


08 - 0788

THE MINNESOTA BOARD OF ACCOUNTANCY

October 23, 2008

TO: Governor Tim Pawlenty

FROM: Doreen Frost
Executive Secretary
Minnesota Board of Accountancy 

RE: Biennial Report of Examining and Licensing Boards

As required by Minnesota Statutes Section 214.07, enclosed is the original Minnesota State Board of Accountancy's Biennial Report for the period of July 1, 2006 through June 30, 2008.

cc: Legislative Reference Library (6 copies)
Board of Accountancy Executive Committee

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BIENNIAL REPORT OF EXAMINING AND LICENSING BOARDS

(M.S. 1997, Section 214.07)

BOARD: Minnesota Board of Accountancy
LOCATION: 85 E. 7th Place, Suite 125, St. Paul, MN 55101
STATUTORY AUTHORITY: 326A.01 – 326A.14
REPORT PERIOD: July 1, 2006 to June 30, 2008
SUBMITTED BY: Doreen Frost, Executive Secretary

This report shall be delivered to the Governor.

Board of Accountancy

Clause a: GENERAL STATEMENT OF BOARD ACTIVITIES

This description should cover both FY 07 and FY 08 and include any changes (additions/deletions) in activities between those years.

The Minnesota Board of Accountancy is mandated by Minnesota Statutes §§ 326A.01 – 326A.10 to govern and regulate the practice of public accountancy within the State. The Board is responsible for protecting and assuring Minnesota citizens that persons engaged in public accounting meet the qualifications and standards necessary to competently practice the public accounting profession. The Board's program for administering the law is comprised of three parts: examination, certification and enforcement.

The Board reviews and processes applications by examination by identifying those candidates who meet the requirements set forth in statute and rule. The Uniform Certified Public Accountants (CPA) examinations were administered by CPA Exam Services. All candidates who pass the Uniform CPA Examination are required to pass the American Institute of CPA Ethics Examination.

Applicants must also meet the public accounting experience requirement prior to application for a CPA certificate. The experience requirement is based upon the educational requirement for sitting for the examination and is set forth in rule.

In the FY07/FY08 reporting period, the Board issued a total of 3,148 new certificates (by exam and by comity). An atypical amount of new certificates were issued in FY07 (2,530) due to a change in the law on April 18, 2006 allowing individuals who had passed the CPA examination but had not yet submitted their experience (those formerly known as certificate candidates) to apply to become an inactive certificate holder. Based on this law change, 1,985 certificates were revoked because the certificate holder did not apply to become an inactive certificate holder. The Board renewed approximately 14,500 certificates in each of FY07 and FY08. The Board renewed approximately 1,800 firm permits in each of FY07 and FY08.

All individual CPAs are required to renew their credentials annually, until 2010 when a three-year renewal cycle will begin. Individuals may file as active, inactive or exempt. Active certificate holders may practice public accounting and are required to report 120 hours of Continuing Professional Education (CPE) every three years. Those who file as inactive may not practice public accounting, are not required to report CPE and can use the title "CPA, Inactive." Those who file as exempt are not required to renew and have no CPE requirement or renewal fee until they reenter public practice.

The Board also evaluates and processes applications for CPA firm permits as partnerships, corporations, Limited Liability Companies (LLCs) and Limited Liability Partnerships (LLPs). Corporations must comply with M.S. 319B, the Professional Firms Act. The Board issued 59 firm permits in FY07 and 42 firm permits in FY08.

The Registered Accounting Practitioner (RAP) designation was established by the Accountancy Act in 2001. Individuals applying for designation as a RAP must have a minimum of an Associate Degree in Accounting or equivalent education, pass all sections of the Accreditation Council for Accountancy and Taxation (ACAT) Exam, and meet the experience requirement.

The RAP registrant seeking renewal is required to complete CPE. Additionally, the RAP is required to complete a quality review once every three years. The RAP is permitted to compile financial statements and prepare reports with the Safe Harbor language included.

The Board, in cooperation with the Attorney General's office, processed and closed 164 complaints alleging violations of the Board's statutes and rules in FY07. In FY08, the Board processed and closed 178 complaints. During FY07 and FY08 a total of 343 new complaints were filed.

The Board generates non-dedicated revenue (certification fees, examination fees, fines, civil penalties) into the General Fund. Fees are set to cover all direct and indirect costs.

