



Alabama State Board of Public Accountancy

UPCOMING CPE RULE CHANGES

The Alabama State Board of Public Accountancy has reviewed the CPE Rules that are currently in place and approved some significant changes and updates in CPE requirements. The changes are extensive and are outlined in detail below. **A few notable changes include the addition of a 2-hour ethics course, elimination of the self-study limitation, and the addition of nano-learning.** Please review this guide carefully so that you are aware of all that is new in CPE. If you have any questions about these changes, please contact Nicole Robinson at the state Board office.

Most importantly, please note that these changes will be effective on October 1, 2019. This means that the CPE you report on your 2019-2020 Registration form, which is earned from October 1, 2018 through September 30, 2019 must follow the **current** CPE Rules in place. Beginning October 1, 2019, all active CPAs, PAs and NLOs will follow the **new CPE Rules** outlined below. These new CPE Rules must be reflected in CPE earned from October 1, 2019 through September 30, 2020, which will be reported on the 2020-2021 Registration Form.

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RULE REFERENCE	OVERVIEW OF CHANGE	RULE DETAIL
30-X-5-.02(1)(a)	Clarification of software courses qualifying for A&A	At least eight of the forty hours reported must be obtained in the subject of accounting and auditing. Computer software and applications courses dealing with the general use of software will not qualify for accounting and auditing CPE; although, software courses that focus on the application of the software in accounting or audit will qualify as accounting and auditing CPE
30-X-5-.02(1)(b)	Addition of 2 hours of ethics CPE	At least 2 hours must be earned in a qualifying ethics course

(Continued on page 2)

Contents

- Upcoming CPE Rule Changes 1
- Online Exam Applications 1
- Top Five Violations 4
- Upcoming Board Meetings 5
- Spotlight on Education 5
- Disciplinary Actions 6
- Board Of Accountancy Members 7
- Board Of Accountancy Staff 7

Online Exam Applications for New Exam Candidates

New exam candidates will soon be able to submit an on-line application to take the CPA exam. This will only be available to new candidates. Current exam candidates who have already applied must continue to use the paper forms. Once available, instructions will be posted on our website. Please contact Anna Baker for questions regarding the process at anna.baker@asbpa.alabama.gov.

UPCOMING CPE RULE CHANGES (continued from page 1)

RULE REFERENCE	OVERVIEW OF CHANGE	RULE DETAIL
30-X-5-.02(1)(c)	Expanding/clarifying the definition of behavioral/personal development CPE, maximum hours increased from 8 to 12.	The Board will accept a maximum of twelve hours of the forty in behavioral/personal development courses. CPE classified as behavioral/personal development center on workplace behaviors, including but not limited to time management, leadership, team building, goal setting, and other soft skills related to working in an office or professional setting
30-X-5-.02(3)	Catch-up CPE for those who have previously been actively licensed; change in make-up of catch-up CPE from 50% A&A and 25% tax to 20% A&A.	If a CPA or PA who has been licensed previously (active status) and who has since elected any status other than active wishes to return to active status, he shall make application to the Board for an annual permit to practice with proof that he has obtained forty (40) hours of continuing professional education (CPE) for each year that he was not on active status, not to exceed a total of 120 hours of CPE. Twenty percent of the hours submitted to the Board must be obtained in accounting and auditing courses, and all of the hours must be obtained during the three-year period preceding the date of request for an annual permit to practice. Upon satisfaction of the Board that the applicant has completed the above requirement, the Board shall issue him a permit to practice and transfer him to active status
30-X-5-.02(4)	Catch-up CPE for those who have never been actively licensed; change in make-up of catch-up CPE, up to 120 hours with 20% A&A.	If a licensee has never elected active status, has elected inactive status for more than five years, and wishes to enter the practice of public accountancy, he shall make application to the Board for an annual permit to practice with proof that he has obtained forty (40) hours of continuing professional education (CPE) for each year that he was on inactive status, not to exceed a total of 120 hours of CPE. Twenty percent of the hours submitted to the Board must be obtained in accounting and auditing courses, and all of the hours must be obtained during the three-year period preceding the date of request for an annual permit to practice. Upon satisfaction of the Board that the applicant has completed the above requirement, the Board shall issue him a permit to practice and transfer him to active status
30-X-5-.03	Chart detailing calculation of credit for various delivery methods	SEE CHART ON PAGE 4
30-X-5-.03(a)	Addition of 1/5 increment level after earning credit minimum	Credit will be given based on program length, with one fifty (50)minute period equal to one CPE hour. One-fifth CPE hour increments (equal to 10 minutes) and one-half CPE hour increments (equal to 25 minutes) are permitted after the first CPE hour has been earned in a given learning activity for all delivery methods, except nano-learning, which is always only one-fifth credit in length. The minimum allowable credit for self-study CPE is one-half hour (25 minutes). For group and blended learning activities in which individual segments are less than 50 minutes, the sum of the segments should be considered one total program. For example, five 30-minute presentations would equal 150 minutes and should be counted as three CPE hours. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 10, the CPE hours granted should be rounded down to the nearest onefifth hour

