve to protect consumers and the free capital systems
 - The cases reviewed, how they were settled
 - How to contact us when there is a question or a problem CPA
 - Number of licensees and exam applicants
 - What you can expect from the Board
 - NASBA to provide an adaptable template to every State Board to communicate with legislators

Letting the public know

- The benefits of informing the public
 - Public doesn't complain to representative!
 - Legislatures know we are here & we are effective
 - No need to interfere
- NASBA is exploring possibilities of a national campaign to market the role of State Boards in protecting the public and financial reporting

State Boards and State Societies

- State Societies and the AICPA help to increase the Individual Value of the CPA
- The Franchise Value of being a CPA comes from the State Board through its public protection activities

State Societies

- Meet with State Society leadership
- Build relationships with State Societies
- Boards and State Societies must work together to achieve effective legislation

What you can expect from NASBA

- Provide speakers to State Boards upon request
- Provide Boards with “tool boxes”
- Assemble resources, other state reports/studies
- Assist with drafting documents
- Facilitate meetings between State Boards and State Societies

Assistance to gain support of State Society

NASBA can help with

- Developing methods for winning the support of Societies
- Setting up meetings with Society Boards
 - Agendas for joint Board/Society meetings
 - NASBA and SBREC facilitators
 - Explaining the process to achieve conversion
 - Mapping out why independence will benefit them
 - Templates for budgets, drafting of bills

What We Need From You

- Adopt the concept of independence
 - Become proactive about independence
- Inform legislators and citizens about your role
- Ask NASBA for help – others have been through the process
- Even if you are independent, adopt these concepts to protect your independence!

What We Need From You

- Make friends with your state society
 - Agree to agree; agree to disagree
 - We need their help to sway legislators
 - Consider joint task forces to study issues
- Tell us if you are ready to convert or in jeopardy of being converged
 - Key contacts
 - Analysis of situation
 - Timing

Conclusions

- Can only happen at the Grass Roots level
- Like mobility, it will take time but is worth the effort
- Get others to support the cause
 - Mobilize CPA's in your state
- *Get the process started immediately*
- Call for assistance today!

Discussion and Questions