Board of Accountancy

Clause b: TOTAL NUMBER MEETINGS HELD FY07 AND FY08

APPROXIMATE TOTAL NUMBER OF HOURS SPENT BY BOARD MEMBERS IN MEETINGS AND ON OTHER BOARD ACTIVITIES.

BOARD MEMBER'S NAME	TYPE	FY 07	FY 08	FY 07 & 08
Engelson, Robin	Board	6	10	16
	Committee	6	15	21
	Other Meetings	0	0	0
Hyde, Bob	Board	20	16	36
	Committee	30	32	62
	Other Meetings	189	332	521
Keran, Rebecca	Board	10	8	18
	Committee	10	12	22
	Other Meetings	0	20	20
Lapidus, Neil	Board	18	14	32
	Committee	36	28	64
	Other Meetings	70	100	170
Mooney, Kate	Board	16	10	26
	Committee	16	20	36
	Other Meetings	48	60	108
Reinhart, Roger	Board	14	N/A	14
	Committee	21	N/A	21
	Other Meetings	50	N/A	50
Rose, Melodie	Board	14	10	24
	Committee	21	20	41
	Other Meetings	23	16.5	39.5
Saunders, Robert	Board	4	14	18
	Committee	4	28	32
	Other Meetings	18	72	90
Shah, Ramanik	Board	16	14	30
	Committee	32	35	67
	Other Meetings	25	25	50

BOARD MEMBER'S NAME	TYPE	FY 07	FY 08	FY 07 & 08
Vekich, Mike	Board	14	12	26
	Committee	28	36	64
	Other Meetings	25	30	55
Widseth, Mary Lynn	Board	4	N/A	4
	Committee	4	N/A	4
	Other Meetings	0	N/A	0

Board of Accountancy

Clause c: THE RECEIPT AND DISBURSEMENT OF BOARD FUNDS

	FY07	FY08	FY07/FY08
Total State Appropriations	\$487,000	\$496,000	\$983,000
Total Non-Dedicated Fee Receipts	\$859,598	\$860,492	\$1,720,090
Total Disbursements	\$391,000	\$407,000	\$798,000

COMMENTS (Optional)

FY 08 Budget Totals include roll-over from FY 07.

Board of Accountancy

Clause d: LIST OF BOARD MEMBERS WHO SERVED DURING FY07 AND FY08

FOR EASY REFERENCE PLEASE GIVE:

- A) Number of Board members required by statute: 9
- B) Statutory length of term: 4 years

Name & Address	Occupation	Give begin and end date of appointment and each re-appointment		
		Appt.	Re-appt.	Expire
Hyde, Bob Plymouth	Certified Public Accountant	7-2-03	3-21-07	1-1-07 1-3-11
Keran, Rebecca Inver Grove Heights	Certified Public Accountant	4-19-04	1-14-08	1-7-08 1-2-12
Lapidus, Neil Medina	Certified Public Accountant	4-19-04	1-14-08	1-7-08 1-2-12
Mooney, Kate Cold Spring	Certified Public Accountant	5-1-06	1-14-08	1-7-08 1-2-12
Reinhart, Roger Burnsville	Certified Public Accountant	5-25-99	7-2-03	1-6-03 1-1-07
Rose, Melodie Maple Grove	-----	2-15-05	3-21-07	1-1-07 1-3-11
Shah, Ramanik Roseville	Certified Public Accountant	4-19-04	1-23-06	1-2-06 1-4-10
Vekich, Mike St. Louis Park	Certified Public Accountant	1-9-84	1-26-88 2-15-05	1-1-86 1-1-92 1-5-09
Widseth, Mary Lynn McGregor	-----	7-2-03		1-1-07

Name & Address	Occupation	Give begin and end date of appointment and each re-appointment		
		Appt.	Re-appt.	Expire
Engelson, Robin (1) Minnetonka	Public Member	3-21-07		1-3-11
Saunders, Robert (2) Bird Island	CPA	3-21-07		1-3-11

