

# Montana Board of Public Accountants



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## The Honorable Steve Bullock Governor of Montana

### Board Members

Beatrice Rosenleaf, Public Member,  
Chairperson  
Linda Harris, CPA, Secretary  
Wayne Hintz, CPA  
Michael Johns, CPA  
Jack Meyer, CPA  
Rick Reisig, CPA  
Kathleen Van Dyke, Public Member

### Executive Officer

Grace Berger

### Contact Information

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Renewal/Firm Registration Inquiry:  
406-841-2205  
CPE Audit/PMP Inquiry:  
406-841-2204  
Complaint Inquiry:  
406-841-2319  
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## CPE AUDIT *Right Around the Corner*

The Board of Public Accountants is beginning the 2012 CPE audit. What does that mean and how does the CPE audit work?

At the time of renewal, all active permit holders were asked to attest that they met the basic requirement for CPE in order to renew their active permit. Meeting the basic requirement means that you had a minimum of 120 hours of acceptable education as defined in ARM 24.201.2120, including 2 hours of ethics, within the past three years. The recent change in the requirement period from a fiscal year to a calendar year has extended the time an active permit holder has to meet the requirement. This audit will be looking for CPE completed between July 1, 2009 and December 31, 2012.

The law does not allow the Board to require proof of meeting the CPE requirement at renewal time, but it does allow the Board to audit up to 50% of licensees to verify compliance with the CPE requirement. The Board has voted to audit 20% of all active permit holders to verify compliance with the basic requirement.

Who decides who gets audited? The Education/Audit Unit runs a program that generates a random list of eligible licensees. This is, indeed, a random list. Some licensees have the good fortune to be selected multiple years for an audit, while other licensees go years without being selected. Whether this is your first time, or a reoccurrence, you are required to comply.

What should you do if you receive the audit letter? You must provide documentation to the Board office that shows you have completed the basic requirement during the three years being audited. You must submit documentation for all group or self-study programs that meet the standards for CPE reporting. That documentation is found in ARM 24.201.2124. While the more common type of documentation is a certificate of completion, other correspondence from the sponsor is also acceptable. However, it must contain the necessary information. At a minimum, all documentation must include:

- Participant's name
- Sponsor
- Course title and/or description of content
- Dates of the course
- Location
- Number of CPE credit hours
- NASBA Registry ID or NASBA QAS Sponsor ID (if applicable)

Documents that do not contain the necessary information will not be accepted. We will not accept CPE reporting forms previously filed with the Board office; registration confirmation correspondence; the cover page of a course handout; or other documents that do not contain the necessary information.

Compliance with the CPE audit is a requirement of licensing. Your timely response to the request for audit will assist both the Board office and you in meeting this requirement. ★

## Department Update

If you have contacted the Board of Public Accountant's office recently, you may have noticed some changes. The Business Standards Division, of which the Board office is a part, has recently undergone a major reorganization. Instead of specific individuals responsible for the administrative functions of the Board, we now have units of people who can assist you. The contact phone numbers for each of the units is included in this newsletter.

All Professional Monitoring Program (PMP) pre-issuance and CPE audit issues are handled by the Education/Audit Unit. This unit can address any CPE audit questions you might have. They also are receiving and tracking all of the PMP pre-issuance review quarterly reports.

All initial licensing for the Board is being processed by the Licensing Unit. It is responsible for ensuring all license applications are complete and ready for Board review.

A third unit, Renewal/Firm Registration, is responsible for all renewals, address changes, and firm registrations. While many of you are performing these tasks on-line, this unit can assist you with any questions you may have relating to changing your personal or firm address, completing your renewal, or firm registration.

The Compliance Unit is responsible for all aspects of a complaint, from receiving the complaint to requesting and receiving the response to final determination. This unit can assist you on how to proceed if you are involved in a complaint before the Board.

Finally, the Board Management Bureau works with the Board to carry out the administrative duties of the Board. General board-related questions should be referred to the Board Management staff who can assist you or direct you to the unit best suited to address your issue.

# Message From the Chair



*Bea Rosenleaf*

Finally, spring is in the air! Spring is my favorite season. It reminds me that everything is continually changing and renewing. The grass greens, new leaves appear on the trees, the birds return with their beautiful songs and the flowers pop their heads open, giving us an array of color and beauty. Spring generally means warmer temperatures are on their way! It's a time of awe and it renews my spirit!

Your Montana State Board of Public Accountants is continually renewing and changing, too. We are constantly reviewing rules and procedures guiding the accounting profession; reviewing how we can improve services; reviewing how we can protect the public better; and, reviewing how we can improve our communications with you.

We feel communicating with you, our licensees, firms and future accountants, is important. In an effort to increase communication, we are partnering with NASBA to create a new quarterly newsletter. The purpose of this newsletter is to inform you of what the Board and NASBA are doing and what's going on in our state, as well as nationally and internationally, that is affecting the accounting world.

