

# Montana Board of Public Accountants



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## The Honorable Steve Bullock Governor of Montana

### Board Members

Jack Meyer, CPA, Chairperson  
Wayne Hintz, CPA, Secretary  
Linda Harris, CPA  
Beatrice Rosenleaf, Public Member  
Kathleen VanDyke, Public Member  
Dan Vuckovich, CPA

### Executive Officer

Grace Berger

### Contact Information

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406-841-2203  
Renewal/Firm Registration Inquiry:  
406-841-2205  
CPE Audit/PMP Inquiry:  
406-841-2204  
Complaint Inquiry:  
406-841-2319  
General Board Inquiry:  
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A MEMBER OF  
**NASBA**

## Renewals Right Around the Corner

It is that time of year to start thinking about the upcoming renewal of your CPA license and annual firm registration. Note that the annual firm registration date has been moved from the middle of tax season to a deadline of December 31st. This will coincide with the renewal of your license and is intended to eliminate confusion on what renewal is due when.

In mid-November, you will receive the only renewal reminder this year for each license/firm. It is important that you follow the instructions to renew you license or firm, and to timely comply with requirements.

The renewal reminder will provide the email address we have on file for you. That will be your username in the renewal process. If you receive more than one renewal per license, it is because we have more than one email address for you.

You will need to contact Licensing Unit A at 406-841-2205 to have the excess accounts disabled.

For active permit holders, before you renew it is important to make sure you meet the current CPE requirement of 120 hours within the reporting period (July 1, 2011 – December 31, 2014) and have at least 2 hours of ethics. This will allow you to renew with confidence in meeting the current CPE requirement. If you have been licensed less than three years (after 2011), you are not required to meet the CPE requirement this year.

Once you have verified meeting the CPE requirement and received the username information, it is time to go online and renew.

*[Please see Page 4 for the steps to renew online.](#)*



## Changes to Reporting Peer Review Results

New Board rules are being adopted that dictate how the Board will receive peer review documents from a Board approved sponsoring organization. Those documents must be made available through the AICPA FSBA secure website. Firms located in, or practicing in Montana that perform services requiring peer review must authorize the administering entity to post its accepted peer review documents on this site.

This will benefit the Montana registered firms by relieving them of the requirement to provide those documents to the Board. The Board can access peer review reports accepted by the sponsoring organizations; the firm's letter of response accepted by the sponsoring organization; the acceptance letter from the sponsoring organization; the firm's letter accepting the documents with the understanding that the firm agrees to take required action, and the sponsoring organization's letter notifying the firm that the required actions have been completed.

You may not opt out of allowing the Board access to these documents. This will ensure that the Board has access to your records to ensure you remain in compliance with peer review requirements.

## Annual Firm Registration Date Change

The Board received a number of comments regarding the annual firm registration due date falling during tax season. The Board heard your concerns and responded.

The new annual registration deadline for firms is December 31st. This date coincides with the current license renewal deadline. All firms will be required to submit a completed firm registration renewal by December 31 to retain registration status. As in the past, firm renewal reminders will be sent to all currently registered firms. Those reminders will be sent in mid-November. You will be required to log into the firm account using information provided on the renewal notice. There is still no charge for firm registration.

## A Look at the New Officers

Jack Meyer, CPA was elected as Chair of the Board for the FY15. Jack was a shareholder at Boyle Deveny & Meyer CPAs in Missoula until his recent retirement. Jack originally hales from Colorado, but considers Montana home.

Jack obtained his original permit to practice in Montana in 1978. He was first appointed to the Board in 2008. This is his second stint as Chair.

Jack's hobbies include enjoying music of any kind and can often be found in New Orleans soaking up the sounds. He enjoys the outdoors and spends time hiking and fishing and being with family.

Wayne Hintz, CPA was elected as Secretary of the Board. Wayne has a Master's Degree in Accounting and obtained his Montana permit to practice in 1976. He has had his own accounting firm in Helena since 1982, consisting of governmental and non-profit audits and individual income tax. Wayne is a member of the AICPA and MSCPA.

Wayne is serving his second term as a Board member, originally appointed in 2010.

