
IDAHO STATE BOARD
OF
ACCOUNTANCY



STRATEGIC PLAN
FISCAL YEARS 2020 – 2024

STATE BOARD OF ACCOUNTANCY

This document contains the Strategic Plan for the Idaho State Board of Accountancy, a self-governing regulatory board authorized under Chapter 2, Title 54, *Idaho Code*. All costs of operating the Board are paid from fees collected by the Board. The Board consists of seven members, appointed by the Governor, five of whom hold current certified public accountant licenses, one who is either a licensed public accountant or certified public accountant, and one who is a public member not engaged in the practice of accounting. Appointments are for five years.

The Board is charged with the following:

- To protect the public.
- To facilitate the provision of competent professional accounting to the public.
- To adopt and enforce rules of professional ethics and conduct to be observed by certified public accountants and licensed public accountants.
- To determine and review the qualifications of applicants for the Uniform CPA exam and to oversee the exam application process.
- To grant CPA certificates to those who have met the legal requirements.
- To annually renew licenses.
- To monitor compliance with Continuing Professional Education requirements.
- To register public accounting firms who offer peer reviewable services.
- To monitor compliance with Peer Review requirements.
- To initiate or receive complaints, cause them to be investigated, initiate proceedings, conduct administrative hearings, and proceed with disciplinary actions as deemed appropriate.
- To protect confidential information provided to the Board office.
- To administer other provisions of *Idaho Code* Chapter 2, Title 54.

STATE BOARD OF ACCOUNTANCY

MISSION STATEMENT

The mission of the Idaho State Board of Accountancy is to protect the public by assuring certified public accountants and licensed public accountants under its jurisdiction are adhering to the statutes and rules regarding qualification, professional ethics and conduct.

VISION

The Idaho State Board of Accountancy is committed to the protection of the public by enhancing the integrity of the profession through fair, impartial, effective and efficient governance.

EXTERNAL FACTORS AND CHALLENGES

National and international concerns about accounting and auditing practices are paramount to the profession. The Idaho State Board of Accountancy needs to position itself to act effectively to protect the public. The Board actively participates with germane organizations, seeking leadership positions to stay abreast of relevant issues. The economic events, rapid changes in technology and past financial crisis has increased the awareness and need surrounding the reliability of financial information.

The Board must continually update business recovery plans and information technology strategies that anticipate potentially disastrous situations and how to handle them, while maintaining confidentiality and continuity in office functions. Technological advances will require knowledgeable staff and available funds to maintain a level of excellence in the future.

The Board must also be actively engaged in reviewing and analyzing the regulations currently under the Idaho Accountancy Rules in compliance with the Red Tape Reduction Act and continue to monitor the overall regulation and legislative activity nationally involving professional licensing boards.

GOALS

There are three functional areas addressed in the Board's goals:

Examination

Licensing

Regulation and Oversight

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GOALS

1. EXAMINATION

To administer the Uniform Certified Public Accountant Examination process in a manner that meets all requirements of the law and national standards, while promoting efficiency and economy.

Objective 1.1

To administer the Uniform CPA examination.

▪ **Strategies:**

- Process exam applications within thirty (30) days of receipt.
- Process re-exam applications within 1-5 days of receipt.
- Provide for the safe-keeping of all exam applications.
- Oversee the test delivery centers for compliance with requirements.
- Explore technology to accept re-exam applications electronically.
- Provide timely feedback to National Association of State Boards of Accountancy, American Institute of CPAs and Prometric on exam issues.
- Contract with NASBA to electronically maintain candidate records and scores.
- Qualitative publishing of university exam pass rates.
- Work with Idaho Society of CPAs around recruitment of candidates.
- Cultivate relationships with the colleges and universities in Idaho

▪ **Outcome:**

- Persons entering the profession as licensed CPAs will have successfully completed the Uniform CPA Examination.

▪ **Performance Measures:**

- Number of days to grant Authorization To Test (ATT).
- Number of Authorizations To Test (ATTs) issued.
- Number of candidates who pass the fourth section of the Uniform CPA Exam during a year.

▪ **Performance Targets:**

- Grant an Authorization to test within seven (7) days of a completed application based on agency goal and past performance.
- Issue an average of six hundred forty (640) Authorizations to Test in a year based on past totals.
- To have one hundred (100) candidates pass the fourth part of the exam in a calendar year which is comparable to past years and will help keep the CPA pipeline healthy.