This inaugural issue will share information concerning the re-organization at the Department of Labor and how it affects our Board and services to licensees and the public. We will update you on some upcoming proposed changes to the rules and share some information from NASBA as well.

Some changes we've instituted since the beginning of 2013 include the Board meeting monthly via telephone conferences to review and approve applications. Since beginning this new format, we have processed many applications that otherwise would have had to wait until our quarterly meetings. We feel with this change, applicants are better served and able to find out the status of their application much sooner than in the past.

On the horizon, we have the 2012 CPE audit coming up and will share more information with you after the May meeting. The Board is beginning to review all the rules to update them to make them easier to read and understand, and ensure they are cohesive with all the changes we've made these past few years.

A couple of years ago, the Board decided to meet in different locations throughout the state once a year to reach out and be more accessible to you and to provide education about what we do. So far we've been to Missoula and Bozeman. November of this year we will meet in Great Falls at the University of Great Falls. These meetings are a way for us to invite you to be a part of our meetings and see what your Board does. If you attend, you can receive Continuing Education credits! Part of our past meetings in these locations included an interactive session with accounting students with a presentation and a Q & A session. Last year we proposed an ethics situation and a lively discussion ensued. If you are in or around Great Falls in November, we invite you to join us! Be watching for more information as the date gets closer.

Our goal is to provide you with the best services possible. Let us hear from you. Tell us how we're doing, or tell us what we're not doing! While we are here to regulate the accounting profession, we are also here to protect the public and assist you, the licensee through the processes of licensure and adhering to the rules and regulations. Your comments are important to us to help us grow and improve.

We are excited to bring you this new service – a quarterly newsletter – to keep you more informed about what your Board is doing. As with the new spring flowers, we hope this newsletter will blossom into a helpful tool that you look forward to each quarter.

*Semper superne nitens - Always striving upwards!*

A handwritten signature in black ink that reads "Bea Rosenleaf". The signature is written in a cursive style.

Bea Rosenleaf, Public Member  
Board Chair

# Harris Elected Chair



Linda Harris, CPA

At the May board meeting, the Board of Public Accountants elected Linda Harris, CPA, as chair for the upcoming year. Linda will take over as chair at the August 14-15, 2013 meeting.

Linda is a graduate from Montana State University- Billings with a degree in Business Administration/Accounting and received her CPA designation in 1994. She is an independent practitioner in Absarokee, Montana.

Linda has served in many capacities with the Memorial Hospital Association. She was awarded the Volunteer of the Year for 2007 from the Billings Clinic; the Montana Hospital Association Trustees of the Year in 2008; and recently was awarded the Dr. Ben Karas Service Award.

She is a member of the Accounting and Financial Women's Alliance,

having served on a number of committees for the local chapter as well as past chapter president. She served on the board of Accounting Women's Alliance Education Foundation for a number of years and is a past national chair. She received the national Woman of the Year Balance Award in 2004.

Linda is a member of the Montana Society of CPAs, currently serving on the Continuing Professional Education committee.

Linda was appointed to the Board of Public Accountants in 2009 by Governor Brian Schweitzer and currently serves on the Board's Adjudication Committee.

Additionally, Linda is married, with three children and six grandchildren.

Congratulations Linda on this most recent acknowledgement for all of your contributions to the accounting profession. ★

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## Pre-Issuance Review On-Going

### The Board Clarifies Peer Review Requirements

With the proposed rule amendment moving the Board's Profession Monitoring Program (PMP) to a mandatory peer review, some confusion has arisen among firms currently under pre-issuance and quarterly reporting requirements. The Board would like to clarify some of the misconceptions.

The Board voted to suspend the current year (2013) PMP review pending the transition to the mandatory peer review requirement. While the current program has been suspended, the requirement for those on pre-issuance review remains. If you are currently required to file quarterly reports as a result of an unsatisfactory PMP review in the past, you must continue to file quarterly reports until you have been officially released by the Board from pre-issuance review and the quarterly reporting.

To be officially released from pre-issuance review and the quarterly report filing, your pre-issuance reviewer must submit a recommendation to the Board that you be released. The Board will consider the recommendation and can either accept the recommendation or require you to remain on pre-issuance review. You are not released from pre-issuance review and the quarterly report filing requirement until the Board votes to do so. Even if your pre-issuance reviewer sends a recommendation to the Board, you are not released until the Board has accepted the recommendation and released you.



If you are on pre-issuance review but no longer associated with financial statements, you can sign a Letter of Understanding (LOU) with the Board, agreeing that you are not associated with financial statements. If you sign a LOU, you are not released from pre-issuance review and quarterly reporting until the Board accepts the LOU. If you become associated with financial statements in the future, the pre-issuance review requirement could be reinstated. ★