

Provide an explanation for why you believe or do not believe that the occupational regulations overseen by your board have been effective.

The Board was assigned Title 288 in the Nebraska Administrative Code (NAC) as the location for its properly promulgated rules under the authority of the Public Accountancy Act Section 1-112.

Board regulations continue to be effective as they cover the important requirements for a person to obtain and keep an Active Permit to Practice as a CPA. They include:

Education Requirements/ Chapter 9- Individuals seeking to become a CPA must complete a Bachelor's Degree from an accredited four-year institution and earn a total of 150 hours of post-secondary college credits (the 150-hour requirement).

In Nebraska, the curriculum components were developed by the Board's Education Advisory Committee (EAC) made up of several educators and CPAs under the authority of PAA Section 1-113. The Nebraska requirements list subject areas rather than specific courses. This approach was taken in the PAA and initial EAC to afford Nebraska post-secondary educational institutions great flexibility in implementing their unique curricula and in meeting their disparate missions and responsibilities. The EAC and Board did not wish to mandate a specific one-size-fits-all approach to these educational requirements.

The Uniform CPA Examination/ Chapter 6- The Uniform CPA Examination was developed one hundred years ago to assist State Boards in assessing the competency of candidates who aspire to be CPAs. The primary motivation of administering a uniform examination is to ensure there is a baseline level of technical knowledge that all successful candidates for CPA designation must possess, and therefore ultimately to protect the public interest.

Experience Requirement/ Chapter 7 - Nebraska uses a two-tier approach to licensing. The first step is successful completion of the examination requirements as noted above. Then a candidate must demonstrate to the Board that the experience requirement has been met. The experience component generally involves the practice of public accounting, but subsequent to the Nebraska legislature changes in 2013 alternative experience can satisfy this requirement.

Continuing Professional Education/ Chapter 8- An active permit holder (CPA) must complete 80 hours of approved CPE every two years to maintain and improve their existing skills and knowledge of the changing accounting environment. PAA Section 1-136.01 and NAC Title 288/ Chapter 8 require this education as a condition of continued licensure as an active CPA.

Rules of Professional Conduct- within Title 288/ Chapter 5 are promulgated by the Board to regulate the Nebraska CPA profession and to apply professional standards with which CPAs must comply while performing professional services. This most important function of the Board is supported by the Nebraska Attorney General's Office, the Board Attorney, and CPA experts engaged to review professional work.

Other regulations cover CPA firms that must meet ownership, office, and forms of practice located within Chapter 10 & 11.

What is the potential harm if this occupation is no longer licensed, certified, or regulated?

There are many direct and indirect benefits provided to the public by maintaining a strong regulatory oversight of the public accounting profession. Federal and state legislatures and regulatory bodies have requirements related to audited financial statements. The SEC requires that publicly-traded companies publish annual reports that contain audited financial statements. The Federal Department of Labor (DOL) mandates that the financial statements of retirement plans publish annual audited financial statements.

The State of Nebraska requires school districts, grain elevators, state and local municipalities, and other agencies to issue audited financial statements. All educational institutions require audited financial statements if they receive federal monies, such as public school systems, colleges and universities.

The economic impact is significant. More than 21 companies which are publicly-traded or registered with the SEC are headquartered in Nebraska and a large number of companies headquartered elsewhere also have major business ties to Nebraska. All of these companies issue financial statements that are audited by CPAs and CPA firms regulated by the Nebraska State Board of Public Accountancy.

Closely-held commercial and agricultural businesses also issue audited financial statements as part of their financing and compliance responsibilities.

The benefits of having CPAs provide a professional opinion on accounting and financial statements far outweigh those that would de-regulate the CPA profession. It is hard to estimate the potential harm to the Nebraska (and national) economy without the benefit of CPAs providing attestation services to corporations, businesses, banks, insurers, non-profit organizations, governments, and other entities. For over one hundred years, the bank lending industry, investors, government leaders, and others have relied on the "third party" independent

financial information provided by CPAs and CPA firms to deliver a financial picture of the entity.

CPAs also provide a variety of other professional services. These services include tax planning and compliance, business valuations, business process consulting, and information technology design and implementation, among others. Although these services are not specifically regulated by the PAA, when CPAs perform these services the Board can exert ethical and Code of Conduct standards to ensure that the CPA provider adheres to the high professional standards expected of CPAs.