

# **m** MINNESOTA

## BOARD OF ACCOUNTANCY



# 2016 BIENNIAL 2018 REPORT

SUBMITTED TO THE GOVERNOR AND THE MINNESOTA STATE LEGISLATURE IN  
COMPLIANCE WITH MINNESOTA STATUTES SECTION 214.07.SUBDIVISION 1

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# EXECUTIVE SUMMARY



## ABOUT THE BOARD

The Board was created April 22, 1909, to regulate the practice of public accounting. The Board is responsible for protecting Minnesota citizens and ensuring that persons engaged in the practice of public accounting meet and maintain the qualifications and standards necessary to competently practice the profession.

## MISSION

The Board serves the public through the regulation, licensure, and enforcement of Minnesota laws, statutes, rules, and standards related to the practice of public accounting.

## BOARD MEMBERSHIP

The full Board consists of 9 members appointed by the Governor to four-year terms.

- 7 Certified Public Accountants
- 2 Public Members

## COMMITTEES

Committees facilitate the timely and efficient completion of the work before the Board. The following are standing and ad hoc committees:

- Executive Committee
- Exam and Credential
- Firm Credential and Peer Review
- Continuing Professional Education
- Legislative and Rules
- Peer Review Oversight
- Complaint Committee

Committees make recommendations to the full Board. All Board and Committee meetings, except Complaint Committee, are open to the public. The meeting schedule is posted on the Board's website or can be obtained by contacting the Board office.

## BUDGET

The Board collects application and licensure fees which are deposited in the state's General Fund. Fees are set in statute to cover the Board's direct and indirect costs. The budget is comprised of appropriations from the General Fund.

## ENFORCEMENT

The Board investigated and closed 1020 cases alleging violations of the Board's statutes and rules and revoked 779 certificate (777 for failure to renew). A total of 1076 new complaint cases were opened.

## CPA CERTIFICATES

The Board evaluates the credentials of individuals for CPA certificates to determine whether they meet the education, examination and experience requirements set forth in statute and rule. During the 2016-2018 biennium, the Board evaluated 1,295 applications for certification.

Board staff received and processed 290 verification requests from examinees and certificate holders. These Minnesota CPAs are typically applying for licensure or certification

## EXECUTIVE SUMMARY, CONTINUED



in another state. Their exam and license credentials must be verified and any disciplinary history reviewed. In addition, the Board provided some 50 letters of good standing to licensees. Prospective employers, professional societies, and other entities sometimes require such letters from

licensees before making job offers or approving membership.

### CPA FIRM PERMITS

The Board also evaluates applications for CPA firm permits.

Firm permits are issued to sole proprietors, partnerships, corporations, limited liability companies (LLCs) and limited liability partnerships (LLPs) who meet the statute and rule requirements. The Board evaluated 188 applications for firm permits during the biennium.

### RENEWALS

In 2013, Statute 326A.04 Subd. 2, which specifies the CPA license renewal period, was amended. The renewal period was changed from every three years to annually. All CPA certificates now expire annually on December 31, as of FY 2017.

In the previous biennium, this made the FY 2016 renewals double those of FY 2015.

YEAR	NUMBER RENEWED	
	Individuals (CPA and RAP)	Firms (CPA and RAP)
FY 2015	6473	1641
FY 2016	12680	1652

In the current biennium, with all licensees renewing every year, the number of renewals processed increased 75% over the previous biennium.

YEAR	NUMBER RENEWED	
	Individuals (CPA and RAP)	Firms (CPA and RAP)
FY 2017	16709	1643
FY 2018	16833	1628

Registered Accounting Practitioner (RAP) individual renewals and CPA and RAP firm renewals are annual. Those numbers have remained relatively constant over the last two bienniums.

### CONTINUING EDUCATION AUDITS

Each year, the Board audits a percentage of its licensees to determine if they are in compliance with the continuing education requirements. These individuals must submit supporting documentation for each of the courses and activities they reported.

Individuals not adhering to the continuing education requirements are subject to non-compliance fees for each month they are out of compliance and may be subject to disciplinary action.

### OUTREACH

The Board's outreach program provides information to Minnesota citizens, legislators, other state agencies, schools, professional societies and the national council. New outreach initiatives begun in the previous biennium and launched in the current one include a mobile-friendly website and email and social media communications.



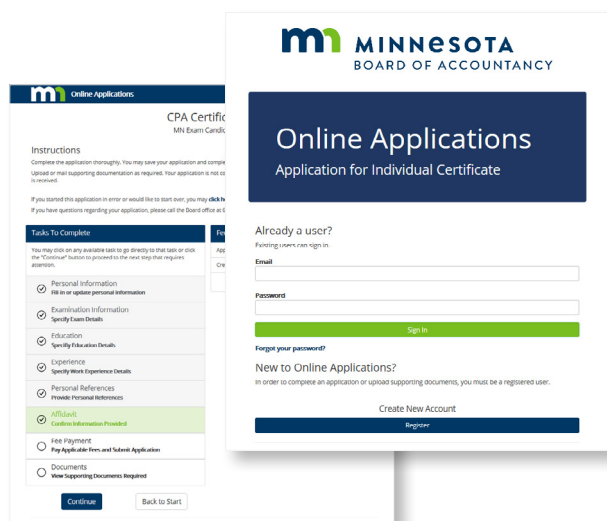
## STRATEGIC PLANNING

The Board completed strategic planning to ensure the organization is prepared to adapt and respond to changes impacting the core mission of the Board in future. Key areas addressed included technological changes, changes in education and examination of licensee candidates, the changing needs of the public, enhanced enforcement/public protection, changes in the education and business environment impacting licensees and potential licensees, and issues of diversity and public accountability.

Major outcomes of the plan during the biennium included the adoption of a rules package addressing continuing education and other changes, and the launch of online applications, discussed in detail next.

