



CPA MATTERS

A Publication of the Wyoming Board of Certified Public Accountants



ALL 2014 CERTIFICATES AND FIRM PERMITS WILL EXPIRE 12/31/2014

And just like that, the season changed! The change to autumn means the Board staff is busy preparing for the 2015 annual certificate and firm permit renewal season.

The Board office will advise all holders either by U.S. Postal mail or via email that it is time to renew certificates and firm permits on October 1, 2014. Please make certain that your contact preference and contact information are correct. Regardless of whether a holder receives a renewal notice, he/she must renew certificates and firm permits by no later than December 31, 2014.



All active holders are subject to annual CPE reporting and are strongly encouraged to gather all CPE certificates of completion for 2014 and **make certain to accurately report the number of CPE credits earned during 2014**. We can't stress enough how important this is.

The Board and staff try to provide as much information as possible to enhance holders' compliance with the law related to the practice of accounting as a CPA. Holders are charged with the responsibility of determining whether they are in compliance with Chapter 5 of Board Rules and Regulations. A copy of the Board's Rules and Regulations may be accessed on the Board's website at cpaboard.state.wy.us.

BOARD MISSION STATEMENT

The Board's mission is to ensure that consumers of accounting services are protected by requiring CPAs and CPA firms to meet the highest level of professional competence.

Governor Matthew H. Mead

BOARD MEMBERS

Rauland Weber, CPA, Chairman

T. Chris Muirhead, CPA

Dean W. McKee, CPA

Roxanne P. Ostlund, CPA

Steven R. Laird, Public Member

BOARD CALENDAR

October 23, 2014 – Casper – 9:00 a.m.

November 18, 2014 – Conference Call – 1:30 p.m.

December 16, 2014 – Conference Call – 1:30 p.m.

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WYOMING OFFERS OPPORTUNITIES TO CPAS!

BY PAM IVEY, EXECUTIVE DIRECTOR

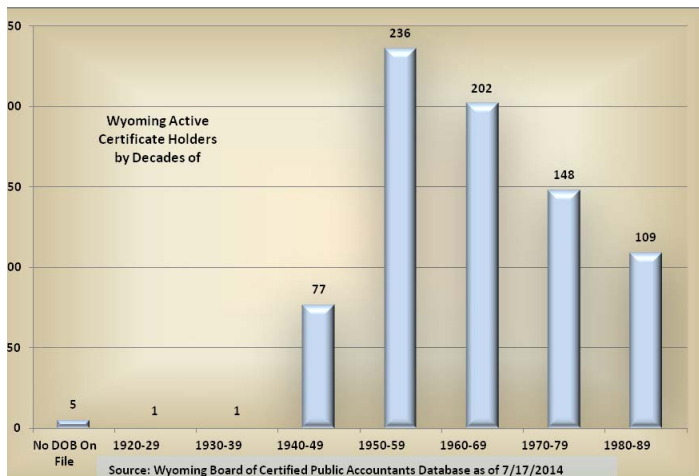
A startling trend has been developing over a number of years that could create a shortage of CPAs in the state of Wyoming.

Fewer CPAs in practice may mean that members of the public could have difficulty obtaining services from trusted local professionals. Certificate holders who own shares in firms and are nearing retirement may have difficulty selling their interests. On the flip side of the issue – **opportunities are tremendous for young CPAs who want to live and work in Wyoming.**

It appears that Wyoming may be struggling to attract and retain newly licensed talent. Have we done the best job we can to communicate the benefits of living and working as a CPA in Wyoming? Does the University of Wyoming have the capacity to accommodate more students in its accounting program? What else needs to be done to turn the tide? I know the Wyoming Society of CPAs has an active program in place to promote becoming a CPA as a desirable career. Once each semester I present to accounting students at the

The chart illustrates demographic data from the Board’s database sorted by the decades of holders’ dates of birth. Holders in their 50s and 60s total 313. Holders who are 40 or younger total 459. In other words, approximately 40% of the active CPAs licensed in Wyoming are at or nearing retirement. About 59% of the active CPAs licensed in Wyoming have a ways to go before thinking about leaving work behind. Those born between 1980 and 1989 are between the ages of 25 and 34. . . just beginning their careers. Most people born during the 1990s have yet to complete their educations and begin the process of sitting for the exam. We hope to see the numbers of exam candidates increase as the word gets out that CPA is the way to a great future!

“APPROXIMATELY 40% OF THE ACTIVE CPAS LICENSED IN WYOMING ARE AT OR NEARING RETIREMENT.”



Wayne Herr, CPA, President of the Wyoming Society of CPAs addresses the problem in his column in the recent “Sagebrush” newsletter publication. The Chairman of the Washington State Board of Accountancy, Emily R. Rollins, CPA, also sounds an alarm bell in the most recent edition of that state board’s newsletter. This issue is widespread and could create a hardship for the public.

Both Wayne and Emily encourage us all to talk to people about what CPAs do, the opportunities available to CPAs and the rewards of becoming a member of the CPA community. While you are at it, stress that Wyoming offers tremendous opportunities to young CPAs.