- (1) Replaced Mary Lynn Widseth
- (2) Replaced Roger Reinhart

Board of Accountancy

Clause e: LIST BOARD EMPLOYEES WHO WERE EMPLOYED DURING FY07 AND/OR FY08

<u>Name</u>	<u>Job Classification/Title & Class</u>	STATUS		Dates Of Service
		FT	PT	
CAREY, Beverly	St. Prog. Adm.	X		9-14-04 -
COSTELLO, Brian	IT Specialist II		.25	11-17-07 -
FROST, Doreen	Executive Secretary		.50	4-12-05 -
OEHRLEIN, Vicky	Office & Adm. Spec. Interm.	X		8-22-03 -
SPELLBRINK, Josh	Student Worker	X		6-2-08 - 8-22-08
RENVILLE, Steven	Executive 2 and Investigator	X		7-10-96 -

Board of Accountancy

Clause f: A BRIEF SUMMARY OF BOARD RULES PROPOSED OR ADOPTED DURING THE REPORTING PERIOD WITH APPROPRIATE CITATIONS TO THE STATE REGISTER AND PUBLISHED RULES.

The attached document details changes made to the Board rules adopted and published in the State Register on June 2, 2008 (32 SR 2123).

Board of Accountancy

Adopted Permanent Rules Relating to Board of Accountancy

The rules proposed and published at *State Register*, Volume 32, Number 49, pages 2123-2143, June 02, 2008 (32 SR 2123), are adopted with the following modifications:

1105.0100 DEFINITIONS.

Subp. 12. **Quality review.** "Quality review" means a peer review as required by *Minnesota Statutes*, section 326A.05, subdivision 8.

Quality review also means an independent study, appraisal, or review of one or more aspects of the attest or compilation professional services of a licensee that issues attest or compilation reports, or the professional work of a person registered under *Minnesota Statutes*, section 326A.06, paragraph (b). The reviews must be conducted according to standards approved by the board as specified in this chapter by a person or persons who hold certificates with an active status and who are not affiliated with the licensee or CPA firm being reviewed or by reviewers approved by the board as specified in this chapter.

1105.0250 INCORPORATION BY REFERENCE.

A. For purposes of this chapter, the documents dated June 1, 2007, in item B; the documents dated June 1, 2007, in item C; the document as of December 2007 and copyrighted 2008 in item D; the January July 2007 revision of the document in item E; the document dated October 2006, in item F; the document dated June 1, 2007, in item G; and the document dated June 30, 2007, in item H; are incorporated by reference to the extent other provisions of this chapter and *Minnesota Statutes* do not modify or conflict with the provisions of the documents, in which case the provisions of this chapter and *Minnesota Statutes* shall prevail. They can be found at the State Law Library and are subject to frequent change.

1105.0600 FEES.

The following fees apply:

Q. renewal of CPA firms firm permits for firms that have one or more offices located in another state, \$68 per year.

1105.2450 GOOD MORAL CHARACTER.

C. Factors the board may shall consider in determining rehabilitation of moral character include the following:

1105.3000 CONTINUING PROFESSIONAL EDUCATION REQUIREMENTS.

The requirements of continuing professional education in items A to K apply pursuant to *Minnesota Statutes*, section 326A.04, subdivision 4. G. Failure to report CPE, failure to obtain CPE required by this part, reporting of an amount less than that required, or fraudulently reporting CPE is a basis for disciplinary action under *Minnesota Statutes*, section 326A.08. A licensee not in compliance with this part on June 30 of each year shall be assessed a late processing fee of \$50 for the first month, or partial month, of noncompliance and \$25 per month, or partial month, of noncompliance thereafter until the date the licensee reports is in compliance with this part and provides documentation of compliance in writing to the board compliance with this part and demonstrates compliance to the satisfaction of the board.

1105.4000 APPLICATION FOR FIRM PERMIT.

I. The application for a firm permit shall contain a representation from the firm that it has complied with part 1105.7850, item F, and that it has verified compliance of its partners, members, managers, shareholders, directors, or officers resident in this state with items D, E, and F.

1105.4150 HEADQUARTERS OF CLIENT.

A. For purposes of part 1105.4200 and *Minnesota Statutes*, sections 326A.05, subdivision 1, and 326A.14, subdivision 1, a client is considered to have its headquarters in this state if the location specified by the client as the address to which a service is directed is located in this state. In addition, a client is considered to have its headquarters in this state if:

1105.7900 SUBSTANTIAL EQUIVALENCY.

D. Individuals required by *Minnesota Statutes*, section 326A.14, subdivision 1, paragraph (b), to obtain a verification that their individual qualifications are substantially equivalent to the licensure requirements of *Minnesota Statutes*, section 326A.03, subdivisions 2, 3, 4, and 6, shall obtain the verification from the NASBA National Qualification Appraisal Service prior to rendering professional services in this state. Documentation supporting this verification must be maintained by the individual for a minimum period of six years and must be submitted to the board upon request.