## ONLINE INITIAL LICENSE APPLICATION

After a successful beta test, the Board launched an online application system in November 2017 for initial licensees.



Applicants are able to check the status of their application 24/7 and print customized reference and experience forms required as part of the application process.

Adoption by applicants has been swift. By the end of the biennium—just seven months after launch—over 80% of the applications received were through the online system.

## NATIONAL ORGANIZATIONS

The National Association of State Boards of Accountancy (NASBA) is dedicated to the advancement of public accounting and enhances the effectiveness of the state boards of accountancy. NASBA participates in the development of the professional examination used for licensure. Each examination question is developed and tested over several exam administrations in order to create valid and reliable, psychometrically defensible examinations should the states be challenged. NASBA also facilitates professional mobility and promotes uniformity of the U.S. licensure processes and helps protect the public health, safety and welfare by leading the regulation of the profession. Minnesota is a voting member and active participant of NASBA which is made up of 56 licensing jurisdictions.



During this biennium, for the first time in over a decade, Minnesota had representation at the executive level at NASBA. Sharon Jensen, CPA, current Board Vice Chair, was elected and serviced as Central Region Director.

The American Institute of Certified Public Accountants

(AICPA) is the national professional organization for CPAs. The AICPA participates in the development of the professional examinations used for licensure. The AICPA Code of Professional Conduct is incorporated by reference in the Board Statutes and Rules.



# BOARD MEMBERS



In performing their duties, Board members spent a total of 2,100 hours. That total includes attendance at Board meetings, review of applicant credentials, enforcement, education, legislation, and representation of Minnesota on national committees.

## NUMBER OF MEETINGS

Full Board.....	17	Continuing Professional Education ....	17
Executive.....	16	Exam and Credentialing .....	17
Complaint .....	20	Firm Credential and Peer Review.....	17



**GREGORY STEINER, CPA**  
**BOARD CHAIR**

WHITE BEAR LAKE, MN

**Appointed:** 6/1/2011

**Reappointed:** 3/17/2015

**Term Ends:** 1/7/2019

### CURRENT COMMITTEES:

- Executive (Chair)
- Examination and Credentialing
- Complaint

**Total Hours:** 410



**SHARON JENSEN, CPA**  
**BOARD VICE CHAIR**

SAVAGE, MN

**Appointed:** 1/19/2010

**Reappointed:** 7/1/2018

**Term Ends:** 1/3/2022

### CURRENT COMMITTEES:

- Executive
- Firm Credential and Peer Review
- Complaint (Chair)

**Total Hours:** 1256



**CHARLES SELCER, CPA**  
**BOARD SECRETARY/  
TREASURER**

(FY18)

MINNEAPOLIS, MN

**Appointed:** 3/17/2015

**Term Ends:** 1/7/2019

### CURRENT COMMITTEES:

- Executive
- Continuing Professional Education
- Complaint

**Total Hours:** 46



**CHRIS OMDAHL, CPA**

MINNEAPOLIS, MN

**Appointed:** 6/29/2016

**Term Ends:** 1/6/2020

**CURRENT COMMITTEES:**

- Firm Credential and Peer Review (Chair)

**Total Hours:** 80



**LANCE RADZIEJ, CPA**

CHASKA, MN

**Appointed:** 6/29/2016

**Term Ends:** 1/6/2020

**CURRENT COMMITTEES:**

- Continuing Professional Education (Chair)

**Total Hours:** 70



**GODSON SOWAH, CPA**

ST. LOUIS PARK, MN

**Appointed:** 6/18/2017

**Term Ends:** 1/6/2020

**CURRENT COMMITTEES:**

- Examination and Credentialing (Chair)

**Total Hours:** 30

**Replaced:** Debra Thompson, CPA (5 hours)



**SCOTT VAN BINSBERGEN,  
PUBLIC MEMBER**

MONTEVIDEO, MN

**Appointed:** 10/11/2010

**Reappointed:** 3/17/2015

**Term Ends:** 1/7/2019

**CURRENT COMMITTEES:**

- Continuing Professional Education

**Total Hours:** 94



**MICHAEL VEKICH, CPA**

ST. LOUIS PARK, MN

**Appointed:** 2/15/2005

**Reappointed:** 6/18/2017

**Resigned:** 7/18/2017

**Total Hours:** 110



**ALAN WILENSKY,  
PUBLIC MEMBER**

MINNEAPOLIS, MN

**Appointed:** 3/17/2015

**Term Ends:** 1/7/2019

**CURRENT COMMITTEES:**

- Firm Credential and Peer Review

**Total Hours:** 78

# BOARD STAFF



The Board's Executive Director leads a staff of 5 full-time employees, who handle applications for individual licensure and firm permits, issue initial licenses and permits, investigate complaints, and interface daily with the public.

In addition to this work, staff also process individual license and firm renewals. In this biennium, staff renewed an average of 16,771 individual licenses and 1,635 firm permits each year.

## INDIVIDUALS EMPLOYED IN THE BIENNIUM

NAME	JOB CLASSIFICATION	STATUS	START DATE	END DATE
Datko, Sara	State Program Administrator - Intermediate	FT	3/16/2015	
Johnson, Doreen	Executive Director	PT	4/1/2004	
Nordin, J'Nell	Office and Administrative Specialist - Intermediate	FT	12/1/2017	
Oehrlein, Vicky	Office and Administrative Specialist - Intermediate	FT	8/22/2003	
Salmela, Holly	State Program Administrator	FT	8/10/2012	
Weiss, Kay	Information Officer 3	FT	2/4/2015	
FORMER STAFF				
Ceelen, Sydney	Student	Temp	1/25/2016	7/8/2016
Green, Charles	Student	Temp	5/23/2016	8/12/2016
Hoche-Mathews, Emma	State Program Administrator	FT	5/31/2016	4/4/2017
Koon, Alexander	Office and Administrative Specialist - Intermediate	FT	3/3/2017	6/28/2017



# BUDGET

The Board generates non-dedicated revenue from application fees, license fees and fines for the state's General Fund. The fees are set by statute to cover all direct and indirect costs for the Board. In order to conduct business, the Board receives appropriations from the state's General Fund.



