

Montana Board News

Board of Accountancy

September 2019

The Honorable Steve Bullock
Governor of Montana

Board Members

Ranetta Jones, CPA, Chair
John Jacobsen, CPA, Secretary
Linda Harris, CPA
Kathleen VanDyke, Public Member
Dan Vuckovich, CPA
Mike Huotte, CPA
Lucinda "Cindy" Willis, Public Member

Executive Officer

Grace Berger

Contact Information

Current Licensee & Renewal Inquires

Email: dlibsdlhelp@mt.gov
Phone 406-841-2300

Applying for a MT CPA license

Email: licensing@nasba.org
Website: nasba.org
Phone: 866-350-0017

General Inquires

Email: dlibsdlpac@mt.gov
Website: publicaccountant.mt.gov

CPE Audit

Email: cpeauditservice@nasba.org
Website: cpeauditservice.nasba.org
Phone 844-273-8722

Peer Review Inquires

Email: karnold@nevadacpa.org
Website: nevadacpa.org/peer-review
Phone: 775-826-6800



The Evolution of the CPA

The world today looks a lot different than it did twenty, or even ten years ago. So does the public accounting profession. How does the profession, and the CPA designation remain relevant in this world of technological innovations and the changing clients served by CPAs? How does the Board of Public Accountants, and their regulator counterparts across the US, strengthen and support changing business needs while continuing to protect the public?

The National Association of State Boards of Accountancy (NASBA), of which the Board of Public Accountants is a member, and the American Institute of CPAs (AICPA) are initiating a joint effort to look at the CPA profession and its licensure model through the lens of the need for rapidly changing CPA skills and competencies. Just as the 10-key and ledger sheets were the tools of the trade of the past, the future includes innovations in artificial intelligence, automation and data analytics. The CPA of today bears little resemblance to the CPA of the past, or of the future.

Embracing change has allowed the profession to evolve and remain relevant in today's business climate. But what should that evolution look like for the future? As part of their evolution initiative, NASBA and the AICPA have identified a non-inclusive list of new skills and knowledge in areas such as:

- » Business intelligence
- » Data analysis and reporting
- » Data management
- » Predictive analytics
- » Cybersecurity risk management
- » IT governance
- » IT audit
- » IT risks and controls
- » Information security governance
- » Systems and organization controls
- » Information system development

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Montana Department of
LABOR & INDUSTRY

Board Committee Appointments

At their August meeting, newly elected Board Chair, Ranetta Jones, CPA, made the following standing committee appointments:

Screening Panel

Kathleen VanDyke, Bozeman – Chair
Dan Vuckovich, CPA, Great Falls
Linda Harris, CPA, Red Lodge
Mike Huotte, CPA, Anaconda

Adjudication Panel

John Jacobsen, CPA, Billings – Chair
Ranetta Jones, CPA, Billings
Cindy Willis, Polson

Budget & Finance Committee

Mike Huotte, CPA, Anaconda – Chair
John Jacobsen, CPA, Billings

Getting Ready for Renewal

Renewal time is around the corner. Now is the time to check your online licensing account (this is different than your CPE tracking account) to ensure you can renew online.

If you have recently verified your account information, you are all set. If not, please go to EBIZ.MT.GOV/POL and log in. Once you have logged in to your EBiz account, select the Professional & Occupational Licensing tab. If you see your CPA license, you are ready to renew beginning Saturday, November 2nd.

If you do not know your login information or do not see your license once you have accessed your account, please email the Customer Service team at DLIBSDHELP@MT.GOV or by calling (406) 444-6880. This team can assist with you with logging into your EBiz account or other renewal questions. Please have your licensing information available so they can assist you.

The Evolution of the CPA (Continued)

Part of the challenge of such an initiative is working with all the stakeholders to affect meaningful change. Employers are increasingly seeking CPAs with skill and knowledge in both accounting and technology. This will require a change to the current education focus and examination requirements for initial licensure to include the new skills and knowledge needed for the CPA of the future.

As regulators, the Board of Public Accountants has a responsibility to ensure that the CPA of the present and the future has the skills and abilities to offer high quality services to the consuming public. This is an exciting time for the profession, and the Board is eager to face the challenges.

From the Chair



Ranetta Jones

The CPE Audit. This phrase can strike fear in the hearts of some and be a minor annoyance for others. I fall somewhere in the middle.