Board of Accountancy

Clause g: LIST THE NUMBER OF PERSONS HAVING EACH TYPE OF LICENSE AND REGISTRATION ISSUED BY THE BOARD AS OF JUNE 30, 2008 (IN THE YEAR OF THE REPORT)

<u>Type of Certificate/Registration</u>	<u>Total Number in Effect</u>
Individuals:	
Active CPA Certificate	8,189
Inactive CPA Certificate	6,680
Registered Accounting Practitioner	92
	<hr/> 14,961
Firms:	
CPA Corporations	587
CPA Partnerships	42
CPA Firms not in Minnesota	23
CPA LLC	66
CPA LLP	59
RAP Firms	15
	<hr/> 792

Board of Accountancy

Clause h: ADMINISTRATION OF EXAMINATIONS BY BOARD

The Uniform CPA Examination is offered jointly by three organizations: the National Association of State Boards of Accountancy (NASBA) which is responsible for the National Candidate Database, the American Institute of Certified Public Accountants (AICPA) which is responsible for developing and scoring the examination, and Thompson Prometric which is responsible for examination delivery at an authorized test center.

Persons applying for the Registered Accounting Practitioner credential must complete the Accreditation Council for Accountancy and Taxation (ACAT) examination administered by the Minnesota Association of Public Accountants.

Completion of the AICPA Ethics for Professional Accountants examination is required prior to issuance of a certificate or credential.

Board of Accountancy

Clauses i, j, k: MINNESOTA RESIDENTS BY TYPE OF LICENSE

List the number of Minnesota Residents only who were (1) examined and either (2) licensed or (3) Not licensed after being examined for the type of license noted. Use a separate page for each type of license.

TYPE OF LICENSE: **Certified Public Accountant**

AGE GROUP	FY 07									FY 08									FY 07 & 08 Total																	
	EXAMINED			CERTIFIED			NOT CERTIFIED			EXAMINED			CERTIFIED			NOT CERTIFIED			EXAMINED			CERTIFIED			NOT CERTIFIED											
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T									
Un known	DATA NOT AVAILABLE - THE BOARD DOES NOT ADMINISTER THE EXAMINATIONS, APPLICANTS APPLY UPON COMPLETION OF EXAM.									DATA NOT AVAILABLE									DATA NOT AVAILABLE - THE BOARD DOES NOT ADMINISTER THE EXAMINATIONS, APPLICANTS APPLY UPON COMPLETION OF EXAM.									146	82	228	16	16	32	162	98	260
18-25																												48	55	103	56	76	132	104	131	235
26-34																												126	216	342	222	106	328	348	322	670
35-59																												798	719	1517	57	27	84	855	746	1601
60-65																												19	13	32	0	0	0	19	13	32
66 & Over																												6	4	10	0	0	0	6	4	10
Total																												1143	1089	2232	351	225	576	1494	1314	2808
Calculate % of Male and % of Female to the Total of Each Category																																				
% of Total	N/A	N/A	N/A	51	49	100	N/A	N/A	N/A	N/A	N/A	N/A	61	39	100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	53	47	100	N/A	N/A	N/A						

** Due to a change in MN Law, in FY07 a large number of certificate candidates applied and became inactive certificate holders.

Board of Accountancy

Clauses i, j, k: NON-MINNESOTA RESIDENTS BY TYPE OF LICENSE

List the number of Non-Minnesota Residents only who were (1) examined and either (2) licensed or (3) Not licensed after being examined for the type of license noted. Use a separate page for each type of license.