## FISCAL YEAR 2017

Appropriations: \$641,000  
Revenue: \$1,950,249

## FISCAL YEAR 2018

Appropriations: \$645,000  
Revenue: \$1,736,768

## EXPENDITURES BY BUDGET TYPE

### Outreach/Education: 8.1%

- Education of public and licensees on requirements of competent practice
- Education of students on licensure process

### Enforcement: 31.3%

- Investigator salary
- Enforcement of regulated professions
- Statute and rule modifications



### Administration: 49.7%

- Staff salaries
- Office space
- Supplies and Equipment
- Other costs

### Credentiaing: 10.9%

- National Council membership and participation
- Board member per diems
- Forms and Online Services

# ADOPTED AND PROPOSED BOARD RULES



The Board adopted one rule package during the biennium. The Notice of Adoption was published in the State Register (40 SR 953), and the rules were effective January 9, 2018. These rules:

- clarified the education requirements for licensure;
- updated the peer review and continuing education requirements; and
- eliminated the fee for verification of examination/licensure.

This package also included housekeeping updates.

## EDUCATION REQUIREMENTS

The revised rules clarify the requirements for examination and licensure, including defining an accredited degree and the coursework required to meet the education requirement. The term “levels” was removed from the description of accreditation types, as it is no longer standard and was creating confusion.

## PEER REVIEW

The revised rules regarding peer review now align with AICPA standards, which require a peer review within 18 months of the issuance of the first report subject to peer review. Previously rules allowed 27 months.

## CONTINUING PROFESSIONAL EDUCATION REQUIREMENTS (CPE)

In August 2016, the AICPA and NASBA released an updated *Statement on Standards for Continuing Professional Education*. The Board’s rule update allows its licensees to take advantage of new methods of continuing education (nano and blended learning) offered under the new standards and updates the definitions of different types of CPE programs to match the standards. The rules also incorporate by reference the *NASBA Fields of Study*, a document referenced in the standards that defines subject areas for continuing education.

## VERIFICATION FEE

The revised rules eliminate the fee for licensees requesting verification of examination or licensure (needed to obtain a license in another state). After reviewing costs and internal efficiencies in processing such requests, the Board deemed collecting the fee was no longer necessary.

## HOUSEKEEPING

The housekeeping modifications removed obsolete, unnecessary and duplicative rules, as noted in the Board’s Obsolete Rules Report to the Governor, and clarified confusing rule language without making any substantive changes to the requirements for licensure or renewal. The housekeeping modifications also include updating the dates of documents incorporated by reference.

## IMPLEMENTATION STEPS

The Board successfully undertook a major update of its licensee-facing Online Services application and its staff-facing licensing database and implemented educational outreach in order to have systems and users ready for the new rules in a timely manner.

# LICENSE AND PERMIT SUMMARY



## INITIAL APPLICATIONS

During the biennium, the Board issued 1,295 new individual licenses and 188 new firm permits.

Business days from “Completed Application Received” to “License Issued”:

All applications: **12.9**

Applications submitted via new Online Application system (see page 5): **9.9**

Business days from “Completed Application Received” to “Permit Issued”: **15.83**

## RENEWALS

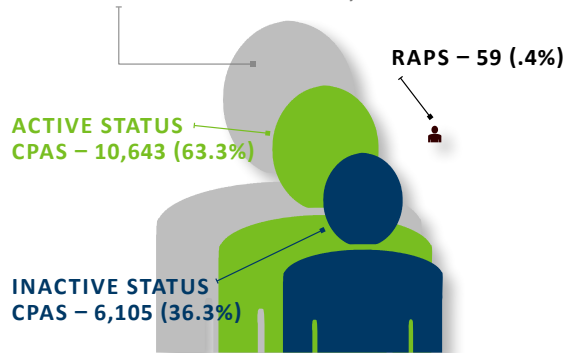
Additionally, the Board renewed an average of 1,635 firm permits and 16,771 individual licenses and registrations each year of the biennium. Individual license renewals increased 75% over the previous biennium, due to a 2013 statute change to the renewal period for CPA licenses.

Business days from “Online Renewal Received\*\*\*” to “License/Permit Renewed”: **1.24**

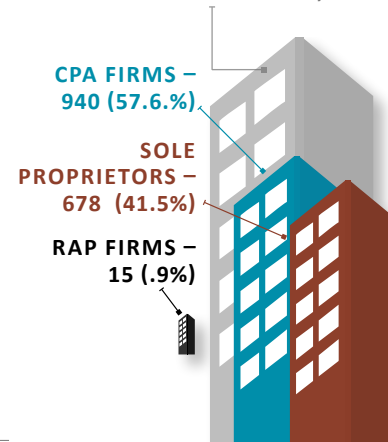
\*\*\*Active, Inactive, and Sole Proprietors who elect/are eligible to renew online. 81.1% of all renewals are processed online.

As of the end of the biennium, June 30, 2018, a total of 16,807 individuals held CPA certificates or RAP registrations and 1,633 CPA and RAP firms held firm permits. The figures below graphically represent the comparable size of the licensee/registrant categories and the firm categories. Gender and age breakdowns of licensees are also provided.

