Alabama State Board of Public Accountancy

2025
Annual Report

Alabama State Board of Public Accountancy

LETTER FROM THE BOARD CHAIR

Greetings from the Alabama State Board of Public Accountancy. It is my sincere honor and privilege to serve as Chair of the Board. Growing up in rural Franklin County Alabama, I dreamed of becoming a Certified Public Accountant but never imagined I would have the opportunity to serve as Chair of the Alabama State Board of Public Accountancy. For that opportunity I will be forever grateful.

This Board is made up of an incredible group of CPAs committed to protecting our profession and protecting the public, and I am thankful to be able to serve with each of them. It has been a pleasure working alongside our Executive Director, Boyd Busby, and his outstanding team. They all do an excellent job, and their support and dedication have made my role much easier. The work that Boyd and his staff do for Alabama CPAs is truly invaluable. Thanks to their support, we as a Board have been able to accomplish a great deal this year, and I'd like to take a moment to update you on some of the things we've been focused on.

As a Board, we recognize that the success of our profession depends on the quality of our members and those seeking to become CPAs. Throughout the past year, we have held board meetings on various college campuses across the state to engage with the next generation of certified public accountants. We always welcome—and encourage—students, faculty, and guests to attend our meetings. These meetings provide a valuable opportunity for the Board to engage directly with the campus community, and they offer students a meaningful educational experience, allowing them to gain insight into how the Board operates and supports the profession. Our Executive Director does a fantastic job explaining the Board's role and walking everyone through the topics we're discussing. I want to extend a special thank you to Auburn University, Troy University and The University of Alabama for hosting board meetings this past year. Based on the outstanding accounting students I have met, I believe the accounting profession has an incredibly bright future.

Two major issues impacting our profession are the CPA Evolution Initiative and the CPA Pipeline. In January 2024, the CPA Evolution Initiative was launched, which significantly restructured the CPA exam. The goal of the CPA Evolution was to address the evolving needs of the accounting profession and ensure newly licensed CPAs possess the necessary skills to navigate a changing business environment. The Board continues to monitor the outcomes of this change, and we remain optimistic that it will meet its intended goals. Also important to the future of our profession is the CPA Pipeline Initiative, a collaborative effort between National Association of State

Boards of Accountancy (NASBA), the AICPA, and our state board. We have been working diligently and continue to strive toward establishing clear guidelines for education and work experience for future CPAs. Determining the best approach to recruit for the pipeline while simultaneously safeguarding the profession and protecting the public has been a significant challenge. The CPA Pipeline Initiative recommends alternative pathways to licensure. Alternative pathways to meeting these standards are still under discussion by state boards

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nationwide; however, one recurring issue that frequently arises of particular concern to the Board pertains to professional mobility. Historically, CPAs have been able to work in other states if those states recognize mobility from the home state. That mobility may be jeopardized if individual states make changes that aren't recognized by Alabama, so it is crucial that we handle this with care to ensure the best outcome.

Our Alabama State Board of Public Accountancy is closely monitoring and dedicating significant effort towards both of these initiatives. One of the ways we do this is through our involvement with the National Association of State Boards of Accountancy (NASBA). NASBA held its Regional Meeting in Philadelphia in June, and the Annual Meeting will take place in Chicago this October. Attending these meetings provides an excellent opportunity to stay informed about the many changes shaping our profession, as well as the diverse opportunities available for CPAs.

I have had the privilege of serving on the NASBA Communication Committee, where I have gained valuable knowledge from both my colleagues and the NASBA staff. Opportunities such as these allow us as a Board to be at the forefront of changes to the profession and lead our state in what we believe is the best path forward.

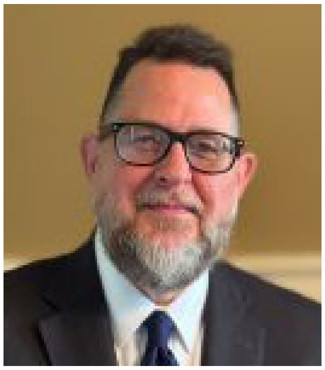
In conclusion, as I look ahead, I believe this is an exciting time to be a CPA. While there are many changes taking place, these will provide new opportunities for current and future CPAs. I love the accounting profession and am thankful for all it has provided me throughout my career. I look forward to seeing where we as a profession go next and would like to thank the Board for trusting me to lead during this important time. In all we do, may we as CPAs always earn the trust of our clients and the public.

