

From the North Dakota State Board of Accountancy

1. The rule changes did not result from statutory changes made by the Legislative Assembly.
2. The rule changes were not related to federal laws or regulations.
3. The Board published official notices throughout the state, inserted by the Newspaper Association. Two hearings were offered -- Oct. 15 in Bismarck, Oct. 16, in Grand Forks. Newsletter articles were included in the CPA association publication. An article was provided to the PA association in August.
4. Comments about the changes were few.
At the Bismarck hearing, three individuals voiced concern about the practice review program being expanded to more firms. In addition, the Board received three letters, two concerned with the practice review program, one preferring a Dec. 31 reporting date for continuing education. A phone call was also received. The association received an email inquiry. Board members received copies of the letters addressed to the Board, notes on the association email, and notes on oral comments and the public hearings. No changes were made in the proposed rules following the public hearings.
5. The newspaper notification process resulted in a cost of \$1797. Legal fees paid by the Board amounted to approximately \$680. Not considering staff time, other Board costs were about \$125.
6. Following is an overview of the rule changes:
 - a. Accounting Concentration
Changing the accounting concentration to 24 accounting plus 24 other business; with Principles not counting. "Other business" could include 3 Economics credits. Effective 1/1/09.

For some applicants, this change may increase the number of upper division accounting credits taken. Economics may now be included in the business portion.
 - b. Fees
Specifying a July 31 late fee due date (instead of June 30).

This change allows for time to report continuing education, before the late fee takes effect. At present, the education form and fee are due June 30.

Allowing the Board to set fees within a specified prescribed limit.

This change allows flexibility in fee setting, but within a prescribed limit.

Clarifying fees for substantial equivalency practice and grade transfers.

These changes clarify where fees are due.

Reducing the firm permit fee to \$10.

This change almost eliminates firm permit fees. With a uniform practice review system, reviews will not be conducted by the Board, thereby lowering contract service fees.

Making the \$100 reinstatement fee applicable for any type of re-activation.

A reinstatement fee will be expected for all cases – failing to renew, notify the Board, or voluntarily relinquishing a certificate.

Increasing the Board daily stipend to \$500 (now \$300), with a yearly \$2000 cap (now \$1200).

This fee has not been altered since at least 1995. The daily rate amounts to an hourly billing rate of approximately \$60.

c. Ethics Code & Peer Review

Making the national American Institute of CPAs Code of Ethics applicable to all licensees, and eliminate the existing North Dakota regulations.

This change eliminates a duplication of codes, for members of the national American Institute of CPA (AICPA). It also provides for a more extensive, periodically updated approach to ethics standards.

Extending the AICPA peer review program to firms performing compilations.

With this change all firms will participate in the same review program – a national process with national standards, oversight, etc.

7. A regulatory analysis was not required as the proposed rules are expected to impact the regulated community less than \$50,000 per year. Neither the Governor or any member of the Legislative Assembly requested such an analysis.

8. The Board is exempt from conducting the small entity economic impact statement and small entity regulatory analysis, according to NDCC 28-32-08.1, paragraph 5.

9. A constitutional takings assessment was not prepared; the rule changes do not appear to directly limit the use of personal property.

10. These rules were not adopted under emergency provisions.