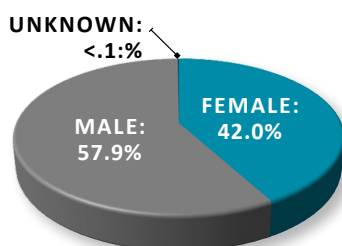
### TOTAL LICENSEES – 16,807



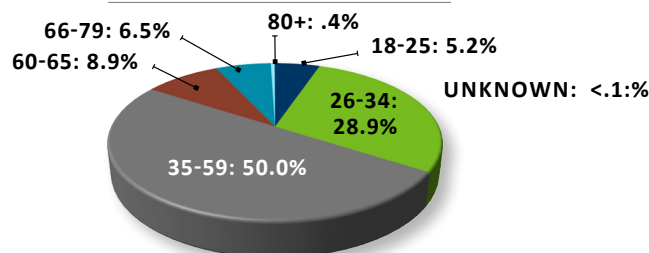
### TOTAL FIRMS – 1,633



### LICENSEE GENDER



### LICENSEE AGE



# EXAMINATION STATISTICS



Those seeking CPA licensure apply to the Board following successful completion of all four sections of the Uniform Certified Public Accountant Examination (the “Exam”).

Summary statistics regarding the performance of examinees based on residency, age, and gender are provided below. Detailed statistics by state and by year are provided in the appendix.



## SUMMARY STATISTICS

CPA examinees must retake any section of the Exam for which they do not receive a passing grade. During the biennium, a total of 7,791 sections of the Exam were taken by those who sat for the Exam as a “Minnesota candidate.” Of these, 7,262 were taken by Minnesota residents and 529 were taken by non-Minnesota residents (522 other states; 7 foreign).

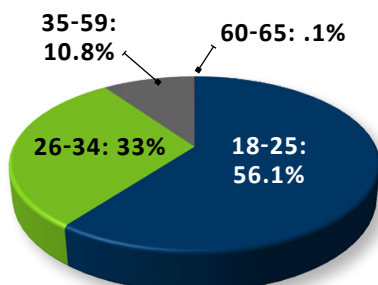
## PASS RATES

- All residencies: **53.0%** (4127/7791)
- Minnesota only: **51.4%** (3812/7262)
- Non-Minnesota: **59.6%** (315/529)
- Females: **50.2%** (1705/3400)
- Male: **55.6%** (2418/4353)
- Gender unknown: **10.5%** (4/38)

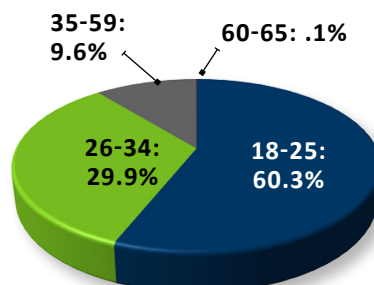
See Gender and Age graphs for more breakdowns.

## EXAM SECTIONS, BY AGE

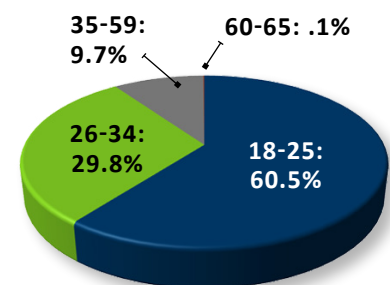
% SECTIONS TAKEN,  
ALL RESIDENCIES



% SECTIONS PASSED,  
ALL RESIDENCIES

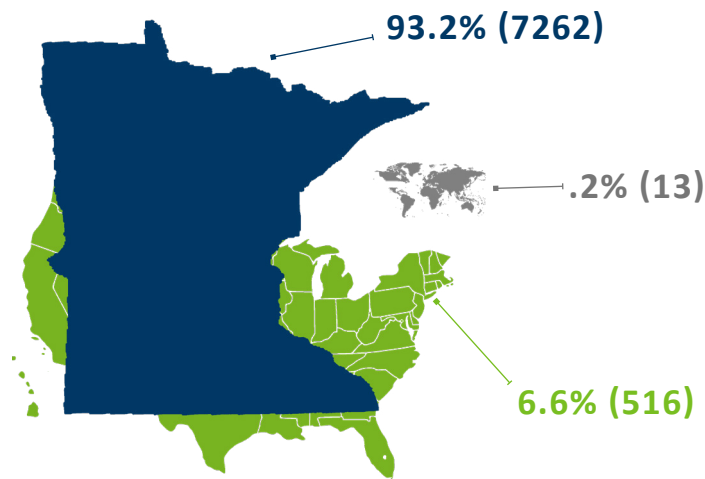


% SECTIONS PASSED,  
MINNESOTA RESIDENTS





## EXAM SECTIONS TAKEN, BY RESIDENCY (MINNESOTA, OTHER US, FOREIGN)



AZ..... 22	KS..... 7	MT..... 6	SD..... 4	5-state area including MN: 7532 (97.7%)
CA..... 15	KY..... 10	ND..... 34	TX..... 16	
CO..... 17	MA..... 9	NE..... 13	VA..... 12	
FL..... 13	MD..... 9	NJ..... 9	WA..... 9	
GA..... 1	MI..... 16	NY..... 1	WI..... 189	
IA..... 62	MN..... 7262	ON..... 7	WY..... 5	
IL..... 19	MO..... 1	PA..... 10	Foreign... 13	

## EXAMINATION STATISTIC DETAILS

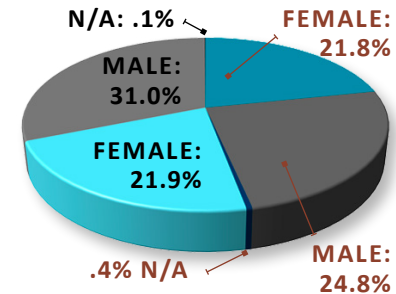
RESIDENCY AND GENDER		EXAM RESULT	AGE				BIENNIUM TOTAL (%) SESSIONS
			18-25	26-34	35-59	60-65	
MN	Female	Pass	962	356	212	4	1534 (19.7%)
		Fail	871	471	212		1554 (20.0%)
	Male	Pass	1344	775	155		2274 (29.2%)
		Fail	873	781	204	4	1862 (23.9%)
	N/A*	Pass		3	1		4 (<.1%)
		Fail	19	10	5		34 (.4%)
NON-MN	Female	Pass	78	71	22		171 (2.2%)
		Fail	82	49	10		141 (1.8%)
	Male	Pass	106	30	8		144 (1.9%)
		Fail	35	29	9		73 (.9%)
Age Totals (%)			4370 (56.1%)	2575 (33.1%)	838 (10.8%)	8 (1%)	7791

\* Gender information not available.