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GOALS

2. LICENSING

To issue licenses to those applicants who meet all requirements and conditions.

Objective 2.1

To review all applications for licensure and process applications in as an effective and efficient manner as possible.

▪ **Strategies:**

- Begin issuing annual license renewal notices to licensees no later than March 15th.
- Review applications and issue initial licenses within an average of thirty (30) days from the date of receipt.
- Approve completed initial applications within a five (5) business day average.
- Explore the technology that would allow the agency to accept initial license applications online.
- Utilize the Accountancy Act & Rules to gain compliance.

▪ **Outcome:**

- Applicants meet all requirements for licensure both initially and on renewal.

▪ **Performance Measures:**

- Number of renewal applications filed online.
- Number of days for initial licensure application processing.
- Number of new licenses issued each year.
- Number of licensees under Board regulation.

• **Performance Targets:**

- To have over ninety-eight (98) percent of licensees renew via the online renewal system to remain consistent with prior years.
- To maintain an average of thirty (30) days for complete processing of applications for initial licensure.
- Average issuing one hundred fifteen (115) new licenses each year based on historical performance while considering the current candidate pipeline.
- Maintain regulation over twenty-eight hundred (2,800) Idaho certified and licensed public accountants and work to maintain a one to two (1-2) percent increase in active licensees each year.

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GOALS

2. LICENSING (continued)

Objective 2.2

To monitor compliance with Continuing Professional Education requirements.

▪ **Strategies:**

- Desk-audit one hundred (100) percent of CPE Reports for course appropriateness.
- Review all CPE extension documentation for standards compliance.
- Conduct CPE audits of approximately 5% of all licensees who file an annual report and fall within Board audit policy parameters.
- Issue annual license renewal notices to licensees with extensions no later than May 15th.
- Leverage automated reporting system to remain efficient and reduce costs.
- Utilize the Accountancy Act & Rules to gain compliance.

▪ **Outcome:**

- Licensee competence will be enhanced by promotion of continuing education and compliance with standards of practice.

▪ **Performance Measures:**

- Number of CPE reports monitored, and audits conducted.
- Number of licensees who complete the required hours of CPE.
- Number of licensees who request an extension of time.
- Number of licensees who request an exemption.

▪ **Performance Targets:**

- Conduct a formal audit on five to ten (5-10) percent of all CPE reports submitted for the year.
- Excluding those who apply and are granted a medical exemption, the target is one hundred (100) percent of all active licensees complete their CPE to be eligible for license renewal.
- To have less than two (2) percent of all active licensees make a request for an extension of time to complete their CPE.
- Grant an exemption, based on need, of the yearly CPE requirement to seven (7) or less licensees based on past requests and the demographics of the Idaho CPA/LPA population.

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GOALS

3. REGULATION AND OVERSIGHT

To provide effective regulation and oversight of all certified public accountants and licensed public accountants under the Board's jurisdiction.

Objective 3.1

To monitor and respond to all complaints within 30 days of notification and management of the complaint process.

▪ **Strategies:**

- Provide complaint brochures and forms outlining the complaint process on our web site.
- Provide a licensee database that has public access to verify a licensee's status and disciplinary history.
- Leverage the professional expertise of a volunteer committee.
- Take additional appropriate action in a reasonable timeframe.
- Work as necessary with other regulatory agencies to carry out enforcement proceedings.

▪ **Outcomes:**

- The act and rules governing the professional conduct of CPAs and LPAs will be enforced in a timely and effective manner to protect the public and facilitate provision of sufficiently trained and trustworthy public accountants.

▪ **Performance Measures:**

- Number of valid verified complaints received and investigated.
- Number of complaints which are closed due to dismissal or the issuance of a disciplinary final order.
- Number of hearings held.

▪ **Performance Targets:**

- Investigate 100% of all verified complaints received throughout the year.
- To close a minimum of seventy-five (75) percent of verified complaints during the year within one hundred eighty (180) days by either a dismissal of the complaint or the issuance of a disciplinary final order based on goal established by the Board.
- To hold a maximum of one hearing per year which will help control the fiscal impact to the Board and aid in providing efficient and effective resolution to valid complaints.

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GOALS

3. REGULATION AND OVERSIGHT (continued)

Objective 3.2

To monitor Peer Review compliance via Peer Review Oversight Committee (PROC).