Wayne is a member of the Lions Club International, American Legion of Montana, Montana Military Museum and American Contract Bridge League. In addition to being a contract bridge aficionado, he is also an avid coin collector.

### New Officers Elected

At their July 1st board meeting, The Board of Public Accountant elected their officers for FY2015. The new committee appointments were made by the new chair, naming members of the Board to board standing committees. The new officers for FY2015 are:

**Jack Meyer, CPA, Missoula**  
Chair

**Wayne Hintz, CPA, Helena**  
Secretary

**Standing Committee members:**

#### Screening Panel

**Linda Harris, CPA, Chair**  
**Bea Rosenleaf, Public Member, Vice-Chair**  
**Dan Vuckovich, CPA**  
**Jack Meyer, CPA**

#### Adjudication Panel

**Kathleen VanDyke, Public Member, Chair**  
**Wayne Hintz, CPA**  
**Mike Huotte, CPA (beginning Nov. 20, 2014)**

#### PROC (Peer Review Oversight Committee)

**Dan Vuckovich, CPA**

# New Uniform CPA Exam Practice Analysis

The following information has been presented to the Montana Board of Public Accountants from NASBA and AICPA at the Western Regional Meeting in St. Louis in June.

The American Institute of CPAs (AICPA) is conducting a practice analysis in support of the Uniform CPA Examination. In order to maintain a valid and legally defensible exam, a practice analysis must be conducted periodically to determine what skills and knowledge a candidate must demonstrate by passing the Uniform CPA exam, prior to licensure.

During the practice analysis, input is solicited from a wide variety of stakeholders including regulators, academics, standard setters, small and medium size firms, large firms, CPAs in public practice, and CPAs in government, business and industry. Following initial information gathering, a comprehensive survey will be sent to a large number of CPAs who have experience with supervising newly licensed CPAs. A survey of newly licensed CPAs to provide their perspective on required knowledge and skills will also be conducted.

The Montana Board of Public Accountants will be supplying NASBA with a list of Montana permit holders who fit the criteria of being licensed not more than 10 years. The 3-10 year licensees are the group that is typically most involved with supervising newly licenses CPAs. Those licensed less than 3 years are considered newly licensed.

If your contact information is submitted to NASBA, be assured that this information will only be used for the purpose of contacting you regarding your qualifications for, and interest in, participating in the comprehensive practice analysis survey. In no case will the contact information received by NASBA be used for any purpose other than the practice analysis.

The goals of the practice analysis are to:

- Document the scope of entry-level practice
- Identify how entry-level practice is changing
- Determine the best way to test the content
- Serve as the foundation for the Exam's validity and legal defensibility
- Provide data to define the scope of the CPA exam

The AICPA is looking for all perspectives. They have indicated that they have no preconceived ideas on how the exam will be structured or what it will look like in the future. If you receive an inquiry regarding your interest in participating in the practice analysis, this is your opportunity to be involved in shaping the future of the Uniform CPA Exam. If you are interested in participating, simply respond to the inquiry as instructed.

## CPetracker

Compliance with CPE requirements is a charge the Montana Board of Public Accountants (MBPA) takes very seriously. CPE is an integral part of professional development and one that all licensees and consumers benefit from.

Recently, the National Association of State Boards of Accountancy (NASBA) pilot tested an automated CPetracking program that offers licensees the ability to track and record their own earned credits. The Board is pursuing implementation of this program for Montana permit holders.

### **How the program is designed to work.**

If a permit holder is selected for a CPE audit, they log onto a special NASBA-sponsored MBPA CPetracking website, input their completed credit information, attach supporting documentation and click "submit" to electronically file their CPE records with the Board. Licensees can access their CPE record up until it is submitted to the Board. The CPetracking system will streamline the CPE audit as several input functions that use to involve a lengthy manual process and additional Board resources to complete would now be automated.

### **How does the CPetracking program benefit Montana CPAs?**

As a CPA permit holder, you can use the CPetracking program as a central repository for all of your CPE training records. Updating is easy and you can print or download your records for your personal files. The system will be available to all permit holders to access anytime, 24/7/365 until the permit holder submits it to the Board. This will allow you to get a head start on a potential audit as MBPA will require permit holders chosen for audit to use the CPetracking program for submitting proof of CPE compliance when conducting an audit beginning for the reporting requirement year 2014 (July 1, 2011 - December 31, 2014). The CPetracking system will also allow MSCPA and other approved organizations to upload your attendance information, relieving you of that task.