## GENDER PASS RATES

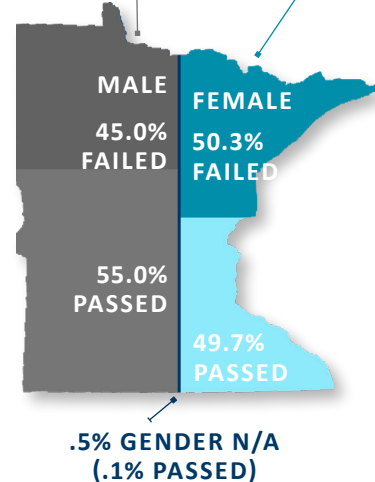
% ALL RESIDENCIES

**ALL GENDERS, PASSED: 53.0%**  
**ALL GENDERS, FAILED: 47.0%**



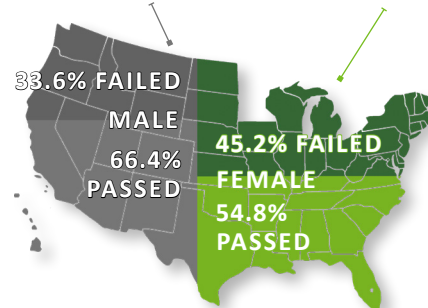
% MINNESOTA

**% SECTIONS, MN MALE: 57.0%**  
**% SECTIONS, MN FEMALE: 42.5%**



% NON-MINNESOTA

**% SECTIONS, NON-MN MALE: 41.0%**  
**% SECTIONS, NON-MN FEMALE: 59.0%**



# CERTIFICATION STATISTICS



Individuals may become licensed in Minnesota as an Examination Applicant, a Reciprocal Applicant, or a Grade Transfer Applicant. 1,295 applicants, 1,175 of whom provided Minnesota addresses at the time of application, were licensed by one of these means during the biennium. Summary statistics for each application type are provided below. Detailed statistics by state and by year are provided in the appendix.

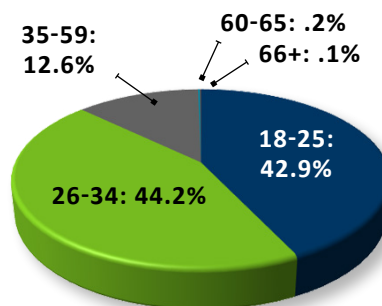
## EXAMINATION LICENSURE APPLICANTS SUMMARY

During the biennium 1,022 individuals were issued a CPA license in Minnesota by sitting for and successfully completing the Uniform CPA Examination as a Minnesota candidate and meeting the remaining education, experience, and ethics training requirements for licensure in Minnesota.

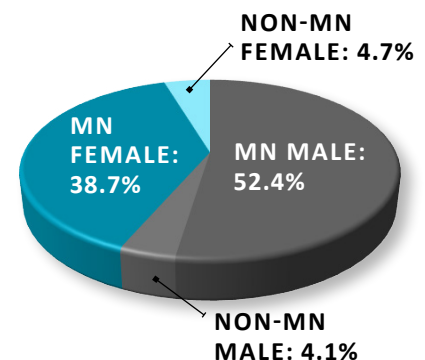
Applications Received:  
■ **1,022** (932 MN)  
Applications Approved:  
■ **1,022**

RESIDENCY & GENDER		AGE					BIENNIUM TOTAL
		18-25	26-34	35-59	60-65	66+	
MN	Female	193	141	59	2	1	396
	Male	214	264	58			536
NON-MN	Female	13	26	9			48
	Male	18	21	3			42
Age TOTAL		438	452	129	2	1	1022

% BY AGE



% BY GENDER & RESIDENCY



## RECIPROCAL LICENSURE APPLICANTS SUMMARY

Individuals applying for a CPA certificate in Minnesota through reciprocity hold a valid CPA certificate in another jurisdiction. Applicants must show completion of the education, examination and experience requirements before a certificate is issued.

Applications Received:

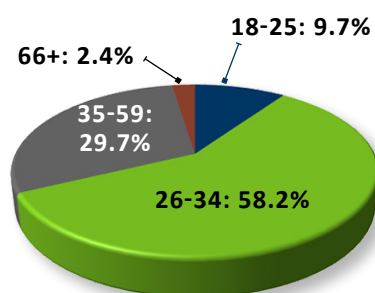
- **165** (148 MN)

Applications Approved:

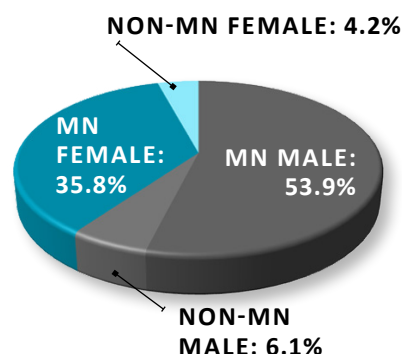
- **165**

RESIDENCY & GENDER		AGE					BIENNIUM TOTAL
		18-25	26-34	35-59	60-65	66+	
MN	Female	5	33	20		1	59
	Male	11	53	23		2	89
NON-MN	Female		2	5			7
	Male		8	1		1	10
Age TOTAL		16	96	49	0	4	165

% BY AGE



% BY GENDER & RESIDENCY



## GRADE TRANSFER APPLICANTS SUMMARY

Individuals applying for a CPA certificate in Minnesota through grade transfer have completed their examinations in another jurisdiction, but have not yet been certified in that state. Applicants must show completion of the education, examination and experience requirements before a certificate is issued.