(Continued on page 3)



UPCOMING CPE RULE CHANGES (continued from page 2)

RULE REFERENCE	OVERVIEW OF CHANGE	RULE DETAIL
30-X-5-.03(b)	Addition of 1/2 credit minimum for self-study and 1/5 credit for nano-learning; Clarification of six hours course equal to 8 hours of CPE	In order to qualify, a group and blended learning program must be at least one hour (fifty-minute period) in length, a self-study program must be at least one-half hour (twenty-five minutes) in length, and a nano-learning program must be at least one-fifth hour (ten minutes) in length. Eight hours credit will be granted for a oneday or splitday session or program, provided the course or program, exclusive of the time taken by introductions, announcements or other activity which may be a part of the program, is in actual session at least six clock hours (360 minutes)
30-X-5-.03(d)	Addition of instructor/developer for credit and not just instructor	The credit to be granted for service as a lecturer, instructor/ developer or discussion leader of an acceptable program will be equal to twice the number of actual hours of the lecture or session. However, no additional credit will be allowed for repetition of a program
30-X-5-.04(3)(b)	Removes prior 8-hour cap on technical sessions & clarifies that only instructional portion may qualify	Educational portions of technical sessions at meetings of recognized national and state accounting organizations and their chapters. Portions of each meeting devoted to administrative and other organizational matters cannot be included.
30-X-5-.04(3)(c)	Addition of technical committee sessions for credit	Participation and work on a technical committee of an international, national or state professional association, council or member organization or a governmental entity that supports professional services or industries that require unique and specific knowledge in technical fields of study. Portions of each meeting devoted to administrative and other organizational matters cannot be included
30-X-5-.04(3)(h)	Clarifies the requirements for group internet-based to be live webinars that provide for real-time interaction with instructors	Group internetbased education programs (live webinars) that provide for real-time interaction with the instructors.
30-X-5-.04(4)(a)	Clarification of on-demand webinars as self-study CPE & additional language requiring a qualified assessment for self-study; Removes the cap on the number of hours that can be earned through self-study	Formal self-study programs (including internetbased non-interactive programs and on-demand webinars). Permit holders claiming credit for such courses will be required to obtain evidence of satisfactory completion of the course from the sponsor. Credit will be allowed in the renewal period in which the course is completed. The Board will not approve any program of learning that does not offer sufficient evidence that the work has actually been accomplished. The amount of credit to be allowed in each case shall be determined by the Board. A qualified assessment must be used to evaluate completion before credit is allowed.
30-X-5-.04(4)(b)	Change in percentage of credit allowed for authorship from 25% to 50%	Credit may be allowed for published articles and books provided they contribute to the professional competence of the permit holder. The amount of credit so awarded will be determined by the Board. Credit for preparation of such publications may be given on a selfdeclaration basis up to fifty percent of the renewal period requirement. In exceptional circumstances a permit holder may request additional credit by submitting the article(s) or book(s) to the Board with an explanation of the circumstances which he feels justify a greater credit

(Continued on page 4)



UPCOMING CPE RULE CHANGES (continued from page 3)

RULE REFERENCE	OVERVIEW OF CHANGE	RULE DETAIL
30-X-5-.04(4)(c)	Blended-learning defined	Credit may be allowed for formal learning activities in which multiple learning formats are incorporated. CPE credit must equal the sum of the CPE credit determination for the various components of the program. A qualified assessment must be used to evaluate completion of any self-study portions of the course before credit is allowed
30-X-5-.04(4)(d)	Nano Learning defined	Credit may be allowed for tutorial programs designed to permit a participant to learn a given subject in a 10-minute time frame through the use of electronic media and without interaction with a real-time instructor. A nano learning program focuses on a single learning objective and is not paper-based. A qualified assessment must be used to evaluate completion before credit is allowed. No more than twenty-five percent of the total required hours will be allowed for nano learning courses
30-X-5-.05(5)	Remove the requirement for other states to reciprocate CPE treatment; allows for full CPE reciprocity for our out of state CPAs	A nonresident licensee seeking renewal of an annual permit in this state shall be deemed to have met the CPE requirements of this state by meeting the CPE requirements for renewal of a certificate in the state in which the licensee's principal office is located. (a) Nonresident licensees applying for renewal of an annual permit in this state shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal office is located by signing a statement to that effect on the annual registration form of this state. (b) If a nonresident licensee's principal office state has no CPE requirements for renewal of a certificate, the nonresident licensee must comply with all the CPE requirements for renewal of an annual permit in this state.