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## Renewals Right Around the Corner

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### STEP 1

Access our website at [ebiz.mt.gov/pol](http://ebiz.mt.gov/pol).

[CLICK HERE TO ACCESS WEBSITE](#)

### STEP 2

Log in using the username/email address provided in the renewal notice and the password you created previously. If you don't remember your password you can use the "I've forgotten my password" link and you will be sent a temporary password at your username/email address. Enter the temporary password and follow the instruction on the screen to update your password. DO NOT create a new account.

### STEP 3

Click on the "Professional and Occupational Licensing" tab. You will see your records. Find your license and to the right under "Action" click "Renew License."

### STEP 4

Follow the instructions on the screen. You can pay for your renewal by e-check, American Express, Visa or MasterCard.

### STEP 5

Print your renewed license. You're done!

***Your firm registration process will be the same as for your license, but the renewal reminder will include the email address we have for the firm.***

## CPEtracker Continued from Page 3

Using the CPEtracking system as a record keeping resource will in no way increase your chances of an audit, but if ever selected, having the work done ahead of time would significantly enhance the compliance submittal process and relieve you from last minute deadlines and filing hassles.

The CPEtracking system facilitated by NASBA will be offered free of charge and available to Montana permit holders. Creating a viable CPE history with automated tracking should not only help MBPA use its resources in the most efficient manner but ease the CPE management workload required for you.

You will be receiving detailed information on the CPEtracking system in the near future. Be on the lookout for individual login information to set up your CPEtracking system account. Once you have established an account, you may start logging courses and uploading completion documentation. The system will also help you track specific Board rules and requirements at a glance. Tracking your compliance with Board requirements will no longer be a confusing process.

Permit Holder benefits would include:

- Records would be submitted and stored online, reducing the need for paper filing.
- Credits are entered using the basic online form and completion documentation can be attached.
- Accounts are available online throughout the submission period for the permit holders to access and add/edit records until they are required to submit their records to the Board.
- Permit holders can download and export the records they have entered into a spreadsheet for personal record keeping or choose a printer-friendly version of their CPE records.
- CPE credits are submitted to the Board at the click of a button.

All permit holders should be on the lookout for more information on the CPEtracking system in the near future.

# The Future of Practice Monitoring

**The following information was presented to the Board at the NASBA Regional Meeting in St. Louis MO, in June.**

For the past 25 years, the AICPA, in conjunction with state societies, has administered the peer review program for evaluating firms' accounting and auditing practices, providing firms with opportunities for improvement through remediation. The focus of the peer review program is:

- Monitoring adherence to professional standards
- Uncovering and correcting deficiencies
- Educating and sharing best practices

Montana, like many State Boards of Accountancy, require peer review for permit holders offering audit, review, compilation, or agreed upon procedures engagement services. As a result, peer review has become a quality-monitoring tool for the state regulatory community.

Much has changed in the accounting profession over the past 25 years, both in technology and in the expectations of peer review participants. Recognizing that peer review must change and improve to remain relevant, AICPA leadership is making re-engineering of the program a strategic priority.

AICPA Board of Directors approved the formation of a task force that developed a practice-monitoring concept for the future. When looking at the accounting profession in relation to practice monitoring, several key changes were noted:

- Complexity of the accounting profession is at an all-time high
- The speed of change to the profession is accelerating at an increasing pace
- The use of technology in the performance of services is on the rise
- New quality challenges, particularly in regulated industries (new/complex accounting standards and emerging services)

The primary focus of the concept is a system that will use the latest technology that will allow for a continuous process for evaluating accounting and auditing engagements. The underlying principles of practice monitoring in the future is:

Increased public protection through enhanced audit effectiveness via:

- Earlier detection of engagement deficiencies
- Systems that capture and include all firms that should be subject to review
- Systems that capture and include all engagement that should be reviewed

The concept has five facets:

- Continuous analytic evaluation
- Human review
- Intervention
- Periodic inspection
- Oversight

In looking at what a peer review program might look like in the future, some key themes emerged. Those themes include:

- More real time peer review
- Greater use of technology
- Create randomness/elements of surprise
- Consistency across the country
- Completeness (all firms/all attest and audit engagements)

More information will be coming on enhancements and changes to practice monitoring as they become available.