TYPE OF LICENSE: **CERTIFIED PUBLIC ACCOUNTANT**

AGE GROUP	FY 07									FY 08									FY 07 & 08 Total																	
	EXAMINED			CERTIFIED			NOT CERTIFIED			EXAMINED			CERTIFIED			NOT CERTIFIED			EXAMINED			CERTIFIED			NOT CERTIFIED											
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T									
Unknown	DATA NOT AVAILABLE - THE BOARD DOES NOT ADMINISTER THE EXAMINATIONS, APPLICANTS APPLY UPON COMPLETION OF EXAM.									DATA NOT AVAILABLE - THE BOARD DOES NOT ADMINISTER THE EXAMINATIONS, APPLICANTS APPLY UPON COMPLETION OF EXAM.									DATA NOT AVAILABLE - THE BOARD DOES NOT ADMINISTER THE EXAMINATIONS, APPLICANTS APPLY UPON COMPLETION OF EXAM.									38	14	52	3	2	5	41	16	57
18-25																												6	5	11	7	5	12	13	10	23
26-34																												61	67	128	53	27	80	114	94	208
35-59																												241	137	378	55	17	72	296	154	450
60-65																												6	4	10	3	0	3	9	4	13
66 & Over																												2	1	3	0	0	0	2	1	3
Total																												354	228	582	121	51	172	475	279	754

Calculate % of Male and % of Female to the Total of Each Category

% of Total	N/A	N/A	N/A	61	39	100	N/A	N/A	N/A	N/A	N/A	N/A	70	30	100	N/A	N/A	N/A	N/A	N/A	N/A	63	37	100	N/A	N/A	N/A
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PLEASE LIST THE TOTAL NUMBER OF NON-RESIDENTS BY STATE

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	MA	MD	MI	MO	MT	NC	ND	NE	NJ
1		10	2	69	16	20	1	4	21	15	1	38	4	71	17	5	2		13	11	14	21	2	23	34	13	13
NH	NM	NY	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT	VA	VT	WA	WI	WY	Canada	Unknown	ME	MS	NV					
	1	14	26	2	7	14	2	3	19	8	26	3	16	1	17	135		1	16								

Board of Accountancy

Clause I: THE NUMBER OF PERSONS NOT TAKING EXAMINATIONS WHO WERE LICENSED BY THE BOARD OR WHO WERE DENIED LICENSING WITH THE REASONS FOR THE LICENSING OR DENIAL THEREOF.

	FY 2007	FY 2008	FY07/08
TOTAL NUMBER OF PERSONS <u>NOT</u> TAKING EXAMS AND GRANTED CERTIFICATES	147	102	249
TOTAL NUMBER OF PERSONS <u>NOT</u> TAKING EXAMS AND DENIED CERTIFICATES	DATA NOT AVAILABLE		

REPORT FOR 7/1/06 – 6/30/07

TYPE OF CERTIFICATE	STATE OF RESIDENCE	AGE GROUP						SEX		* METHOD OF CERTIFICATION			** REASONS FOR GRANTING OR DENIAL
		UNKN	18-25	26-34	35-59	60-65	66 +	M	F		Grant	Deny	
Certified Public Accountant	California				2			X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Colorado			1					X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Connecticut			1				X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Iowa				1			X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Iowa			1				X		Grade Transfer	X		Met statutory requirements for certification

* IDENTIFY METHOD: e.g. Application, Reciprocity, Endorsements, Credential Evaluation, Comity, Etc.

** REASONS FOR GRANTING OR DENIAL: Attach Additional Sheets if necessary

TYPE OF CERTIFICATE	STATE OF RESIDENCE	AGE GROUP						SEX		* METHOD OF CERTIFICATION			** REASONS FOR GRANTING OR DENIAL
		UNKN	18-25	26-34	35-59	60-65	66 +	M	F		Grant	Deny	
Certified Public Accountant	Illinois				1	1		X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Illinois			1					X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota	1	6	25	13				X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota		2	18	27			X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota			6	3				X	Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota	2	4	15	5			X		Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	North Dakota		1						X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	North Dakota			1				X		Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	Nebraska			1					X	Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	Oregon				1				X	Reciprocity	X		Met statutory requirements for certification

* IDENTIFY METHOD: e.g. Application, Reciprocity, Endorsements, Credential Evaluation, Comity, Etc.

** REASONS FOR GRANTING OR DENIAL: Attach Additional Sheets if necessary

TYPE OF CERTIFICATE	STATE OF RESIDENCE	AGE GROUP						SEX		* METHOD OF CERTIFICATION			** REASONS FOR GRANTING OR DENIAL
		UNKN	18-25	26-34	35-59	60-65	66 +	M	F		Grant	Deny	
Certified Public Accountant	South Dakota			1	1				X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	South Dakota				1			X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Tennessee				1			X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Washington				1			X		Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	Wisconsin				1				X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Wisconsin				1			X		Reciprocity	X		Met statutory requirements for certification

* IDENTIFY METHOD: e.g. Application, Reciprocity, Endorsements, Credential Evaluation, Comity, Etc.

