EXHIBIT #2
DATE 3/15/2013
HB 582

HB 582

Letters of support

LINDA E. HARRIS C.P.A. P.C.
CERTIFIED PUBLIC ACCOUNTANT

March 12, 2013

House Business & Labor Committee
Helena,

RE: Board of Public Accountants

Dear Committee Members:

This letter is to voice my support for the legislation that is before you regarding the semi-independence for the Board of Public Accountants. As a practicing CPA in the State of Montana I am very much in favor of this proposed legislation.

The profession of public accounting is very complex. The Board that oversees our profession should have the ability to regulate the profession in the best manner available to them. Our profession is global and as such the Board needs to have the ability to attend national conventions that deal with both international and national issues. When budgetary restraints are implemented they impede the Board from gather knowledge that is critical to regulating our profession.

As a practicing CPA I expect that when I call the Board my questions or concerns will be dealt with in a timely and professional manner. I believe as with any business there should be oversight into how the staff performs. The Board has no input in the hiring, training and evaluation of the staff. The Board staff should, in fact, be the Board's alone. Due to our complex rules and regulations staff needs to be trained and able to answer questions, investigators need to be familiar with not only our rules and regulations but the industry and they need to be familiar with issues that arise.

The purpose of the Board of Public Accountants is to protect our citizens. I believe that our Board should have the ability to design programs and have staff that that allow the Board to do just that. This legislation would, in my opinion, provide the Board with the ability to use the fees that I pay to better meet the needs of the public and the licensee.

Sincerely,

Linda E. Harris, CPA

1 Grove Street Post Office Box 393 Absarokee MT 59001 406.328.4655 Fax 406.328.6283 E-mail lharris@lehcpa.com

March 15, 2013

TO: House Business & Labor Committee Members

FROM: Teresa Beed, Professor of Accounting and Director, Master of Accountancy Program, University of Montana

RE: Support letter for HB 582

I am writing today in support of HB 582. I have been a college accounting educator in Montana for over 30 years. In that position, I work every day with students and other individuals who plan to become CPAs in the State of Montana.

In order to become a CPA, individuals must sit for the uniform CPA exam. The Board contracts with the National Association of State Boards of Accountancy (NASBA) to administer the exam. **It is critical that the Montana Board of Accountants have knowledgeable staff** to assist and guide anyone interested through the complicated process of scheduling and sitting for the exam. Preparing to take the CPA exam is very time consuming and costly. Many jobs require the CPA license and future employment is often based on passage of the exam. It is imperative that staff at the State Board is able to assist these people in the process.

Many times over the years, I have worked with the Board on issues that have arisen. We try to facilitate the test takers' needs in a timely fashion. If that cannot be done, it is very expensive and unfortunate for the constituents who count on the ability of the Board to help them with issues that come up. Some issues include:

- Which specific classes fall under the umbrella of the classes required to sit the exam.
- When the 'clock' should start running with regard to the time limit given for passage of all the parts of the exam. If a person does not pass all four parts within a specific window, they lose parts already passed and have to retake them.

Timely feedback to these people is essential and in order to achieve this, the State Board must have knowledgeable staff. In order to have this type of consistency of expertise the State Board needs to become independent.

I encourage you to pass HB 582 for the benefit of Montanans, current students and others who may decide to take the CPA exam under Montana's guidelines.

From: Tom Shea [mailto:tom@ghg-cpa.com]
Sent: Tuesday, March 12, 2013 4:02 PM
To: Jane Egan
Subject: House Bill 582

Hello Jane,
I want to congratulate the MSCPA on initiating House Bill 582. It is my opinion that allowing the State Board of Accountants to be independent of the Department of Labor will be a very positive change that will improve and enhance the State Board's ability to serve the general public of Montana in carrying out their responsibility to monitoring the quality of service provided by the accounting profession to residents of Montana. This change will allow the State Board to conduct more timely and thorough investigations when necessary, conduct more thorough and timely interviews with complainants as well as practitioners and will enhance their ability to keep members of the Board informed and current on regulations at all times.