# Disciplinary Actions

In the interest of educating public accounting licensees, the Board of Public Accountants is providing a new section to the newsletter on the recent disciplinary actions taken by the Board. The intent of this section is to educate licensees on potential pitfalls that can arise while in the practice of public accounting.

These cases have been adjudicated and are now final. The official record of these contested cases can be found on the licensee lookup system ([ebiz.mt.gov/pol](http://ebiz.mt.gov/pol)) under the Licensee Lookup. If you have questions, you are encouraged to go to the official record for further clarification.

## 2013-PAC-LIC-1594 James McNay

Violations: MCA 37-1-316(15) Licensee assisted in the unlicensed practice of a profession.

MCA 37-50-314(1) Licensee engaged in the practice of public accounting in this state without a current permit issued by the department.

MCA 37-50-314(2) Licensee engaged in the practice of public accounting in this state without prominently displaying for public inspection a current permit.

MCA 37-50-301(2) Licensee used the title or designation "certified public accountant" or the abbreviation "CPA" or any other title, designation, words, letters, abbreviations, sign, card, or device indicating that the person is a certified public accountant when he did not hold a current certificate as a certified public accountant.

Mr. McNay entered into a stipulated agreement with the Department of Labor & Industry. The Board accepted the stipulated agreement and issued a final order for the disciplinary sanctions:

- a) Licensee shall pay an administrative fine in the amount of \$3,000, payable to the Montana Board of Public Accountants, and such payment shall be tendered to the Department of Labor & Industry no later than thirty days following the final order;
- b) Licensee shall review and comply with the provisions of Title 37, Chapters 1 and 50, Montana Code Annotated, and Title 24, Chapter 201 of the Administrative Rules of Montana.

## 2013-PAC-LIC-1655 Robert Larkin

Violation: ARM 24.201.718(2) "The board incorporates by reference the following standards, as they exist as of July 1, 2010: (d) all of the standards for accounting, valuation, and review services issued by AICPA;"

Mr. Larkin entered into a stipulated agreement with the Department of Labor & Industry. The Board accepted the stipulated agreement and issued a final order for the disciplinary

sanctions:

- a) Licensee shall restrict his practice from association with preparation of financial statements.
- b) If Licensee desires to associate with the preparation of financial statements again, Licensee will, concurrently with accepting an engagement, enroll in the AICPA peer review program administered by the MSCPA and comply with all of its requirements, including but not limited to submission of his qualifying work within 18 months for peer review.
- c) In the meantime, Licensee may continue to engage in "Compilations of Financial Statements Not Intended for Third Party Use" (aka SSARS 8) subject to the following conditions:
  - i. Licensee submit for board approval no later than 30 days after the date of the final order in this matter, the name of a qualified pre-issuance reviewer who agrees to provide pre-issuance review for Licensee;
  - ii. Licensee receive pre-issuance review from the approved reviewer of all SSARS 8 reports; and
  - iii. Licensee submits quarterly reports on a form provided by the board signed by himself and his pre-issuance reviewer regardless of whether Licensee issues SSARS 8 or other financial statements during the particular quarter. If Licensee is late in submitting quarterly reports, he will pay a late fee as prescribed by current board rule in effect on the date of the late submission.
- d) Licensee shall continue to be subject to quarterly reporting and pre-issuance review of SSARS 8 until one of the following occurrences:
  - i. The board receives written notice from MSCPA that Licensee has completed an AICPA peer review, or
  - ii. The board receives and accepts a written recommendation received directly from the approved pre-issuance reviewer of the reviewer's opinion that pre-issuance review of Licensee's reports are no longer necessary.
- e) Within 90 days of the date of the signed Final Order, Licensee will obtain 8 hours of CPE in compilations. Licensee agrees these hours will not count toward his regular CPE obligation.
- f) Within 30 days of the date of the signed Final Order, pay a

# Disciplinary Actions *Continued from Page 6*

fine of \$500.