RITA M. PRINCE, CPA
CHAIRMAN

Alabama State Board of Public Accountancy Board Members

From left to right: Steven N. Smith, D. Boyd Busby, G. Alan Skinner, Rita M. Prince, Connie Sheppard-Harris, Wilhelmus (Wim) J. Schaffers, Michael J. Kintz and Tod Etheredge.

LETTER FROM THE EXECUTIVE DIRECTOR



As we conclude another year of dedicated service to the citizens of Alabama and the accounting profession, I am pleased to present this annual message. It is a privilege to serve as Executive Director and to support our Board's mission to uphold the highest standards of integrity, competence, and professionalism among Certified Public Accountants in our state.

During the past year, the Board has continued its work to protect the public interest through the effective administration of licensure, enforcement of ethical and professional standards, and facilitation of continuing professional education. These efforts ensure that the accounting profession in Alabama remains a cornerstone of public trust and financial stewardship.

Licensure and Examinations
Our licensing team processed a steady volume of applications and renewals, maintaining established standards for initial licensure and mobility. We commend all new licensees who have met the qualifications required to join this respected profession. The Board plans to support legislation in 2026 that will add an additional pathway to licensure. If this legislation is passed, there will be 3 pathways to CPA licensure in Alabama beginning October 1, 2026:

1. **Pathway 1 - The Baccalaureate Degree Plus Two Years of Experience**
   - A baccalaureate degree from a four-year college or university accredited by a regional accreditation board.
   - The total education program shall include an accounting concentration as defined by board rule.
   - To obtain licensure, these candidates must complete two years of qualifying supervised experience as defined by board rule.
   - This option recognizes that professional experience can further develop core competencies when pursued alongside continuing education.
2. **Pathway 2 - The Graduate Degree Plus One Year of Experience**
   - A graduate degree in addition to a baccalaureate degree from a four-year college or university accredited by a regional accreditation board.
   - The total education program shall include an accounting concentration as defined by board rule.
   - To obtain licensure, these candidates must complete one year of qualifying supervised experience as defined by board rule.
3. **Pathway 3 - The Baccalaureate Degree Plus 30 Hours Plus One Year of Experience**
   - A baccalaureate degree plus an additional 30 semester credit hours at a four-year college or university accredited by a regional accreditation board.
   - The total education program shall include an accounting concentration as defined by board rule.

Compliance and Enforcement
The Board remains committed to fair and consistent enforcement of Alabama's accountancy laws and rules. Over the past year, investigations were conducted thoroughly and judiciously, with appropriate disciplinary measures taken when warranted. We appreciate the cooperation of licensees in maintaining high standards of conduct.

Continuing Professional Education (CPE)
In the spirit of lifelong learning that defines our profession, the Board has reviewed and approved hundreds of hours of CPE courses, supporting practitioners' efforts to maintain and enhance their professional competence. We encourage all licensees to take full advantage of educational opportunities and to stay informed about current requirements.

Direct Student Connections
The Board meets a minimum of 3 times per year at college campuses across the state. These Board meetings are designed for student and faculty interaction and involvement. Also, the Executive Director speaks at colleges and universities on a regular basis.

Looking Ahead
As the accounting profession continues to adapt to technological advancements and regulatory changes, our commitment to protecting the public remains steadfast. The Board will continue to balance progress with the foundational principles that have guided our work since its establishment in 1919.

In summary, the Alabama State Board of Public Accountancy serves as a guardian of the public trust. Its unwavering dedication to excellence, integrity, and accountability contributes significantly to the overall well-being of Alabama residents and businesses. The Board staff is always available to answer questions related to Alabama statute and Board rules, and we encourage both licensees and the public alike to utilize our resources.