As noted in previous newsletters, Montana was one of a handful of states to early adopt the use of the CPEAuditService. As such, those of us lucky enough to be randomly selected for the 2016-2018 audit cycle were truly the guinea pigs, helping NASBA to uncover and work through the weak spots inherent in any new system. My road started with an email stating I had been selected for a random audit, but my audit reporting period was only one day long, from 12/31/2019 to 12/31/2019 and I had to complete the audit by 8/31/2019. I read this at the end of a long, hot summer day, but I knew this just didn't sound right. I had heard of a few glitches, so I have to admit, I ignored this notice. I received the actual notice and two weeks before the due days I attempted to log in. Attempt is the operative word. Success didn't come for several more days, numerous emails, the intervention of Executive Officer Grace (thank you!!) and a phone call with a very helpful tech at the CPEAuditService.

Ultimately, I was able to upload the data for the whole three-year cycle. Yes, I can procrastinate with the best. I closed my eyes and clicked submit. As of today, I have not heard the results of the audit, but fingers crossed all is well. I just tried to log in and check, but attempts failed, so I will be back on the phone tomorrow. If I could say anything to the states who have yet to adopt the new reporting platform, it would be to assure them that NASBA has your back and..... 'you are welcome'.

CPE Audit Service

The migration from the legacy NASBA CPE Tracking System to the new NASBA CPE Audit Service platform is complete. All CPE that had been loaded onto the legacy system was converted to the new CPE Audit Service system. It is important that you register your new account using the temporary registration code provided by NASBA and verify that those hours converted correctly. If they did not convert correctly or you have questions, you can contact cpeaudit@nasba.org. If you no longer have your registration information, contact dlibsdpac@mt.gov.

The new CPE Audit Service system has an at-a-glance dashboard to assist you in tracking your CPE compliance for any 3-year period. The system automatically applies all Board CPE rule requirements, including the new 50% technical subject requirement that you must meet by the end of 2020. These tools are designed to assist you in complying with CPE requirements.

While you are not required to use the system unless you are selected for random audit, using the system is a good way to visualize meeting the rolling 3-year CPE requirement. The system is available to you 24/7 and provides a great tool for maintaining your CPE records.

Accountants in Hong Kong

Whether or not accountants should be adding to the voices in Hong Kong's recent demonstrations appears to be in question. The *Wall Street Journal* reported that on August 23 "an estimated 5,000 people took part in an accounting industry protest in Hong Kong's business district." The Big Four firms employ thousands of people in Hong Kong and a newspaper ad was published that was critical of the firms for supporting business interests over the staff members' support for the demonstrations.

PwC sent out this media statement: "In response to an advertisement in Hong Kong by a group of unnamed individuals claiming to be employees of the Big Four accounting firms, PwC emphasizes that the advertisement does not represent the firm's position. We firmly oppose any action and statement that challenge national sovereignty. The rule of law and the 'One Country, Two Systems' principle are the foundations of maintaining stability and harmony in Hong Kong. We condemn all violent and illegal activities, and misleading statements. We urge the society of Hong Kong to work together to address the challenges ahead, and safeguard the stability and prosperity of Hong Kong."

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Do We Have Your Current Information

It is important that the Board office has your current contact information. Log on to the Department of Labor & Industry [citizen portal](#) (where you renew your license) and go to the "Account Management" area. You can update your mailing address, email, and any other login information. To continue to receive important notices from the Board such as renewal notices, CPE audit notification, and newsletters, it is essential that you maintain this information.

Renewals Right Around the Corner

It is the time of year to start thinking about the upcoming renewal of your CPA license and annual firm registration. The CPA license and firm registration renewal deadline is December 31st. All licensees are required to renew by the deadline or late renewal fees will be assessed. There is no fee for annual firm registration, but the deadline is December 31.

A firm, not each office location, is required to annually register with the Board. During the firm registration process, each firm will be asked to list all satellite offices in the State. Each office location is no longer required to register.

The online renewal system will be available beginning Saturday, November 2nd. You can begin renewing at that time. In mid-November you will receive a renewal reminder for each license/firm. Only register the firm ONCE and list the other locations as satellite offices.

If you receive more than one renewal reminder per license, it is because we have more than one account for you. You will need to contact the Customer Service team at (406) 444-6880 or DLIBSDHELP@MT.GOV to have the excess account(s) disabled. PLEASE NOTE, a separate renewal reminder will be sent for the firm. Again, the firm is only required to register once, with other locations listed as a satellite office.

Active licensees, make sure you meet the current CPE requirement of 120 hours, with at least 2 hours of ethics, within the reporting period of January 1, 2017-December 31, 2019. Maintaining your CPE on the CPE Audit Service will assist you in complying with the CPE requirements. If you obtained your original Montana license in 2017 or after, you are not required to meet the CPE requirements this year.