Applications Received:

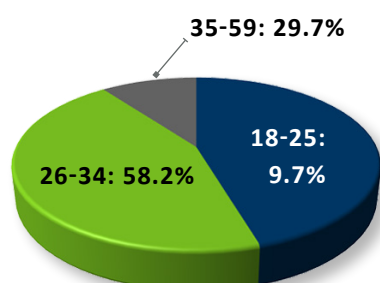
- **108** (95 MN)

Applications Approved:

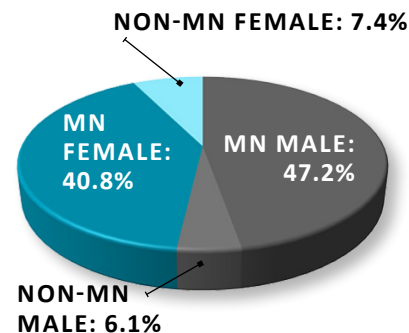
- **108**

RESIDENCY & GENDER		AGE					BIENNIUM TOTAL
		18-25	26-34	35-59	60-65	66+	
MN	Female	21	21	2			44
	Male	19	23	9			51
NON-MN	Female	7	1				8
	Male	2	3				5
Age TOTAL		49	48	11	0	0	108

% BY AGE



% BY GENDER & RESIDENCY



# ENFORCEMENT



The Board enforces its statutes and rules through its investigation process. Upon receipt of a complaint, the Board begins its investigation. If the Complaint Committee finds that a violation has occurred, it makes a recommendation to the Board for disciplinary action.

Complaint cases opened:<sup>1</sup> 1,076  
Complaint cases resolved:<sup>1</sup> 1,020

<sup>1</sup> A single complaint case may have multiple allegations and/or resolutions, and a case may be opened in one biennium and closed in another. The allegations below are for all cases **opened** during the biennium. The resolutions below (at right) are for all cases **closed** during the biennium.

Automatic Revocations:<sup>2</sup> 777  
Revocation Resolved:<sup>2</sup> 63

<sup>2</sup> Automatic revocation is required by statute when an individual fails to renew for two years. An automatic revocation is said to be resolved if the individual seeks reinstatement and agrees to remedies put forth by the Board, which may include reprimand and a civil penalty. These resolutions (and the original allegation) are not included below.

## ALLEGATIONS

NUMBER  
RECEIVED

Advertising .....	1
Conduct Reflecting Adversely.....	13
Criminal Charges: Fraud, Bribery, Theft, Swindle.....	2
Failure to Comply with CPE Requirement.....	37
Failure to File Individual Taxes .....	2
Failure to Renew Firm Permit.....	2
Failure to Reply to Board Communications .....	8
Holding Client Records .....	8
Holding Out as Licensed .....	28
Lack of Independence .....	1
No Firm Permit .....	3
Noncompliance - Peer Review Requirement.....	15
Practice Monitoring Problem .....	6
Practicing without a Firm Permit.....	26
Practicing without a License.....	3
Right to Practice Denied or Revoked .....	3
Short CPE.....	23
Substandard Tax Work.....	21
Substandard Work.....	25
Unprofessional Conduct .....	15

## RESOLUTIONS

NUMBER  
RECEIVED

Additional CPE .....	1
Apply for Firm Permit .....	1
Assurance of Discontinuance .....	1
Back Fees Paid .....	62
Cease & Desist Order.....	1
Certificate Censured & Reprimanded.....	77
Certificate Revoked.....	2
Certificate Suspended .....	2
Complaint Withdrawn .....	2
Corrective Action Taken.....	57
CPE Requirement Met .....	19
Firm Permit Censured and Reprimanded .....	9
No Authorization to Release Complaint .....	4
No Jurisdiction.....	17
No Response - File Closed .....	25
No Violation.....	19
Other Legal Remedies Available .....	3
Permit Censured & Reprimanded.....	3
Private Warning Letter.....	8
Reinstated.....	2
Require Practice Monitoring .....	1
SCO Signed .....	75
Settlement Agreement C&D Order Signed .....	2
Surrendered Permit.....	6
Unable to Substantiate.....	9

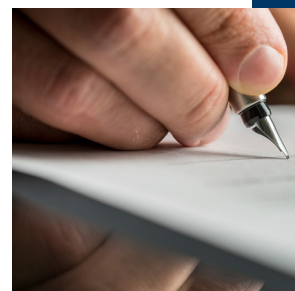


## PUBLIC ORDERS ISSUED

During the biennium, the Board issued<sup>3</sup> 104 public orders against individuals and firms. This total does not include the automatic revocation orders issued during that period for failure to renew.

The Board has statutory authority to assess a civil penalty of up to \$5,000 per violation. Civil penalties assessed (by issuance of a signed public order) totaled \$85,000 in the 2016-2018 biennium.

<sup>3</sup> Note that cases are not closed until penalties are received and any other required actions by the respondent are completed. Also, multiple cases may be covered in a single order. Therefore, orders issued during the biennium do not necessarily equal orders or cases closed.