CALCULATIONS OF HOURS OF CREDIT CHART UPCOMING CPE

Qualifying CPE Program	Minimum initial credit that must be earned	After first credit has been earned, credit may be earned in these increments
Group	One (50 minutes)	One-fifth or one-half
Blended learning	One (50 minutes)	One-fifth or one-half
Self-study	One-half (25 minutes)	One-fifth or one-half
Nano-learning	One-fifth (10 minutes)	Not applicable (single nano-learning program is one-fifth credit)



BOARD MEMBER SPOTLIGHT

Board member Michael Terry Comer has served as the Public Accountant member of the Board since October 2011. Beginning October 1, 2019, there will no longer be a Public Accountant member on the Board, and the Board will consist of six CPAs and one public member.

Terry has been in the practice of Public Accounting for over 40 years. He was employed by Gary Walters, Public Accountant, for the first 4 years of his career and has been self-employed for the past 36 years.

Terry graduated from Walker County High School in 1972 and went on to receive an Associate in Science Degree from Walker College and Bachelor of Business Administration Degree from the University of Montevallo.

Terry is a member of the Alabama Association of Accountants of which he is a past president of the Birmingham Chapter and past state president of the Alabama Association of Accountants. He is currently serving as the Treasurer of the Alabama Association of Accountants.

Terry has served as Assistant Treasurer of Northside Baptist Church for over 22 years and is currently on the Finance Committee for the Walker Baptist Association. He has been a presenter of tax and accounting matters to various organizations including being a presenter for the Auburn University Tax Practitioner Seminars.



Terry Comer

Terry has been a dedicated member of the Board, and he will be missed by Board members and Board staff alike. As Board Chair Earl Blackmon reflects, "Terry Comer has been great to serve with on the Board. As a new board member Terry was a great resource for me. Even now I know that he always comes prepared and has a great attitude. I have thoroughly enjoyed working with him. We certainly wish Terry the very best!"

TOP FIVE VIOLATIONS NOTED BY BOARD

1. Practicing public accountancy with a license status of inactive or retired.
 - a. The practice of public accountancy includes the completion of audits, review and compilations and includes but is not limited to, kinds of services involving the use of accounting or auditing skills, including issuance of reports on financial statements or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.
2. Licensees practicing public accountancy without a firm permit.
 - a. A licensee, if practicing public accountancy, must practice under a firm with a firm permit even if the licensee operates as a sole practitioner.
3. Licensees completing a financial statement based on requirements of the Alabama State Licensing Board for General Contractors (ASLBGC) and not enrolling in the Peer Review program. The ASLBGC only accepts the forms completed from an Audit, Review or Compilation. These reports are all subject to Peer Review.
4. CPAs that are located in Alabama practicing public accountancy or holding out as a CPA without obtaining a reciprocal Alabama certificate within 24 months of arriving in Alabama.
5. Inability to document reported CPE hours in a CPE audit.

UPCOMING BOARD MEETING DATES

September 20, 2019, 10:00am, The University of Alabama at Birmingham

NOTE: Board meetings are open to the public. Applicants, candidates, and licensees are encouraged to attend.



SPOTLIGHT ON EDUCATION

Amy B. Murphy retired from Auburn University on July 1, 2019 after serving 25 years as the Director of Graduate Programs. The impact she has had on accounting professionals across the state will ensure her legacy continues, even many years after her retirement.

Amy is responsible for many of the School of Accountancy's (SOA) initiatives and programs that make it what is today—highly awarded and nationally respected. She developed the SOA's formal internship program in 2000 and five online accounting programs over the past 18 years, leading the online MAcc Program to #6 by *U.S. News & World Report* in 2018 and developed the first online undergraduate degree program at Auburn University. In 2005, Amy pioneered a change to the MAcc curriculum allowing students to sit and pass the CPA Exam before graduation. This change has resulted in students achieving amazing pass rates and the program gaining national recognition. Amy established The SOA Connection, the alumni magazine, and served as editor for 18 years. She also developed the *Accounting Roadmap to Success*, the SOA's undergraduate recruiting and program guidance brochure. She served as Beta Alpha Psi and Financial Leadership Society faculty advisor for a decade and has taught Principles of Financial Accounting, Intermediate Accounting I, and Professional Development in Accountancy.

Amy graduated from Auburn University in 1988 with a Bachelor of Science in accounting and in 1992 with a Master of Accountancy. After finishing her undergraduate degree, Amy worked for Ernst & Young (EY) and served clients in the banking and healthcare industries. In 1991, she returned to Auburn for graduate school and to pursue a career in higher education. After finishing her graduate degree, Amy taught for one year and knew she had found her calling in life. In January 1994, she was named the Master of Accountancy Program Director.



Comments made by former students and employers consistently exemplify the influence Amy has had during her career.