It is important that you follow the instructions to renew your license or register the firm, and to timely comply with all requirements. If you find yourself lacking CPE toward the end of the year, you can file for an extension or a hardship exception using the form located on the Board website under the Forms/General Forms tab.

To renew your license on active status, you will want to submit this request prior to December 31. The Board can only grant an exception for individual hardship. An extension can be requested for any reason.

ONLINE RENEWAL INSTRUCTIONS

1. Navigate your browser to EBIZ.MT.GOV/POL. We recommend using Google Chrome as your browser.
2. Login to your EBiz account.
3. Click the blue "Renew License" button in your license record.
4. Answer all renewal questions for your license.
5. Click the "Continue Application" button to proceed.
6. Upload any documentation needed for your renewal, as needed.
7. Click the "Continue Application" button to proceed.
8. Review your information.
9. Click the "Continue Application" button to proceed.
10. Review your fee information.
11. Enter your payment information.



Responsible Licensing Matters

In this era of rollback of regulations or even deregulation of occupations and professions, much talk has turned to the necessity of licensing professions. After all, the US was founded on individual freedoms, including freedom to earn a living. So why should you care about this?

The CPA profession, and your counterparts around the globe, are responsible for the fiscal integrity of the financial systems throughout the world. You hold a high level of public trust and influence in the financial arena. As we have seen in the past, when a CPA fails to perform, it has a lasting ripple effect.

Responsible licensing of highly complex and technical professions protects the public by ensuring licensees have met minimum competency requirements and maintain those competencies through CPE, which protects consumers from unqualified practitioners in areas where consumers do not have the expertise needed to evaluate the practitioner's qualifications and performance. CPA initial licensing and maintenance is rigorous for a reason. Responsible licensing allows all qualified individuals to enter the profession without artificial deterrents but ensure public protection.

CPA regulation in the US has made great strides in eliminating unnecessary barriers to entry into the profession. Individual and firm mobility allows qualified practitioners to practice across state lines. Reciprocity of licensure and CPE reciprocity allows easy flow of licensing from one jurisdiction to another. Unfortunately, these accomplishments have not removed the CPAs from the broad-brush approach to deregulation of occupations and professions.

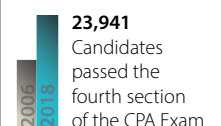
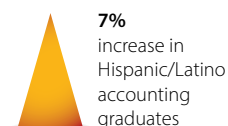
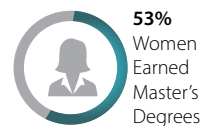
The National Association of State Boards of Accountancy (NASBA), of which the Montana Board of Public Accountants is a member, has joined with other regulatory associations of highly complex technical professions (architect, landscape architects, professional engineers and professional surveyors) to create the Alliance for Responsible Professional Licensing (ARPL). ARPL was created to ensure that a unified voice for advanced professions is present and heard in the growing debate around the appropriate level of licensure for professions and occupations. Visit their [website](#) to learn more about ARPL and their efforts to promote a responsible, balanced approach to professional licensing. Talk to your local legislator and stay involved. Help maintain public protection in the practice of public accounting.

Diversity of Accounting Students Up

The AICPA reports that in the 2017-2018 academic year, racial/ethnic diversity among accounting graduates has increased, including a 7 percentage point rise in the number of Hispanic or Latino accounting graduates. 2019 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits has been released by the AICPA <https://www.aicpa.org/content/dam/aicpa/interestareas/accountingeducation/newsandpublications/downloadabledocuments/2019-trends-report.pdf>, and the significance of the reported findings will be discussed at NASBA's Annual Meeting by Joanne Fiore, AICPA Vice President- Professional Media, Pathways and Inclusion. Those designating themselves as "white" in 2018 remain the largest percentage of new bachelor's and master's of accounting graduates (58 percent), followed by "Asian/Pacific Islanders" at 16 percent. In 2017-18 there was an equal percentage by gender of new accounting graduates with bachelor's degrees, while women accounted for 53 percent of the master's degree graduates in that year.

While there was a significant increase in the number of CPA Examination candidates in 2016, in 2018 the number fell to its lowest level in 10 years, 36,827. However, the number of CPA candidates who passed their fourth section

2018 ACCOUNTING TRENDS



of the Uniform CPA Examination in 2018 was 23,941, while in 2006 only 14,101 passed their fourth part.

Yvonne Hinson, the AICPA's Academic-in-Residence, points out: "Across the last two Trends reports, we have experienced an approximate 30 percent decline in hiring of new accounting graduates. The marketplace continues to demand different competencies and, while accounting graduates are still being hired, firms are seeking other skill sets to expand services. We are seeing that the gap in skill required in the profession, especially as it relates to technology needs, is being met with non-accounting graduates."

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