### KEY TO ABBREVIATIONS

SCO = Stipulation and Consent Order

CDO = Cease and Desist Order

SA = Settlement Agreement

LICENSE TYPE	ACTION	REASON	STATUS CHANGE	CIVIL PENALTY
CPA	Order	Child Support Payments- Non-Compliance	Suspension	
CPA	SCO	Conduct Reflecting Adversely / Criminal Charges: Fraud, Bribery, Theft, Swindle / Unprofessional Conduct	Revocation	
CPA, Firm	SCO	Conduct Reflecting Adversely / Non-Compliance with Peer Review Requirement / Substandard Tax Work / Substandard Work / Unprofessional Conduct	Censure and Reprimand / Firm Permit Surrender	
CPA	SCO	Conduct Reflecting Adversely / Substandard Tax Work	Censure and Reprimand	\$1,000
CPA	SCO	Criminal Charges: Fraud, Bribery, Theft, Swindle	Suspension	\$1,500
CPA	Findings of Fact, Conclusions of Law and Order	Criminal Charges: Fraud, Bribery, Theft, Swindle	Suspension	
CPA	SCO	Criminal Charges: Fraud, Bribery, Theft, Swindle / Failure to File Individual Taxes / Unprofessional Conduct	Suspension	\$5,000
CPA	SCO	Failure to Comply with CPE Requirement / Short CPE	Censure and Reprimand	\$500
CPA	SCO	Failure to Comply with CPE Requirement / Failure to Reply to Board Communications	Censure and Reprimand	\$500
CPA	SCO	Failure to Comply with CPE Requirement / Short CPE	Censure and Reprimand	\$500
CPA	SCO	Failure to Comply with CPE Requirement / Short CPE	Censure and Reprimand	\$500
CPA	Findings of Fact, Conclusions of Law and Order	Failure to File Individual Taxes / Holding Client Records	Revocation	\$5,000
Firm	SCO	Failure to Renew Firm Permit / Holding Out as Licensed	Censure and Reprimand	\$2,000

## PUBLIC ORDERS ISSUED, continued

LICENSE TYPE	ACTION	REASON	STATUS CHANGE	CIVIL PENALTY
Unlicensed	SA &CDO	Holding Out as Licensed / No Firm Permit / Practicing without a Firm Permit / Substandard Work	Other	\$7,500
Firm	SCO	Holding Out as Licensed / Practicing without a Firm Permit	Censure and Reprimand	\$2,000
Firm	SCO	Holding Out as Licensed / Practicing without a Firm Permit	Censure and Reprimand	\$2,000
Firm	SCO	Holding Out as Licensed / Practicing without a Firm Permit	Censure and Reprimand	\$2,000
Firm	SCO	Holding Out as Licensed / Practicing without a Firm Permit	Censure and Reprimand	\$2,000
Unlicensed	SA &CDO	Holding Out as Licensed / Practicing without a Firm Permit	Other	\$2,000
Unlicensed	SA &CDO	Holding Out as Licensed / Practicing without a Firm Permit	Other	\$2,000
Firm	SCO	Holding Out as Licensed / Practicing without a Firm Permit	Censure and Reprimand	\$5,000
CPA	Order	Lift of Previous Order	Reinstatement	
CPA	Order	Lift of Previous Order	Reinstatement	
Firm	SCO	No Firm Permit / Practicing without a Firm Permit	Censure and Reprimand	\$2,000
Firm	SCO	Non-Compliance with Peer Review Requirement	Censure and Reprimand	
Firm	SCO	Non-Compliance with Peer Review Requirement	Censure and Reprimand	\$1,000
RAP Firm	SCO	Non-Compliance with Peer Review Requirement	Censure and Reprimand	\$500
Firm	SCO	Non-Compliance with Peer Review Requirement / Practice Monitoring Problem	Censure and Reprimand	
Firm	SCO	Practice Monitoring Problem	Censure and Reprimand	\$2,000
Firm	SCO	Practicing without a Firm Permit	Censure and Reprimand	\$2,000
Firm	SCO	Practicing without a Firm Permit	Censure and Reprimand	\$2,000
CPA (73 Orders)	Order to Reinstate	Previous Revocation for Failure to Renew Rescinded	Censure and Reprimand / Reinstatement	\$34,500

# APPENDIX

The following is additional detail of statistics presented in summary elsewhere in this report.



## CPA EXAMINATION SECTIONS TAKEN FISCAL YEAR 2017

RESIDENCE	AGE				GENDER			Exam Result		STATE TOTAL
	18-25	26-34	35-59	60-65	Female	Male	N/A *	Failed	Passed	
AZ	2	7			9			9		17
	2	6			8				8	
CA		5			5			5		8
		3			3				3	
CO	1	2			3					
	4				4			4	8	12
	1					1				
	3	1				4				
FL	2				2			2	4	6
	2				2					
		2				2				
GA			1		1			1		1
	4		1		5					
IA	6	2	1		9			9	19	28
	4					4				
	10					10				
IL	3	5			8			2	16	18
	2					2				
	7	1				8				
KS	1				1				1	1
		2			2					
KY		2			2			5	3	8
		2			2					
			3			3				
			1			1				
MA		2			2			2	7	9
		7			7					
MD	1				1				5	5
	4					4				
MI	2				2					
	2		3		5			2	9	11
	3	1				4				
MN	447	313	134		894					
	511	230	130	4	875					
	375	479	123	1		978				
	662	491	98			1251				
	19	10	5				34			
		3	1				4			
								1906	2130	4036

RESIDENCE	AGE				GENDER			Exam Result		STATE TOTAL
	18-25	26-34	35-59	60-65	Female	Male	N/A *	Failed	Passed	
MT	2				2			2		2
	2	2			4					
ND	1	4			5			11	6	17
		7				7				
		1				1				
NE	2				2			5		5
		3				3				
NJ	3				3			3	1	4
	1				1					
ON		4			4				7	7
		3				3				
PA		2			2				2	2
SD	2	2				4			4	4
	2	1	1		4					
TX	3	2			5			5	7	12
	1					1				
		2				2				
VA		6			6			7		7
		1			1					
WA	3				3					
	1				1			4	5	9
	4					4				
						1				
WI	13	11	4		28					
	4	15	8		27			40	50	90
	5	4	3			12				
	13	7	3			23				
Z*			2			2		2	11	13
	4	3	4			11				
TOTAL	2147	1654	526	5	1948	2346	38	2026	2306	4332

\* NASBA, which administered the Uniform CPA Examination, did not in 2017 require that exam applicants provide gender information.