University of Wyoming by invitation from Dr. Penne Ainsworth, CPA. During my presentations on behalf of the Board I review the process for candidates to qualify to sit for the Exam. I also discuss the opportunities that await young CPAs who opt to stay in Wyoming because of the demographic trends identified in the chart.

This issue is all of our problems. All of us doing our part to reach out to young people, beginning as early as junior high, will make a difference in turning the tide. Speak up and share the gift of planting a seed that may help a young person to excel in life – both professionally and personally.



WYOMING CPAS BY THE NUMBERS

The total number of active certificate holders in Wyoming is 779. This chart includes both In-State and Out-of-State certificate holders.

HAS YOUR FIRM CONSIDERED SUCCESSION PLANNING?

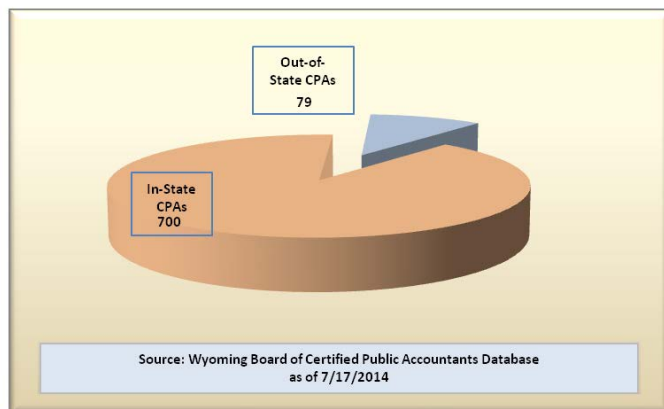
Large or small, all firms need to consider what would occur in the event that something happens to a principal of the firm. Who would step in to continue to service to clients? Who would maintain client records? Where would the clients' records be kept?

The AICPA conducted a Private Companies Practice Section (PCPS) Succession Survey in 2012. The results are concerning. The survey revealed that only forty-six percent (46%) of multi-owner firms and only six percent (6%) of sole practitioners have a written succession plan.

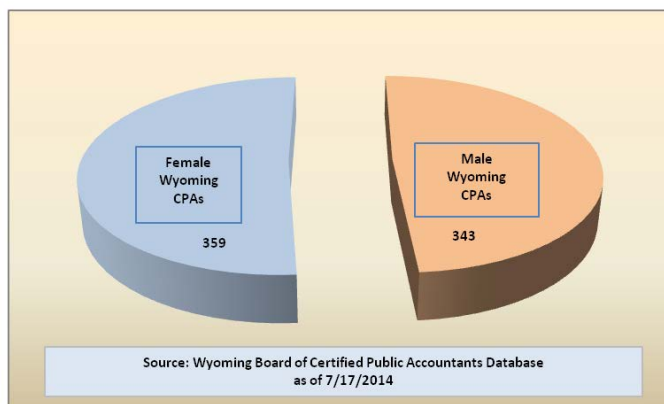
An article written in 2005 and published in the newsletter of the New York State Society of CPAs can be found [here](#). The article, written by Robert Fligel, illustrates the importance of succession planning for small firms in particular. Several scenarios of what has happened to others highlight the value of taking the time to systematically plan for the future in the event that you are no longer able to serve your clients.

No one likes to think about something happening to him or her that might interrupt or stop service to clients. However, in the interest of protecting clients, the firm and one's heirs, thought should be given to the topic.

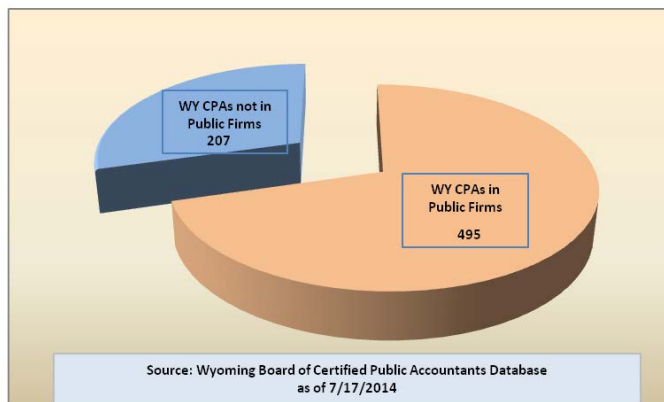
The AICPA offers access to its Succession Planning Resource Center to PCPS member firms at no charge. Alternatively, brief research of internet resources revealed a number of tools and resources available to the public without charge.



Active certificate holders with a Wyoming address are evenly diverse with respect to gender.



Of the total number of active certificate holders with a Wyoming address, seventy percent (70%) are employed in public firms. The other thirty percent (30%) are employed in industry, government or academia.



CPE AND YOUR CERTIFICATE TO PRACTICE

A critical element of public protection is ensuring that all active CPAs registered in Wyoming are meeting Continuing Professional Education (CPE) requirements to maintain currency of technical knowledge to practice and to qualify for renewal of one's certificate to practice as a CPA in Wyoming.



