

Location:  
2501 Woodlake Circle  
Okemos, Michigan 48864

Mailing Address:  
Board of Accountancy  
Post Office Box 30018  
Lansing, Michigan 48909

# STATE BOARD OF ACCOUNTANCY UPDATE

Slide 1

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k2

karrj, 5/4/2009

# Department of Energy, Labor and Economic Growth

- Bureau of Commercial Services
  - Andrew L. Metcalf, Jr. Bureau Director
- The mission of the Bureau of Commercial Services is to protect the health, welfare and safety of Michigan citizens and to encourage the growth of business in Michigan. It also promotes economic development and growth by facilitating the formation of business entities in Michigan.
- Licenses and regulates 33 professions and occupations
- 14 Governor appointed boards and 1 Governor appointed commission

# Accountancy Licensing Staff

- Joyce Karr, Licensing Director
- Carol Flores, Accountancy Licensing Administrator
- Stacie Bayes, Assistant Licensing Administrator

# The Board of Accountancy

- Regulatory Oversight
- Protect Health, Safety & Welfare of Public
- Meets Quarterly
- Nine Members
  - 6 Professional CPA Members
  - 3 Public Members

Slide 4

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karrj, 5/4/2009

# The Board of Accountancy

## Six Professional Members:

Beth A. Bialy, Chairperson

Richard G. David

Stephen Epstein

Thomas R. Weirich

Carla E. Sledge

Neil F. De Boer

## Three Public Members:

Sally Fedus, Secretary

Mary Nickolas Miller

Vacant

# Accountancy Licensees as of March 31, 2009

Firms	1,163
Licensed CPAs	11,072
Registered CPAs	<u>6,329</u>
Total	18,564



# What's New?

- Accountancy licenses expire December 31, 2009
  - NEW - Proof of a peer review is a renewal criteria
  - NEW - Report CPE online
  - NEW – Certify to peer review screening question online
  - NEW - Firms will identify the licensee with administrative responsibility online

# Peer Review

- Peer review as a renewal criteria was enacted March 1, 2007
- Proof of a peer review is required with the 2009 license renewal for
  - Licensees who perform attestation services that include an audit since March 1, 2008
  - Licensees who perform attestation services that include compilations with disclosures relied upon by third parties since March 1, 2009
  - Licensees who perform attestation services that include review or both compilation with disclosures and review, but not audits since March 1, 2009

# Peer Review (cont)

- For the 2011 renewal, expands to include
  - Licensees who perform any attestation service since March 1, 2010
- How will we know if the licensee is required to provide proof of a peer review?
  - Licensees will certify to screening questions online
- Licensees that are required to have a peer review will pay an additional \$100 fee with the license renewal
- Statute and rules
  - [www.michigan.gov/accountancy](http://www.michigan.gov/accountancy)
  - “Quick Links”
  - Article 7 (specifically Section 729)
  - Administrative Rules (specifically Rules 501 & 503)

# Peer Review (cont)

- Peer reviews required must be completed and reported to the Department by December 31, 2009 in order to renew the license
- An extension may be granted to:
  - A licensee whose peer review is in process, but may not be completed by December 1, 2009.
  - A licensee that demonstrates in writing that an undue hardship would result to obtain the peer review by December 31, 2009
- To request an extension to the peer review requirement
  - Submit a written request to the Department for consideration

# How to Report the Peer Review

## 1) FSBA (Facilitated State Board Access) website

- Licensee can report through qualified sponsoring organization
  - MACPA or AICPA
- Licensees that voluntarily discloses to the FSBA is automatically considered compliant by the Department

## 2) Licensees that opt out of reporting through the FSBA are responsible for self reporting to the Department

# Peer Review Reporting Directly to the Department

- Mandatory if the licensee receives a result of “Pass with Deficiencies” or “Fail”
  - Must be reported within 30 days
  - Disciplinary action will be taken against a licensee that receives a “Failed” report or a second consecutive “Pass with Deficiencies” result

# Accountancy Licensing Renewals

- All licenses expire December 31, 2009
- License renewals mailed November 1
- Renew online at [www.michigan.gov/bcsrenewal](http://www.michigan.gov/bcsrenewal) after November 1<sup>st</sup>
- Must meet the license renewal criteria before the license will renew

# Renewal Criteria for Individual Licensees

- 1) Continuing Professional Education (CPE)
  - Required to earn 80 hours by June 30, 2009
    - 16 Accounting and Auditing
    - 4 Ethics
    - 60 Other approved subjects
  - NEW - Report CPE online after June 1, 2009
  
- 2) NEW - Proof of completion of a Peer Review
  - Required of certain firms and sole practitioners
  - Certify whether peer review is required online after June 1, 2009

# Individual Licensees Report CPE Online

- Notices will be mailed to licensees by June 1, 2009
- Reporting period covers July 1, 2007 through June 30, 2009
- Licensees will report CPE at [www.michigan.gov/elicense](http://www.michigan.gov/elicense)
  - Report all hours earned during the reporting period
    - Accounting/auditing
    - Ethics
    - Other
  - Do not include carry over hours from the previous reporting period
  - Due date is July 31, 2009