D. BOYD BUSBY, CPA
EXECUTIVE DIRECTOR

NOTE FROM OUTGOING BOARD MEMBER

Wim Schaffers, CPA

Serving two four-year terms as a member of the Alabama State Board of Public Accountancy has been both an honor and a privilege. It has been deeply rewarding to work alongside an outstanding group of board members and staff, with the opportunity to contribute to the advancement of the accounting profession in Alabama while upholding and safeguarding the public interest.

One of the great highlights of this service has been working closely with Boyd Busby, the Board's Executive Director. His leadership, professionalism, friendship and sense of humor made our work not only highly effective but also personally enjoyable. Under his guidance, the Board fostered a collegial and collaborative environment where complex issues were approached with thoughtfulness, and the shared commitment to both the profession and the public remained at the forefront of every decision.

Equally meaningful were the friendships built with my fellow board members. The camaraderie we shared, whether in board meetings, during travel, or while representing Alabama at NASBA events, added a memorable and enjoyable dimension to the work. The fun times and shared experiences outside the boardroom made the service even more rewarding and will remain lasting highlights of my time on the Board.

WIM SCHAFFERS, CPA

BOARD MEMBERS SERVE IN KEY NATIONAL LEADERSHIP ROLES

Our Board members continue to demonstrate their commitment to the accounting profession through active service on national committees and boards. Their leadership is helping shape the future of the profession across various critical areas. Here's a look at how they're making an impact:

- Michael Kintz, CPA – Serving on both the *Nominating Committee* and the *Administrative/Finance Committee*, Michael plays an integral role in governance and financial oversight at the national level.
- Rita Prince, CPA – As a member of the *Communications Committee*, Rita is helping guide messaging and stakeholder engagement strategies across the profession.
- Steve Smith, CPA – Steve lends his expertise to the *Ethics Committee*, helping to uphold the integrity and ethical standards that define our field.
- Wim Shaffers, CPA – Wim wears multiple hats, serving as the *Audit Committee* chair and on the *Relations with Board Members Committee*. He also represents our region nationally as *NASBA's Southeast Regional Director* and is a *NASBA Board Member for 2024-2025*.
- Alan Skinner, CPA – Alan contributes to national auditing practices through his work on the *AICPA Auditing Standards Board*, where he helps shape the standards that govern auditing across the U.S. Alan also serves on the *PCAOB Standards and Emerging Issues Advisory Group*.
- Tod Etheredge – Tod serves at the national level on the *Inclusion Committee* on behalf of the state board. Through his active participation, he advocates for diversity, equity, and inclusion, representing the state's commitment to fostering a more inclusive environment within the broader national community
- Boyd Busby, CPA – Boyd served as *Chair of the Executive Directors Committee* and is a current member. He also contributes to strategic initiatives on the *Private Equity Task Force* and the *Accountancy Licensee Database (ALD) Task Force.*

Prior Board Members with Continuing Commitments:

- Delbert Madison – CPT Board of Directors
- Earl Blackmon, CPA – Legislative Support Committee
- Dr. Steve Grice, CPA – Education Committee

6 Tips for CPE Compliance

1 Have a good organizational strategy for tracking your CPE.

Make sure that your organizational strategy for keeping up with your CPE is a good one. A spreadsheet that includes all of the registration reporting fields is a great place to start.

2 Do not list courses on your form unless you have the certificate of completion to back it up.

Don't add an item to your tracking spreadsheet until you have actually attended or fully completed it for credit. Add a checklist to your tracking spreadsheet where you can check off when you receive a certificate of completion. Don't add the hours for a course based on your calculation of an agenda. Instead, add the hours to your tracking spreadsheet after you see the hours awarded on your certificate of completion.

3 Keep your documentation in one place that you can get to easily.

In the digital age that may include remote working, store your certificates in a file that you can access from anywhere.

4 Double check your certificates before you submit your registration.

Go through the actual documents before you report. Add up the total number of hours. Add up the hours of A&A. Add up the hours of ethics. Add up the hours of behavioral/personal development. Check the dates of your certificates to make sure you were awarded credit during the correct fiscal year.

