

**Economic Affairs Interim Committee
Questions for Board Review under HB 525
Board of Public Accountants
January 19, 2012 ~ 2:15 PM**

1. What is the public health, safety, or welfare rationale for licensing and regulating your profession/occupation?

This board is in place to protect the public's financial welfare. The CPA profession is extremely broad, not only in the services the CPA provides, but also in the various third-parties who rely on the CPAs work. The services provided to clients are relied upon by taxing authorities, banks and other lending institutions, investors, governmental entities providing grants, donors, boards of directors, family beneficiaries, etc. The reliance on the services of CPAs by outside third-parties is what sets the public accounting profession apart from all others. It amplifies the importance of the profession's ethical obligations for independence, integrity and objectivity that directly relate to serving the public interest.

2. If your profession is not licensed, what public protection would be lost?

If CPAs were not licensed, the public would not be able to identify those professionals which have not only passed the CPA Exam and met the education and experience requirements, but who are also up-to-date (via continuing professional education) on the most recent standards and laws. The general public does not usually have the appropriate knowledge in order to review a work product and determine if it meets professional standards, leaving that responsibility to the board.

3. If a license is necessary (for health, safety, or welfare), does the profession/occupation need a board for oversight? If yes, please explain why and describe the purpose of creating a board.

The aspect of the CPA profession which makes the need for an oversight board imperative is that it is ever changing, requiring people who are immersed in the profession to monitor these changes and make sure our licensees are in compliance and that Montana citizens are protected. The five practitioners on the board have the expertise to review technical matters and the two public members represent the views of consumers.

4. Does the board deal with unlicensed practice issues? If yes, what types of issues?

The typical unlicensed practice issues this board deals with are cases where an individual is advertising themselves as a CPA when they are not a licensed CPA. The board also deals with individuals who do not clearly understand mobility/practice privilege requirements and establish a CPA office in the state without being licensed in Montana. Unlicensed practice complaints are reviewed in executive session to maintain confidentiality until the board has determined whether a violation has actually occurred.