

Montana Board of Public Accountants

MAY 2016



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The Honorable Steve Bullock Governor of Montana

Board Members

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

Executive Officer

Grace Berger

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RULE ADOPTION

BOARD VOTES TO ADOPT AMENDMENTS



The Board of Public Accountants recently submitted rule amendments implementing HB44, the 2017 elimination of certificate only licensing. Included in that rule package was a number of housekeeping changes designed to add clarity to existing rules, formalize existing processes, and eliminate antiquated and redundant rules. Those rules were put out for public comment and a public comment rule hearing was held in February.

At their May meeting, the Board considered the public comment received on the proposed amendments, and voted to adopt the amendments as proposed with a few changes. Many of the rule amendments involved clarifying the exam and license application requirements and process.

The Board voted to amend the inactive/retired rules. The Board clarified that an inactive licensee is exempt from CPE requirements while on inactive status, and may NOT use the title CPA, CPA (inactive) or practice public accounting. 120 hours of CPE completed within three years of applying for active status will be required to restore an inactive license to active status. A retired licensee must now annually renew, but can maintain the retired status as long as it is renewed. The retired status is only available to licensees who are fully retired from active employment in public accounting. They may use the designation CPA (retired) and are exempt from CPE requirements.

The discreditable acts section was amended to more closely reflect the UAA and

[Read more on the Rule Adoption on Page 2](#)

A MEMBER OF
NASBA

RULE ADOPTION (CONTINUED)

AICPA Code of Conduct. This section identifies areas where a licensee may be disciplined during the practice of public accounting. The amendments to the enforcement section relate to areas where a licensee may be disciplined for violations of board requirements. This includes potential discipline for receiving a failed, or second or subsequent pass with deficiency peer review report.

The Peer Review Enrollment section was amended to include an engagement of a non-issuer performed in accordance with PCAOB standards and not subject to PCAOB inspection. It also clarifies that all Montana registered firms required to enroll in peer review must allow the Board access to the list of electronic documents via a secure website. The firm may not opt out of allowing the Board access to these records. Clarification was also added on who retains the peer review results when firms separate.

The rule amendments outline the specific requirements currently required to renew both an individual license and firm registration and consolidates the requirements in one place.

The rule amendments codify the current requirement that all CPE submitted to the Board as a result of a CPE audit must be submitted using the online CPE tracking system.

You are encouraged to go to the [Board website](#) under the Regulations/Rule Notices tab to read the complete rule amendment language.

NEW VERSION OF CPA EXAM

After several years of exploring options, seeking input, and issuing exposure drafts, the AICPA and NASBA have announced that a new version of the Uniform CPA Examination will launch April, 2017. Some of the more notable changes are:

- This new version will test higher higher-order cognitive skills.
- A “blueprint” for each section will illustrate the knowledge and skills that will be tested and will link to tasks that are representative of the work of a newly licensed CPE as determined by the practice analysis
- The Exam will have more task-based simulations.
- Testing time for each section will be four hours.

To accommodate the launch of the new exam in April, 2017, the testing windows leading up to the launch window will be increased by 10 days.

Exam candidates in your firm who are in the middle of, or preparing to begin the exam process can find a wealth of helpful information on either the [AICPA.org](#) or [NASBA.org](#) website.

New Officers Elected

At their May meeting, the Board of Public Accountants elected Dan Vuckovich, CPA, as Chair for the upcoming year. Dan will take over as Chair July 1, 2016.



Dan Vuckovich

Dan is a graduate from the University of Montana with a BS in Business Administration. Dan received his CPA in 1983. He is a shareholder at Anderson ZurMuehlen in their Great Falls office.

Dan has served in a number of leadership roles associated with the profession, including as an AICPA Council Member and a current member and past President of MSCPA. Dan has served on numerous professional committees throughout his extensive involvement. In addition to his work for the CPA profession, Dan has served his community in a variety of capacities including the Great Falls Chamber of Commerce, University of Great Falls, Leadership Great Falls, Great Falls Soccer Foundation, and coach for youth sporting programs.

Dan was originally appointed to the Board in 2013 by Governor Steve Bullock. He served as the Board representative during the 2015 Legislative session. In addition to serving a Chair, he currently serves on the Board's Screening Panel and is the Board PROC liaison.

Wayne Hintz, CPA was elected as Secretary of the Board. Wayne has a Master's Degree in Accounting and obtained his Montana CPA in 1976. He has had his own accounting firm in Helena since 1982. Wayne is a member of the AICPA and MSCPA.



Wayne Hintz

Wayne was originally appointed to the Board in 2010 and reappointed in 2014 by Governor Steve Bullock.

Wayne is a member of the Lions Club International, American Legion of Montana, Montana Military Museum, and the American Contract Bridge League.

CPE AUDIT & CPETRACKING SYSTEM

NASBA will begin the 2013-2015 CPE audit on behalf of the Board of Public Accountants in early July. The Board recently adopted rules that codify the policy that all licensees selected for CPE audit must submit the CPE documentation via the NASBA CPetracking system.