5 Review & submit your own registration.

It is the responsibility of the licensee to complete his/her own registration form, not your employer or your assistant. You are the licensee and you are responsible for the content of your registration that you must sign under penalty of perjury.

6 Ask before you report. When in doubt, reach out to the Board staff and ask.

If you are not sure if a certificate of completion is acceptable, ask. If you are not sure if the field of study for a course would be accepted for ethics or A&A or behavioral, ask. If you have a question about the number of hours that should be reported, ask. If you took a course from a different vendor than usual and are unsure if the course will qualify for CPE, ask. Don't wait until you are in the CPE audit to find out if you are in compliance with the CPE Rules. If you are unsure, email Nicole Robinson, the CPE Administrator, with any of these questions.

CPE fields of study used when Registering

A&A - Accounting & Auditing	Ethics	Personal Development	Other
If the field of study on the certificate states any of the following: *Accounting, Auditing, Accounting and Auditing* or *A&A*, it should be claimed as A&A.	If the field of study on the certificate states any of the following: *Ethics, Regulatory Ethics,* or *Behavioral Ethics*, it should be claimed as Ethics. Alabama does not require a state specific ethics course.	If the field of study on the certificate states any of the following: *Personal Development* or *Behavioral*, it should be claimed as Personal Development.	If the field of study is labeled anything other than the preceding three categories, it should be claimed as Other. *Ex: Tax, Finance, Specialized Knowledge, etc.*

NOTE FROM INCOMING BOARD CHAIR

Steve Smith, CPA

As the Chair of the Board for the current year, I look forward to presiding at all meetings and performing other duties as the Board may direct. The profession that we regulate has seen significant change over the years that I have served on the Board, with more change likely on the horizon.

In executing my duties as Chair, I will always focus on the principal goal of the Board - protecting the public welfare. This protection is achieved primarily by maintaining rules of professional conduct to support a high standard of integrity in the profession, and by supervising the practice of public accountancy to insure that those rules of professional conduct are followed by CPAs and PAs in Alabama.

Returning to the change referenced above, the Board will have the goal of remaining agile in monitoring the impacts of recent changes, and considering the impacts of developing or future changes. These changes include the format of the CPA exam, alternative pathways to CPA licensure being considered by many states, technology advances and alternative practice structures for CPA firms. These monitoring efforts by the Board will focus on its mandate to exercise its authority under the Public Accountancy Act of 2003 to amend and adopt rules of professional conduct to appropriately address these changes.

Recognizing and relying on the collective efforts of fellow Board members and the staff of the Board, I look forward to the coming year.

STEVE SMITH, CPA
INCOMING BOARD CHAIR

NOTE FROM INCOMING BOARD MEMBER

Terry Sparks, CPA

My term on the ASBPA begins on October 1, 2025, and I am very excited to have the opportunity to work with my fellow board members and the ASBPA leadership staff to make an impact on the profession during such a unique time for accountants. Upcoming consideration of CPA exam credentials and academic criteria, the changing face of the profession due to technology innovations, and the Board's continued focus on creating opportunities for development and growth of those entering and serving the profession are key areas I will be focused on during my service term. I understand and appreciate the significance of the accounting profession's role in the economic development of our state, and I look forward to contributing to the Board in many ways

TERRY SPARKS, CPA
INCOMING BOARD MEMBER

BOARD ENGAGES FUTURE PROFESSIONALS THROUGH CAMPUS VISITS

This year, the Alabama State Board of Public Accountancy made six impactful campus visits to connect with students and share insights into the accounting profession. The Board visited the University of Alabama, Auburn University, University of Alabama at Huntsville, University of Alabama at Birmingham, Troy University, and the University of Montevallo.

Each visit offered a unique opportunity to engage with students who represent the promising future of the profession. From thoughtful questions to meaningful discussions, the energy on each campus was inspiring.

The Board looks forward to returning to campuses year after year—and it's clear the impact lasts long beyond the visit. One Auburn University alum shared, "I still talk about the AL Board of Accountancy's visit to Dr. Jenkins' class and the things that were discussed…"—a testament to the lasting value of these conversations.