** REASONS FOR GRANTING OR DENIAL: Attach Additional Sheets if necessary

REPORT FOR 7/1/07 – 6/30/08

TYPE OF CERTIFICATE	STATE OF RESIDENCE	AGE GROUP						SEX		* METHOD OF CERTIFICATION			** REASONS FOR GRANTING OR DENIAL
		UNKN	18-25	26-34	35-59	60-65	66 +	M	F		Grant	Deny	
Certified Public Accountant	Arizona		1						X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Colorado				1			X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Iowa					1			X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Indiana				1			X		Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota		4	14	7				X	Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota		4	19	13	1		X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota		5	5	1				X	Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	Minnesota		8	9	2			X		Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	North Dakota			1					X	Reciprocity	X		Met statutory requirements for certification

* IDENTIFY METHOD: e.g. Application, Reciprocity, Endorsements, Credential Evaluation, Comity, Etc.

** REASONS FOR GRANTING OR DENIAL: Attach Additional Sheets if necessary

TYPE OF CERTIFICATE	STATE OF RESIDENCE	AGE GROUP						SEX		* METHOD OF CERTIFICATION			** REASONS FOR GRANTING OR DENIAL
		UNKN	18-25	26-34	35-59	60-65	66 +	M	F		Grant	Deny	
Certified Public Accountant	North Dakota		1					X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Nebraska			1					X	Grade Transfer	X		Met statutory requirements for certification
Certified Public Accountant	Virginia				1			X		Reciprocity	X		Met statutory requirements for certification
Certified Public Accountant	Wisconsin			1	1			X		Reciprocity	X		Met statutory requirements for certification

* IDENTIFY METHOD: e.g. Application, Reciprocity, Endorsements, Credential Evaluation, Comity, Etc.

** REASONS FOR GRANTING OR DENIAL: Attach Additional Sheets if necessary

Board of Accountancy

Clause m: THE NUMBER OF PERSONS PREVIOUSLY LICENSED OR REGISTERED BY THE BOARD WHOSE LICENSES OR REGISTRATIONS WERE REVOKED, SUSPENDED, OR OTHERWISE ALTERED IN STATUS WITH BRIEF STATEMENTS OF THE REASONS FOR THE REVOCATION, SUSPENSION OR ALTERATION.

	FY 07	FY 08	FY 07/08
TOTAL number of license revocations: (Violation of statutes and rules)	9	14	23
TOTAL number of license revocations: (Certificate not renewed in excess of 2 years)	108	1985	2093
TOTAL number of license suspensions:	0	0	0
TOTAL number of license probations:	0	0	0
TOTAL number of other alterations: (Stipulation & Consent or Cease & Desist)	65	116	181

Board of Accountancy

Clause n: THE NUMBER OF WRITTEN AND ORAL COMPLAINTS AND OTHER COMMUNICATIONS RECEIVED BY THE EXECUTIVE DIRECTOR OR EXECUTIVE SECRETARY OF THE BOARD, A BOARD MEMBER, OR ANY OTHER PERSON PERFORMING SERVICES FOR THE BOARD (1) WHICH ALLEGE OR IMPLY A VIOLATION OF A STATUTE OR RULE WHICH THE BOARD IS EMPOWERED TO ENFORCE AND (2) WHICH ARE FORWARDED TO OTHER AGENCIES AS REQUIRED BY SECTION 214. 10.

	FY 07	FY 08	FY 07/08
TOTAL number of written complaints received:	234	109	343
TOTAL number of oral complaints received:	0	0	0
TOTAL number forwarded to other agencies:	0	0	0

Board of Accountancy

Clause o: A SUMMARY, BY SPECIFIC CATEGORY, OF THE SUBSTANCE OF THE COMPLAINTS AND COMMUNICATIONS REFERRED TO IN CLAUSE (N) AND, FOR EACH SPECIFIC CATEGORY, THE RESPONSES OR DISPOSITIONS THEREOF PURSUANT TO SECTION 214.10 OR 214.11.*

