

# Montana Board of Public Accountants



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## The Honorable Steve Bullock Governor of Montana

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A MEMBER OF  
**NASBA**

## Renewals Are Right Around the Corner

Be on the look-out for your 2014 renewal reminder. The reminders will be mailed the first week of November. If you do not receive your renewal information by November 8th, you should contact the Licensing Unit to obtain the necessary information. The reminder will include instructions on accessing the online renewal system.

**Your license must be renewed by December 31**, or it will lapse. Your license will remain on lapsed status for a 45 day grace period after the renewal deadline. While in lapsed status you can continue to work and renew your lapsed license by paying the renewal fee and the late renewal fee. The late fee is 100% of the renewal fee. After the 45 grace period, your license expires. You cannot hold yourself out as or practice public accounting with an expired license.

Prior to renewing your license you must meet the Basic Requirement for CPE. That Basic Requirement is 120 hours with a subset of 2 hours of ethics in the last three years. As one year rolls off, those hours must be replaced the following year. The CPE year is a calendar year. Because of a recent CPE rule change, changing the CPE period from a fiscal year to a calendar year, the 2013 three-year CPE period goes from July 1, 2010 through December 31, 2013. The hours obtained between July 1, 2010 and June 30, 2011 will roll off for 2014. Those hours will need to be replaced in the calendar year 2014. Make sure you always maintain the 2-hour ethics requirement in the past three years of hours.

**You may be selected for an audit of your CPE Basic Requirement. If you are selected, you must provide evidence of meeting the Basic Requirement by providing acceptable documentation to the Education/Audit Unit. The acceptable documentation as required by board rule is:**

### 24.201.2124 STANDARDS FOR CPE REPORTING

(1) Participants in group or self-study programs must obtain documentation of their participation (i.e. a certificate of completion or other correspondence from the sponsor). Documentation must include the following information:  
(a) participant's name;  
(b) sponsor;  
(c) course title and/or description of content;  
(d) date(s);  
(e) location;  
(f) number of continuing education credit hours granted; and  
(g) NASBA Registry ID or NASBA QAS Sponsor ID (if applicable).  
(2) Documentation must be retained for not less than five years.  
(3) The sponsor of group or self-study programs shall retain evidence of an individual's

participation in a group or self-study program for not less than five years. Pertinent information includes:  
(a) participant's name;  
(b) record of participation;  
(c) outline of the course (or equivalent);  
(d) date(s);  
(e) location;  
(f) instructor(s); and  
(g) number of contact hours/continuing education credit hours granted.  
(4) For courses taken for academic credit in universities and colleges, evidence of satisfactory completion of the course and receipt of academic credit will be sufficient (i.e. transcripts); for noncredit courses, a statement of the hours of attendance, signed by the instructor, must be obtained by the individual.



# Notes From the Chair



Linda Harris, CPA

Where did summer go, it is hard to believe that fall is upon us! The beginning of Fall does mean that it is time for the Board to begin the planning of our traveling board meeting. A few years ago, the Board made the decision that once a year we would take our meeting "on the road". Our goal is to reach out to students, licensees and the general public that may not have an opportunity to be part of one of our meetings. Our first two were held in Missoula and Bozeman and we had great interaction with the students at each of these universities – one of the highlights was a great discussion with Bozeman's upper level accounting students around ethics.

## A Word of Caution

When you are contacted by the Board of Public Accountants, you are receiving one of two types of communication. You are being asked to respond and provide the Board with information or documentation, like the CPE audit or PMP Release of Records; or, you are being provided information that is essential to keep your license in compliance with the law, like renewal information or upcoming rule changes.

When you receive correspondence from the Board, please take a few minutes to determine the type of correspondence, and then take the necessary action required. It is important for you to timely respond to the Board when necessary, and important for your license to remain informed of changes that could affect your license, ability to practice, or the requirements of your profession.