- g) Within 30 days of the Final Order, Licensee shall reimburse the Board \$300 to cover costs of pursuing this license disciplinary action.
- h) If Licensee violates the provisions of the stipulation, Licensee's license will be summarily suspended.

## **2014-PAC-LIC-114 Clifford Pinkerton**

Violations:

ARM 24.201.2410(1)(d) Failure to meet the continuing education requirements established by the board

ARM 24.201.2124(2) Failure to maintain documentation required by ARM 24.201.2124(1) for a period of five years.

Mr. Pinkerton entered into a stipulated agreement with the Department of Labor & Industry. The Board accepted the stipulated agreement and issued a final order for the disciplinary sanctions:

- a) Within 90 days of the Final Order, Licensee shall fulfill the basic requirement of completing 120 CPE credit hours for the reporting period from July 1, 2009 to December 31, 2012, by completing 30.5 CPE credit hours that meet the standards established by ARM 24.201.2120. Licensee shall document his completion of these hours in a separate CPE credit hour report as required by ARM 24.201.2124 and ARM 24.201.2145 and file the report with Compliance Unit staff.
- b) Licensee's completion of the CPE credit hours shall be attributed to the reporting period from July 1, 2009 to June 30, 2010, and shall not affect or relieve Licensee's completion of the CPE credit hour basic requirements for the current or future CPE periods.
- c) Licensee shall be subject to mandatory audits of his reported CPE credit hours for the next two audit cycles which occur after the Final Order.
- d) Licensee's failure to renew his license or placement of his license on inactive status shall, for the elapsed period of nonrenewal, toll the running period of the mandatory audit.
- e) Within 30 days of the date of the Final Order, pay an administrative fine of \$1,000.
- f) Licensee shall review and comply with the provisions of Title 37, Chapters 1 and 50, Montana Code Annotated, and Title 24, Chapter 201 of the Administrative Rules of Montana.

## **2014-PAC-LIC-421 William Warren**

Violations:

24.201.2410(1)(d) Failure to meet the continuing education

requirements set forth in ARM 24.201.2106.

24.201.2124(2) Failure to maintain documentation required by ARM 24.201.2124(1) for a period of five years.

24.201.2410(1)(e) Failure to respond to correspondence from the board, or to comply with orders of the board.

24.201.2148(1)(a) Licensees notified that they have been randomly selected for an audit must comply with the deadline for submitting documentation.

24.201.2148(1)(b) Only documentation as outlined in ARM 24.201.2124, in support of the basic CPE requirement, shall be submitted.

Mr. Warren entered into a stipulated agreement with the Department of Labor & Industry. The Board accepted the stipulated agreement and issued a final order for the disciplinary sanctions:

- a) Within 180 days of the acceptance of the Final Order, Licensee shall fulfill the basic requirements of completing 120 CPE credit hours for the reporting period from July 1, 2009 to December 31, 2012, by completing 120 credit hours that meet the standard established by ARM 24.201.2120. Licensee shall document his completion of these hours in a separate CPE credit hour report to the Board, as required by ARM 24.201.2124 and ARM 24.201.2145, and file the report with Compliance Unit staff.
- b) Licensee's completion of the CPE credit hours shall be attributed to the reporting period from July 1, 2009 to December 31, 2012, and shall not affect or relieve Licensee's completion of the CPE credit hour basic requirements for the current or future periods, as referenced in ARM 24.201.2106(1).
- c) Licensee shall be subject to mandatory audits of his reported CPE credit hours for the next two audit cycles which occur after the Final Order.
- d) Licensee's failure to renew his license or placement of his license on inactive status shall, for the elapsed period of nonrenewal, toll the running period of the mandatory audit.
- e) Within 30 days of the Final Order, pay an administrative fine of \$2,000.
- f) Licensee shall review and comply with the provisions of Title 37, Chapters 1 and 50, Montana Code Annotated, and Title 24, Chapter 201 of the Administrative Rules of Montana.