We're excited to see where the next year takes us and which students we'll meet as we continue our commitment to supporting the next generation of accounting professionals.

RULE CHANGES AND REGULATORY UPDATES

Over the past year, the Board of Accountancy has undertaken several important rule changes aimed at enhancing clarity, reducing regulatory burden, and aligning with evolving standards in the profession. These updates reflect both the Board's commitment to transparency and accountability, and our ongoing collaboration with state leadership to streamline regulatory processes.

New and Amended Rules

Effective January 11, 2025
30-X-3-.05 Firm Registration and Branch Offices

An amendment to this rule introduces new language permitting individual CPAs to use the CPA designation in their firm name, provided that firms not meeting the requirements to register as CPA firms clearly indicate "Not a CPA Firm" alongside the firm name. This change ensures clarity for the public while preserving the integrity of the CPA designation.

Effective November 14, 2024
30-X-1-.01 Definitions

As part of the Governor's broader initiative to reduce regulatory complexity, this rule has been amended to remove certain language deemed unnecessary. This action supports clearer rule interpretation and streamlined governance.

30-X-5-.01 Applicability

Also part of the regulatory reduction effort, this rule amendment refines the language concerning inactive and retired CPAs. The updated rule provides a more concise and comprehensive description of requirements and restrictions, enhancing compliance and understanding for affected licensees.

Effective September 14, 2024
30-X-4-.04 Passing Grade, Conditioned Subjects, Reexamination, Reapplication

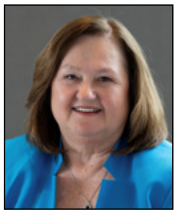
This rule has been updated to provide greater clarity on reapplication procedures for the CPA Exam, specifically with respect to disciplinary test sections under the new exam structure. The amendment ensures candidates are well-informed and prepared for the reexamination process.

Additional Rules Effective September 14, 2024

In further alignment with the Governor's rule reduction directive, the following rules have also been revised:

- 30-X-2-.01
- 30-X-4-.01
- 30-X-4-.02

These updates focus on simplifying language and eliminating outdated provisions to support a more efficient and effective regulatory framework.



Rita Prince, CPA
Chair
Patterson Prince & Associates, LLC
Florence, AL

Steven N. Smith, CPA
Vice Chair
Birmingham, AL

G. Alan Skinner, CPA
Secretary
Carr Riggs & Ingram, LLC
Dothan, AL

Michael J. Kintz, CPA
Member
Wilkins Miller, LLC
Mobile, AL

Connie Sheppard-Harris, CPA
Member
Sheppard-Harris & Associates, PC
Birmingham, AL

Wilhelmus “Wim” J. Schaffers, CPA
Member
Amedex Assurance Company Corp
Dadeville, AL

Tod Etheredge
Public Member
Trustmark Bank
Montgomery, AL

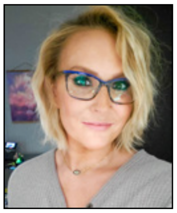
STATE BOARD OF ACCOUNTANCY STAFF

D. Boyd Busby, CPA
Executive Director
(334) 242-5709
boyd.busby@asbpa.alabama.gov

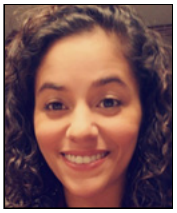
Nicole T. Robinson
Chief of Staff
(334) 242-5712
nicole.robinson@asbpa.alabama.gov

Teresa R. Taylor
Enforcement Coordinator
(334) 242-5703
teresa.taylor@asbpa.alabama.gov

Ashley Sides
CPE Administrator
(334) 242-5707
ashley.sides@asbpa.alabama.gov



April Bird
Systems Administrator
(334) 242-5704
april.bird@asbpa.alabama.gov



Alise Ellis
CPA Exam Coordinator
(334) 242-5706
alise.ellis@asbpa.alabama.gov

Chequita Ross
Executive Assistant
(334) 242-5700
chequita.ross@asbpa.alabama.gov