We will try very hard not to send correspondence during peak tax season, as we know this is not the time to receive thoughtful response from you, but sometimes, as in the instance of a complaint, it will happen. You must also take it upon yourself to respond to the Board when requested, as failure to do so can result in additional ramifications such as discipline for failure to respond to a request from the Board.

Please help the Board and yourself by reading all correspondence from the Board and taking the necessary action within the established time frame.

This year on November 13th and 14th we will be in Great Falls at the University of Great Falls. This is a great opportunity to interact with accounting students and the Board. You will be able to witness firsthand the various issues we deal with. Please check our website for the detailed agenda as it gets closer to our meeting dates.

By now those that have been involved with our PMP program have received a form to authorize release of your information to the Montana Society of CPAs. This release will allow us to provide the necessary information to the Society so that we can transition to the new Mandatory Peer Review and the State Society. It is important that you return that form to us in a timely manner and not doing so could result in a violation of Board rules. I encourage you to check out the frequent Q & As in this newsletter or call our office with any questions.

One final reminder is about CPE – while you are no longer required to report your CPE to the Board, you are required to continue to track and stay current on your CPE. It will make that audit much easier if you have your records in order and will avoid "surprises" of not having sufficient CPE. Our requirement for CPE did not change; it is still 120 hours for any 3 year reporting period with two of those hours being ethics.

If you have any questions on any issue or concerns I encourage you to contact our Executive Director Grace Berger or myself.

Linda Harris, CPA  
Chairperson



## License Renewal

*Every year a number of CPAs forget to renew their license. The Board considers failure to renew the license a serious matter. Be sure to maintain a current mailing address with the Board and renew your license on time!*

*For more information, visit [publicaccountant.mt.gov](http://publicaccountant.mt.gov).*



## ***PMP Transition to Mandatory Peer Review FAQs***

### **Q. Why the change from the Professional Monitoring Program (PMP) run by the Board of Public Accountants (BOA) to the requirement for Peer Review?**

A. The PMP program was set up by the BOA over 25 years ago to monitor the quality of financial reporting in Montana. The program coordinator retired in 2012 and the state did not receive any proposals in response to their RFP. The BOA -- in discussions with the Montana Society of CPAs (MSCPA) on what options would / could be available -- determined the AICPA Peer Review Program administered by the MSCPA would be an acceptable alternative to the PMP.

### **Q. Will the Peer Review cost more than PMP.**

A. Probably. Cost of the Peer Review Program depends on the level of attest service you provide. As a voluntary membership organization, the MSCPA program is run on a break even basis and priced accordingly. See [https://www.mscca.org/about/peer\\_review](https://www.mscca.org/about/peer_review) for a description of the types of peer reviews and the costs.

### **Q. Will I have to join the AICPA and/or MSCPA?**

A. No. As the BOA and MSCPA worked on details of the transition, MSCPA guaranteed that a practitioner would not have to join either organization to be able to participate in the Peer Review program. The MSCPA -- as a voluntary membership organization -- charges members less for these services since members pay annual dues in addition to program fees.

### **Q. When do I have to have my peer review?**

A. Practitioners who have follow up action pending with the BOA (under the PMP program) need to enroll in the Peer Review program immediately and complete their review in 12 months. All other practitioners will fall into the normal peer review time frame for new enrollees : 18 months.

### **Q. What's the advantage for me?**

A. Peer Review is a peer-to-peer program and meant to be educational and should be an excellent learning tool for practitioners and firms.

### **Q. Do I have to have a peer review?**

A. Yes -- if you perform attest services for clients.

Prior to this year, you may have had the option to enroll in the Board of Accountants Profession Monitoring Program (PMP). That program is no longer available and the BOA is changing their administrative rules to require licensees who perform attest services to enroll in a BOA approved peer review program in order to maintain a license to practice in Montana.

### **Q. What level of service will require a peer review?**

A. A peer review will be required if you perform any of the following services:

- (a) an audit;
- (b) a review;
- (c) a compilation; or
- (d) agreed upon procedures engagements.