▪ **Strategies:**

- Identify firms that are subject to Peer Review.
- Track firm completion of their Peer Review.
- Bring firms that did not complete a Peer Review into compliance.
- Firms with repeat negative findings in Peer Reviews may be referred by PROC to the Investigative Committee.
- Utilize the Accountancy Act & Rules to gain compliance.

▪ **Outcome:**

- Firms required to undergo Peer Review will adhere to professional standards.
- The public will be provided with additional assurance on reliability of financial information produced.

▪ **Performance Measures:**

- Number of firms registered.
- Number of firms that successfully complete a Peer Review.
- Number of firms with repeat negative findings in Peer Reviews.

▪ **Performance Targets:**

- To maintain an average of two hundred firms actively registered with the Board based on past registration totals.
- One-third of all registered firms to successfully complete a Peer Review each year determined by the requirement a firm will undergo a Peer Review once every three years.
- Less than two (2) percent of firms undergoing a Peer Review in a given year will have repeat findings in their Peer Review which will be consistent with industry averages.

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ADDENDUM CYBERSECURITY AND EXECUTIVE ORDER 2017-02

Objective A.1

Continued adoption/utilization of the National Institute of Standards and Technology (NIST) Cybersecurity and compliance with the CIS Critical Security Controls, 1 – 5 in relation to Executive Order 2017-02 through a relationship with the Office of Information Technology Services (ITS).

Strategies:

- Maintain relationship as a client of ITS and leverage their cybersecurity systems and expertise.
- Participate in any informal and/or formal meetings presented by the ITS to maintain knowledge and understanding of plans and compliance related to CIS Controls 1-5.
- Identify to ITS critical data which is in our database and office systems.

Performance:

- ITS briefed the agency on its plan for the NIST Core Framework, CIS Controls 1-5, and their plan for adoption of the NIST Cybersecurity Framework. As briefed by ITS, implementation/utilization of the CIS Controls 1-5 is the responsibility of ITS for systems they operate, and as technological tools applied to computer systems largely visible to us as a client of ITS.
- Provided information to the ITS identifying critical data within our systems. Identification is the first function of the NIST Core Framework. This identification also allows the ITS to address other NIST Core Framework functions: Protect, Detect, Respond, and Recover.
- Updated and reviewed plan with agency database provider to help create cybersecurity awareness and plan development for future security.
- The agency continues to include on its website a link to the statewide cybersecurity website.

Objective A.2

Develop employee education and training plans tailored to the highest level of information access and core work responsibilities of agency employees.

Strategies:

- Participate in ITS and Department of Human Resources (DHR) administered cybersecurity training.
- Include monthly agency meetings in which the topic of cybersecurity will be reviewed and discussed.

Performance:

- Conducted monthly security scans and computer updates as directed by the Help Desk of ITS.
- Staff completed yearly Cybersecurity Training as recommended by ITS.
- ITS, working through the multi-agency incident Response Task Force, has developed an Incident Response Program in support of our agency.

The agency will continue to work with ITS and DHR and report compliance with Executive Order 2017-02.

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ADDENDUM

RED TAPE REDUCTION EXECUTIVE ORDER 2019-02

Objective A

Name a Rules Review Officer (RRO) to implement a thorough and comprehensive review of the agency's administrative rules to identify costly, ineffective or outdated regulations to reduce the word count of the agency's administrative rule by .46 – 1.15 pages.

Strategies:

- Determine which staff member is the best candidate to fill the role of the RRO based on knowledge, experience and commitment.
- Work with the Division of Financial Management (DFM) to fully understand the Executive Order and how the agency can be compliant with the Order.
- Conduct ongoing discussions with staff to recognize regulations that may be eliminated.
- Allot exclusive time at each quarterly Board meeting to examine and discuss the agency's regulations.
- Hold a public meeting asking stakeholders for input and comments on the current regulations.

Performance:

- The agency identified, and the Board approved the Executive Director as the RRO for the agency in February 2019.
- The RRO met with the DFM Regulatory Analyst and attended the Red Tape Reduction Act workshop.
- The RRO led a discussion of the Red Tape Reduction Act at an April meeting and the Board reviewed the RRO's suggestions for the elimination of rules with the Accountancy Rules.
- The Board approved the elimination of rules that totaled approximately 693 words and were subsequently submitted to the Governor's office for approval in June 2019.
- Public meeting on the Red Tape Reduction Act is scheduled for October 2019.