# Individual Licensees Also Asked Online

- Respond to the peer review question
  - “Do you provide attestation services, audits, reviews or compilations relied upon by third parties?”
- Certify your responses are true and correct
- Click submit to send response
- Due date July 31, 2009

# Individual Licensee Online Reporting Screen

## Continuing Professional Education

Report all hours earned between July 1, 2007 and June 30, 2009, excluding the hours reported during this period for reentry, relicensure, or a reciprocal CPA certificate. **DO NOT include carry over hours from the previous period in the hours you report. Indicate only hours earned from July 1, 2007 – June 30, 2009**

## Peer Review

Each sole proprietor that performs attest services, including audits, reviews, and compilations that are relied upon by third parties, shall participate in a peer review program. For more information regarding the State of Michigan's peer review renewal requirements, go to [www.michigan.gov/accountancy](http://www.michigan.gov/accountancy) or [www.michcpa.org](http://www.michcpa.org).

Licensee's Permanent ID#

Accounting/Auditing Earned

Ethics Earned

Other Earned

**Peer Review** : Are you a sole proprietor that performs attest services, audits, reviews or compilations that are relies upon by third parties?

For the Peer Review Question, if you selected **Yes**, you are required to provide proof of a peer review in progress or completed prior to December 31, 2009, in order to renew your license.

## Certification

By submitting these entries, I certify that this information is true and correct and calculated in accordance with accountancy board rules for continuing professional education and peer review.

Submit

(After clicking the **Submit** button, you will be sent to the Home page.)

# Renewal Criteria for Firms

- 1) NEW - Proof of completion of a Peer Review
  - Required of certain firms and sole practitioners
  - Certify whether peer review is required online after June 1, 2009
- 2) NEW – Identify individual licensee with administrative responsibility
  - Rule 338.5120: “A person who is administratively responsible for a public accounting firm practicing in Michigan shall be a licensed Michigan certified public accountant.”
- 3) Report and certify response online after June 1, 2009
  - at [www.michigan.gov/bcsrenewal](http://www.michigan.gov/bcsrenewal)

# Licensee Firm Online Reporting Screen

## Continuing Professional Education

Report all hours earned between July 1, 2007 and June 30, 2009, excluding the hours reported during this period for reentry, relicensure, or a reciprocal CPA certificate. **DO NOT include carry over hours from the previous period in the hours you report. Indicate only hours earned from July 1, 2007 – June 30, 2009**

## Peer Review

Each sole proprietor that performs attest services, including audits, reviews, and compilations that are relied upon by third parties, shall participate in a peer review program. For more information regarding the State of Michigan's peer review renewal requirements, go to [www.michigan.gov/accountancy](http://www.michigan.gov/accountancy) or [www.michcpa.org](http://www.michcpa.org).

Licensee's Permanent ID#

Accounting/Auditing Earned

Ethics Earned

Other Earned

**Peer Review** : Are you a sole proprietor that performs attest services, audits, reviews or compilations that are relies upon by thrid parties?

Yes

For the Peer Review Question, if you selected **Yes**, you are required to provide proof of a peer review in progress or completed prior to December 31, 2009, in order to renew your license.

## Certification

By submitting these entries, I certify that this information is true and correct and calculated in accordance with accountancy board rules for continuing professional education and peer review.

Submit

(After clicking the **Submit** button, you will be sent to the Home page.)

# Examination Fees

## Current - May 7, 2009

	Initial Exam	Repeat Exam
Registration Fee	147.00	117.00 Four Sections 99.00 Three Sections 81.00 Two Sections 63.00 One Section
	<b>Fees</b>	
Auditing and Attestation	226.28	226.28
Business Environment and Concepts	178.58	178.58
Financial Accounting and Reporting	214.35	214.35
Regulation	190.50	190.50
<b>Total</b>	<b>956.71</b>	<b>Varies</b>

# Examination Fees

## Effective January 1, 2010 Collection begins August 15, 2009

	Initial Exam	Repeat Exam
Registration Fee	147.00	117.00 Four Sections 99.00 Three Sections 81.00 Two Sections 63.00 One Section
	<b>Fees</b>	
Auditing and Attestation	230.55	230.55
Business Environment and Concepts	180.95	180.95
Financial Accounting and Reporting	218.15	218.15
Regulation	193.35	193.35
Total	956.71	Varies

# Annual Comparison of Licensees

	2004	2005	2006	2007	2008
Firms	1,077	1,170	1,151	1,229	1,150
Licensed CPAs	10,184	10,715	10,232	10,984	10,835
Registered CPAs	6,550	6,609	6,563	5,562	6,318
Total	17,811	18,494	17,946	17,775	18,303

# Contact Us

- Email – [accountancy@michigan.gov](mailto:accountancy@michigan.gov)
- Phone – (517) 241-8205
- Fax – (517) 373-3085

## For More Information

- [www.michigan.gov/accountancy](http://www.michigan.gov/accountancy)

***THANK YOU!***