Complaint Type	FY07	FY08	Total
Advertising	5	3	8
Conducting Reflecting Adversely	0	7	7
Criminal Charges: Fraud, Bribery, Theft, Swindle	5	1	6
Failure to Comply in a Timely Manner	11	11	22
Failure to Comply with Previous Board Order	2	0	2
Failure to Renew Firm Permit	3	18	21
Failure to Renew Individual Certificate	36	137	173
Failure to Reply to Board Communications	51	29	80
Failure to Report CPE	13	10	23
Firm Name Issue	1	2	3
Holding Client Records	6	5	11
Holding Out as Licensed	6	6	12
Lack of Independence	1	2	3
Negligent Conduct Relating to Services	6	11	17
No Firm Permit	4	1	5
Non-Compliance with Quality Review Requirement	31	3	34
Practice Monitoring Problem	8	1	9
Practice without a License	9	5	14
Right to Practice Denied or Revoked	0	3	3
Short CPE	3	0	3
Substandard Tax Work	11	11	22
Substandard Work	6	7	13
Unprofessional Conduct	10	8	18
Total	228	281	509

Remedy	FY07	FY08	Total
Additional CPE	2	0	2
Agree not to violate in the future	0	2	2
Back Fees Paid	24	108	132
CPE Non-Compliance Fees Paid	0	3	3
CPE Requirement Met	9	11	20
Cease & Desist Order	6	2	8
Certificate Censured & Reprimanded	27	117	144
Certificate Revoked	3	14	17
Civil Penalty	61	122	183
Corrective Action Taken	3	11	14
Credential Revoked	1	2	3
Does not warrant further proceedings at this time	6	10	16
Firm Permit Revoked	0	1	1
Name Issue Resolved	1	0	1
No Jurisdiction	0	3	3
No Response – File Closed	5	9	14
No Violation	30	24	54
Permit Censured & Reprimanded	7	13	20
Private Warning Letter	1	2	3
Quality Review Requirement Met	17	2	19
Referred	0	1	1
Reinstated	2	2	4
SCO Signed	26	116	142
Surrendered Certificate	1	2	3
Surrendered Permit	1	0	1
Total	233	577	810

*Complaint files with multiple violations and multiple remedies are represented multiple times within this breakdown.

**Includes complaints and communications received between July 1, 2006 and June 30, 2008 (inclusive), as referred to in clause (n), and responses and dispositions occurring between July 1, 2006 and June 30, 2008 (inclusive).

Board of Accountancy

Clause p: ANY OTHER OBJECTIVE INFORMATION WHICH THE BOARD MEMBERS BELIEVE WILL BE USEFUL IN REVIEWING BOARD ACTIVITIES.

(For Example: In what other states do your licensees hold licenses? Number of Minnesota licenses verified/certified to other states? Number of inspections? Comparisons with past biennial reports?)

The Board does not keep records of other states in which Minnesota certificate holders become certified. When Minnesota CPAs apply to another state for certification, that state contacts the Minnesota Board for verification of the applicant's certificate standing and examination scores. Each year the Board processes approximately 500 requests for verification.

Some states will not renew certificates for CPA firms in their state unless all CPAs who work for that firm are currently certified. The Board is requested to verify approximately 60 such requests each year.

The American Institute of Certified Public Accountants (AICPA) requires verification that a CPA's certificate is in good standing prior to allowing the applicant to join the national organization. The Board receives approximately 400 verification requests from the AICPA each year.

NASBA

Minnesota is one of the 54 licensing jurisdictions that make up the National Association of State Boards of Accountancy (NASBA). This organization has an Annual Meeting each year, and the State Board Administrators (Executive Secretary) from all 54 jurisdictions meet once per year for the Administrator's Conference. NASBA also has several operating committees and the members of those committees come from the member boards. Minnesota is part of the NASBA Midwest Region which also sponsors at least one meeting per year.

One of the purposes of these meetings is to discuss NASBA's recommendation for administering the CPA exam and for certifying CPAs. All registrants have the opportunity to discuss the different programs and procedures. All information received from the committee and meeting registrants is considered before a final draft of any recommendation is made. The recommendations are mailed to the State Boards which give the boards a workable guideline when considering new programs or amending rules. Board members, the Board's Executive Secretary, and the Assistant Attorney General assigned to the Board are urged to attend these meetings.

AICPA

The AICPA establishes professional standards, monitors their members' professional conduct and enforces current standards and requirements. The AICPA Code of Professional Conduct is incorporated by reference.