## CPA EXAMINATION SECTIONS TAKEN FISCAL YEAR 2018

RESIDENCE	AGE				GENDER			Exam Result		STATE TOTAL
	18-25	26-34	35-59	60-65	Female	Male	N/A*	Failed	Passed	
AZ		1			1			1	4	5
	2	2			4					
CA	1	3			4			4	3	7
		3			3					
CO	3				3					
	1				1			3	2	5
	1					1				
FL	1				1					
	1				1			3	4	7
		2				2				
		3				3				
IA	5				5					
	13				13			10	24	34
	5					5				
	11					11				
IL	1					1			1	1
KS	5				5			5	1	6
	1				1					
KY		2			2				2	2
MD	1				1			1	3	4
	3				3					
MI	1				1					
	2				2			1	4	5
	2					2				
MN	424	158	78		660					
	451	126	82		659			1544	1682	3226
	498	302	81	3		884				
	682	284	57			1023				
MO	1					1			1	1
MT			1		1			1	3	4
		3			3					
ND	3				3					
	1	1			2			12	5	17
		9				9				
	3					3				
NE	3				3					
	5					5			8	8

RESIDENCE	AGE				GENDER			Exam Result		STATE TOTAL
	18-25	26-34	35-59	60-65	Female	Male	N/A*	Failed	Passed	
NJ	3				3					
	1				1			3	2	5
	1					1				
NY		1				1		1		1
PA	1	5			6			6	2	8
		2			2					
TX		4			4				4	4
VA		2			2					
		3			3			2	3	5
WI	19		2		21					
	20	1	7		28			39	60	99
	14	3	1			18				
	28	4				32				
WY	2					2		2	3	5
	3					3				
TOTAL	2223	921	312	3	1452	2007	0	1638	1821	3459

\* NASBA, which administered the Uniform CPA Examination, did not in 2017 require that exam applicants provide gender information.



# CERTIFICATES ISSUED BY EXAMINATION

## FISCAL YEAR 2017

RESIDENCE	AGE					GENDER		State Total
	18-25	26-34	35-59	60-65	66+	Female	Male	
AK		1					1	1
AZ		1				1		1
CA	1	2				3		3
CO		2				2		3
DC	1						1	1
FL		1					1	1
GA	1					1		1
IA	1	1				2		3
IL		1					1	
IL	2	3				3	5	8
KS		1					1	1
MA		2				2		4
MI		1					2	
MI	1	1	1			1	2	3
MN	80	99	33	2	1	215		507
MN	81	175	36				292	
MO		1				1		2
MT			1			1		1
ND		1				1		1
NY	1					1		1
ON		1					1	1
SD	1	1					2	2
TX	1	1				2		3
VA		1					1	1
WA		2				2		2
WI	4	4	2			8		14
WI	2	3	1				6	
Total	177	311	74	2	1	246	319	565

## FISCAL YEAR 2018

RESIDENCE	AGE					GENDER		State Total
	18-25	26-34	35-59	60-65	66+	Female	Male	
AZ	1	1				2		2
CO	1					1		3
CO	2						2	
FL		1					1	1
GA			1			1		1
IA		1				1		3
IA	2						2	
IL	1					1		2
KY			1				1	1
MD	1						1	1
MI	1					1		2
MI	1						1	
MN	113	42	26			181		425
MN	133	89	22				244	
ND		1				1		1
SK			1			1		1
TX	1					1		1
VA		1				1		1
WI		2	3					9
WI	2	2						
Z*	1							3
Z*	1		1					
Total	261	141	55	0	0	198	259	457

\* Z = non-Canadian foreign. Canadian foreign are identified by province abbreviation.

# CERTIFICATES ISSUED BY EXAMINATION

## COMPARATIVE, FY 2017 AND FY 2018

RESIDENCY & GENDER		AGE										TOTAL BY FISCAL YEAR		BIENNIUM TOTAL, %
		18-25		26-34		35-59		60-65		66+				
		FISCAL YEAR												
		FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	
MN	Female	80	113	99	42	33	26	2		1		215	181	396 38.7%
	Male	81	133	175	89	36	22					292	244	536 52.4%
NON-MN	Female	7	6	20	6	4	5					31	17	48 4.7%
	Male	9	9	17	4	1	2					27	15	42 4.1%
Total by Age %		177 17.3%	261 25.5%	311 30.4%	141 13.8%	74 7.2%	55 5.4%	2 .2%		1 .1%		565 55.3%	457 44.7%	1022

## CERTIFICATES ISSUED BY RECIPROCITY

### BIENNIUM

RESIDENCE	AGE					GENDER		State Total
	18-25	26-34	35-59	60-65	66+	Female	Male	
CO		2					2	2
FL		1	1			1	1	2
ID			1			1		
IL		2					2	2
KY		1				1		1
MI		1					1	1
MN	5 11	33 53	20 23		1 2	59	89	148
ND			1				2	2
ON		1				1		1
PA			1			1		1
SD					1		1	1
WI		2	2			2	2	4
Total	16	96	49		4	66	99	165

## CERTIFICATES ISSUED BY GRADE TRANSFER

### BIENNIUM

RESIDENCE	AGE					GENDER		State Total
	18-25	26-34	35-59	60-65	66+	Female	Male	
CA	1					1		1
IA	2	1				3		3
MI	2					1		2
MN	21 19	21 23	2 9			44	51	95
NC	1							1
ND	1						1	1
WI	1 1					1		4
Z*		1					3	1
Total	49	48	11			52	56	108

\* Z = non-Canadian foreign. Canadian foreign are identified by province abbreviation.



2016 **BIENNIAL**  
2018 **REPORT**