The Board is provided the authority to randomly audit a sample of holders' CPE on an annual basis. Most holders are able to document CPE credits claimed with certificates of completion that meet the requirements in Chapter 5 of Board Rules and Regulations.

The Board provides flexibility to holders to determine the appropriate topical mix of CPE courses to meet their own professional technical needs. Further, holders have flexibility in earning and reporting CPE over a **rolling** three-calendar-year period. The CPE requirement for a three-calendar-year period is 120 credits; therefore the average number of CPE credits per year is, of course, forty (40). Because the three year period is rolling, holders may earn more CPE in one year or years and less in the next year or years and still meet the minimum requirement of 120 CPE credits.

The staff feels it is important to communicate the following to all holders to enhance compliance with the CPE requirements found in the statutes and Board Rules and Regulations.

- Take care in making certain that the number of CPE credits you report for each calendar year in annual certificate renewal applications can be evidenced by acceptable certificates of completion. **Holders are responsible for the truth and accuracy of all statements made in any application regardless of whether it is an electronic or paper form.**
- CPE credits earned during a particular calendar year must be reported as having been earned during that year. CPE credits may not be “borrowed” from one year to make up for a deficit in another year. Bear in mind that the rolling three-calendar-year period eliminates the need to “borrow” or shift reported credits to a different calendar year. The exception to this guidance is if a holder requests a 90-day extension to earn CPE credits to meet minimum requirements. However, holders are advised in all cases to accurately report the numbers of CPE credits earned during each calendar year.
- As CPA professionals, you know that auditing anything relies on review and analysis of **documentation**. The same applies to a CPE audit. In most cases the holder is able to provide acceptable documentation to evidence that the CPE credits he/she reported in renewal applications is what was actually earned or attended.
- In most cases, the staff is not able to accept “substitute” types of proof of participation or completion of CPE. For example, the staff may not accept CPE course transcripts issued by Societies or Associations of CPAs.
- The staff is also not able to accept Continuing Legal Education (CLE) credits if the course topic does not meet the technical topical requirements and evidence of completion requirements found in Chapter 5 of Board Rules and Regulations.
- The only CPE course that is “Board-approved” is the 4-credit regulatory/professional ethics CPE course that is required of all holders once every three years. Neither the Board nor its staff is authorized to “pre-approve” other types of education or experiences to qualify for CPE credit.
- The staff tries hard to contact holders to work with them to gather acceptable documentation that can be used to evidence they meet CPE requirements.
- If the staff is unable to gather what it needs to document that the holder meets the overall requirement of 120 CPE credits **and** that all CPE credits reported on certificate renewal applications can be properly documented, the matter is referred to the Board for possible disciplinary action.



WHY DOES THE BOARD EXIST AND WHAT PURPOSE DOES IT SERVE?

The Board is created by statute and its purpose is public protection. The work performed by CPAs is the underpinning of individual clients' financial well-being as well as the well-being of the economy in general.

The Board ensures public protection by requiring CPAs and CPA firms to meet the highest level of professional competence.

CPA candidates must pass the rigorous Uniform CPA Examination and provide evidence of their accounting work experience to qualify for licensure. The Board ensures that candidates meet the minimum requirements under the law to qualify to sit for the exam as a Wyoming exam candidate and to become licensed as a CPA in Wyoming.

Once licensed, CPAs are required to complete an average of 40 CPE course credits per calendar year to ensure currency with technical knowledge to maintain their skills at a high level.

CPA firms that perform compilation, review and/or audit and attest services are subject to peer review to ensure the quality of the work provided by the firm.

Regulation of the profession ensures that the public can rely on the integrity of the services provided by CPAs.

Funding for the Board's activities comes from licensing fees, examination application fees and miscellaneous other fees, such as providing lists of holders to CPE vendors for marketing purposes. **The Board does not receive any funding from the General Fund, and therefore, is not supported by taxpayer dollars.**

The Board is an agency of the State of Wyoming and, as such, is assessed fees for usage of certain support services necessary to the operation of the office such as central mail, IT services and "banking" services provided by the State Treasurer's office.

RECENT DISCIPLINARY ACTIONS

At its meeting on July 15, 2014 the Board entered into Settlement Agreement, Stipulation and Order (SASO) agreements with the following certificate holders:

Shelia L. Hannah, certificate number 2346 issued April 3, 2007. Ms. Hannah was ordered per the SASO to properly register her certificate and firm permit for calendar year 2013.

Daniel S. Goldman, certificate number 2790 issued January 23, 2014. Mr. Goldman was ordered per the SASO to properly register his certificate for calendar year 2013.

Becky L. Steensland, certificate number 1317 issued April 26, 1988. Ms. Steensland was ordered per the SASO to properly register her certificate as "active" for calendar years 2009 through 2013.

Copies of the SASOs can be found on the Board's website at cpaboard.state.wy.us under the "Consumer & Complaint Information" link.