All permit holders received a letter from the Board last May that included both your license number and login password to the CPetracking system for the first time. If you have not yet accessed the CPetracking system for the first time and need your login information resent, please send an email to dlibsdpac@mt.gov and your information will be emailed to you. Inactive permit holders, you are not required to take CPE while your license is on inactive status. If, in the future, you want to reactivate your inactive permit, you would need to provide the CPE documentation through the CPetracking system to reactive your license. At the time of your reactivation request you will be provide with the CPetracking system login information. All licensees originally licensed with the Montana Board of Public Accountants in 2016 will receive the CPetracking system login information but note that your CPE requirement is 2017-2019.

A link to the CPetracking system can be found on the [Board website](#) and the [MSCPA website](#) under the Members tab.

The MSCPA is able to directly load course information for all CPE completed through the State Society. You will not be required to provide any additional information for those CPE courses. Any course that was not completed through

the MSCPA will require you to add the documentation to the CPetracking system to be complete.

The CPetracking system will be required if you are selected for a CPE audit. If audited, you will be required to report all of your CPE using the CPetracking system. Because CPE is a 3-year requirement, if you are selected for audit, you will be required to have the past 3 years of CPE on the CPetracking system. It is a good idea to add courses as you complete them to eliminate the need to add three years of back hours if selected for audit.

There is an instructional video on logging in for the first time by clicking [CPetracking login video](#). You will need to include your entire license number of PAC-CPAP-LIC-#### when logging into the system. Once you are logged in, there are a variety of tutorials available to assist you in using the system. Look for those helpful tutorials through the CPE reporting process.

Remember, the system is not just available to those licensees selected for CPE audit. All permit holders have been provided an account. This system is a great tool in managing your CPE and is available 24/7. At any time you can add courses as you complete them, upload course completion documentation, and track your compliance with meeting the mandatory 120 hours of CPE (with a subset of 2 hours of ethics) in a 3-year period. We suggest that even if you aren't selected for CPE audit this year that you begin tracking your CPE on the system. If you are selected for audit in the future, you will already have the courses and documentation loaded and ready to submit.



Permit Holder Benefits

- Records are 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 for all permit holders to access and add/edit records until they are required to submit their records to the Board for audit.
- 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.

RETIRED VS. INACTIVE STATUS

The Board has amended the retired license status rules. The retired status is available to a licensee who is fully retired from active employment in the practice of public accounting. Retired licensees can now maintain that status by paying a minimal (\$25) renewal fee. Prior to the adoption of the rule amendment, the retired licensee was not required to renew, but the license expired, and terminated in two years. There is still no CPE requirement to renew a retired license.

With so many licensees reaching retirement age, the Board is keenly aware that many retiring licensees are interested in retaining the CPA (retired) status. If a retired licensee does not want to maintain the CPA (retired) status, they will simply not renew their license. The retired license would then expire and terminate according to the failure to renew processes.

The Board also attempted to clarify an inactive license. Inactive licensees are not in public accounting, but are not retired. Inactive licensees renew annually, but are not required to meet the annual CPE requirement. 120 hours of CPE completed within the previous 3 years would be required prior to an inactive license being restored to active status.

An inactive licensee may not use the title CPA, CPA (inactive) or practice public accounting. The license can be restored to active status by paying the restoration fee (\$150) and providing 120 hours of CPE, including two hours of ethics, completed within the three years prior to applying for restoration to active status. The CPE requirement is reported on the CPE tracking system and must be completed prior to applying for reactivation.

PROFESSIONAL ORGANIZATIONS FOR NEWLY LICENSED/ASPIRING CPAS

Professional organizations provide a foundation for networking and offer information and resources, such as training and mentoring, which can aid in career advancement. If you are a newly licensed or aspiring CPA, or have been in the industry for a while and want to get involved with professional organizations, here are a few to consider to help jump start your career.

Montana Society of CPAs: Founded in 1913, the Montana Society of CPAs is a professional association with approximately 1,800 members throughout the state, nation and world. MSCPA offers more than 60 live classes and conferences each year that will enhance the knowledge of newly licensed and aspiring CPAs. Visit their web site for more information at www.mscca.org.

Accounting & Financial Women's Alliance: AFWA promotes the professional growth of women in all facets of accounting and finance. Members increase their career potential by connecting with colleagues, receiving education and mentorship to advance their careers, and developing leadership skills. For more than 75 years, members have tapped into a network of successful, motivated, and influential professionals who understand the unique position of being a woman in the industry and who, together, contribute to the future development of their profession.

American Institute of CPAs (AICPA): The AICPA is the world's

largest accounting member association, with more than 412,000 members in 144 countries. AICPA members represent many areas of the accounting practice, including business and industry, public practice, government, education and consulting. There are multiple benefits with being a member of AICPA, as it provides professional development (including CPE goals) and professional guidance providing information on rules, trends and resources.

American Accounting Association (AAA): This association is the largest community of accountants within higher education. AAA promotes excellence in accounting education, research and practices. There are many opportunities for AAA recognition and awards in research and findings. AAA also hosts annual and regional meetings, publishes a variety of publications and provides outreach opportunities.

Young CPA Network: This organization was created by AICPA for aspiring CPAs to seek advice from their professional peers. The Young CPA Network provides learning opportunities about the CPA profession, as well as education about challenges that could be faced. Through the Young CPA Network, young professionals can further develop their interpersonal skills and understanding of the field of accounting. Their E.D.G.E. Conference provides education to promote what it takes to stand out amongst others, professionally, and a chance to make valuable networking connections.