"It was a pleasure to learn under Amy Murphy and work alongside her in my time at Auburn. I know that her passion for accounting and her students has been the driving force behind her success and have no doubt that the building blocks and her legacy will live on far beyond her teaching years. Auburn is a better place because of Amy!"

"The prevailing opinion of the students that I meet, is that one of Auburn's staff members, Amy Murphy, has been a significant influence on their success as a student, their decision to become an accounting professional, and their personal desire to excel, both in their academic undertakings, as well as their career. At first I was amazed that Amy's name kept recurring when I asked them to name the individual that has had the greatest influence on them at Auburn. But now, I anticipate their answer, and consistently, Amy is their overwhelming response."

Over the past 25 years, Amy has touched the lives of almost 1,400 Master of Accountancy students and countless undergraduate students. She instills in each student she meets that hard work and dedication produce results and that integrity is the foundation of the accounting profession.

Amy embodies the Auburn spirit and lives by the Auburn Creed. Throughout her tenure, her commitment to excellence was unwavering, and she always led with passion and excitement every single day inspiring her students to be the best they can be. Her commitment to Auburn University, the School of Accountancy, and the accounting profession has always been beyond the call of duty, and her legacy and contributions will live on for future generations of Auburn accounting alumni.



DISCIPLINARY ACTIONS

The facts of each case vary greatly and the Board's ruling is based on the merit of each case.

May 2019

Respondent: THOMAS L. MORRISON, CPA
CPA License: 1094
Violation: Failure to complete the requirements of the peer review program
Action: Suspended and an Administrative Fine of \$2,000

Respondent: PHILIP E. GABLE
CPA License: 2439
Violation: Failure to complete the requirements of the peer review program
Action: Revocation and an Administrative Fine of \$4,000

Respondent: CAROL MORRISON KERSTIENS
CPA License: 7106
Violation: Failure to complete the requirements of the peer review program
Action: Revocation and an Administrative Fine of \$4,000

July 2019

Respondent: MACAROY UNDERWOOD, CPA
CPA License: 7949
Violation: Prepared an audit that reflected a lack of due professional care, lack of sufficient relevant data obtained, lack of planning and a lack of compliance with GASB standards and misrepresented the audits completed by his firm to a town council.
Action: Censured and an Administrative Fine of \$4,000

Respondent: RANDELL G. NICHOLS
CPA License: 3763
Violation: Prepared 35 compilations that reflected a lack of due professional care, lack of sufficient relevant data obtained, lack of planning and a lack of compliance with GAAP, and was not enrolled in the Peer review program.
Action: Revocation and an Administrative Fine of \$5,000

Respondent: DANIEL O ANYANWU CPA
CPA License: 4925
Violation: Prepared a compilation that reflected a lack of due professional care, lack of sufficient relevant data obtained, lack of planning and a lack of compliance with GAAP.
Action: Censure and an Administrative Fine of \$4,000

July 2019 Failure to File for Annual Permit

Action: Revocation and an Administrative Fine of \$2,000

CPA/NLO License	Name
7234	CANDACE MCMILLIN CLEMENTS
9030	JEFFREY MCKAY FIELDS
11905-R	CHRISTOPHER JOHN GAUNT
3463	WILLIAM B GIBSON
7508	VIDMER GREER
6889	MARCUS BARTHOLOMEW HERRING
11096-R	MICHAEL VAL HIETTER
4861	ERIC E LARSON
9526	YING LEUNG
6859	TRENT COLLIN MAREK
11409-R	JOSEPH PATRICK MARTIN
7996-R	JAMES RUSSELL PERSONS II
8405	WENDOLYN DAVETTE PRINE
13005-R	JERROD CASEY RODDEN
12296	BRIAN GARRETT SHORT
12820	JONATHAN PAUL SPEEGLE
2446	CAROLINE D STROBEL
7780	KENNETH IRVIN TOBIAS JR
12525-R	KEVIN OSCAR TOTH
12966	RACHEL ANN WAGNER
3522-R	LINDA J WANDER
10260-R	STEWART T WILSON
7983	ANESSA BROWN WRIGHT

FIRM

7508	VIDMER GREER
10251	JOSEPH WHEELER
3463	WILLIAM B GIBSON

IMPORTANT INFORMATION!

The following information must be reported to the Board within 30 days of a change. Not reporting such information has led to missed communication and even revocation of CPAs and PAs. **It is the CPA's responsibility to notify the Board of:**

1. Change of address
2. Change of employer
3. Change of Resident Manager
4. Firm Opening or Closing



STATE BOARD OF ACCOUNTANCY MEMBERS



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Troy



Delbert Madison
Public Member
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Wilhelmus "Wim" J. Schaffers, CPA
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Hannah Campbell
Special Projects



Wesley Reid
Special Projects