Tom Shea, CPA/PFS

Tom Shea

Thomas J. Shea, CPA /PFS
Credo Investment Advisors, LLC
Galusha, Higgins & Galusha PC
777 East Main, Suite 201, PO Box 340
Bozeman, MT 59715
406-580-1751 (cell) / 406-586-2386 / FAX: 406-587-4121
tom@ghg-cpa.com

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Jane Egan

From: JMCDONALD@stlabre.org
Sent: Tuesday, March 12, 2013 2:41 PM
To: Jane Egan
Subject: Experience with State Board of Public Accountants

I have had several interactions with the State Board over the years while both involved in Public Accounting and in Private Accounting. In all cases, the State Board have been good to work with. They understand the issues that CPA's deal with both in the Public and Private arenas. I have found them to be very professional and responsive while dealing with me. I believe that the HB 582 is a good step in keeping this oversight board viable and an asset to the State and to public accountants that serve the people and businesses of Montana.

James M McDonald, CPA, CGMA
Finance Director
St Labre Indian School Educational Association
P.O. Box 77
Ashland MT 59003-0077
406-784-4504
Fax-406-784-4512

Jane Egan

From: Patsy Guenthner <PGuenthner@Altanafcu.org>
Sent: Tuesday, March 12, 2013 5:10 PM
To: Jane Egan
Subject: In support of House Bill 582

To the House Business and Labor Committee:
I support House Bill 582, which was initiated by the Montana Society of CPAs and is being carried by Greg Hertz of Polson. The Board of Public Accountants needs to become independent of the Department of Labor in order to protect the reputation of the accounting profession, which I believe is at risk. I have been a CPA since 1988 and have always taken pride in my profession. In my experience, I have encountered various "para-professionals" who try to pass off their work as being up to the same standards as a certified public accountant. This is demeaning to our industry. To this day, many Montana citizens do not understand the training, testing and experience requirements that the CPA industry requires. They do not know of the labor intensive peer reviews a practicing CPA must undergo to maintain a high level of quality control. I believe the Board of Public Accountants should be able to defend, maintain and uphold the reputation of the accounting profession. They need to be independent to meet and carry out this responsibility. That is why I support the passage of House Bill 582.
Thank you.
Patricia Guenthner, CPA
26 Vista Lane
Laurel, MT 59044

Hugh A. McWhorter, P.C.
CERTIFIED PUBLIC ACCOUNTANT
2103 GOLD RUSH
HELENA, MT 59601

AMERICAN INSTITUE OF CERTIFIED PUBLIC ACCOUNTANTS
MONTANA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

443-1461
431-3885

March 14, 2013

To The Members of The House Business and Labor Committee

As a matter of introduction I am a practicing Montana Certified Public Accountant. My career has consisted of ten years with a national CPA firm where I had management responsibility for the audits of FNMA, SLMA, National Rural Utilities Cooperative Finance Corporation, Volkswagen of America and several large construction companies. During employment with the American Institute of Certified Public Accountants I had the opportunity to author sections of The Accounting and Audit Guide for Savings and Loans. On August 31, 2012 I completed a twenty six (26) year association with The Montana Board of Public Accountants (the Board) having served as their Enforcement Coordinator.

Concurrent with my tenure with the Board I have owned my own CPA practice.

During my twenty six year association with the Board I witnessed many rapid changes in the profession. To name a few:

- the CPA exam has transitioned from a written to a computerized format with the exam now being offered in foreign countries
- mobility now enables CPAs from other states to practice public accounting in Montana without separate Montana licensure
- accounting scandals such as Enron have resulted in substantial expansion of professional responsibilities, and
- CPA firms can now market financial products

All of the above changes occurred rapidly and CPA compliance with the rules associated with these changes is overseen by the Board.

As currently structured the Board cannot effectively respond to the ever changing world of CPA regulation. Board members:

- have no voice in Board staffing decisions
- do not have the ability to insure effective training of staff
- cannot assign properly trained individuals to conduct investigations, and

- are not able to attend national training sessions which address the ever changing CPA regulatory environment

To eliminate these operating deficiencies, I am a strong proponent of Board semi-independence.

Semi-independence would enable the Board to have control over staffing decisions and more importantly access to the resources necessary to carry out their mandate.

While the Board has not experienced an accounting issue of the magnitude of Enron they have had to deal with issues such as:

- CPA misappropriation of funds
- a total disregard of professional standards, and
- representation of clients with a disregard of conflicts of interest

Additionally, the CPA profession is global and ever evolving. The Board needs the latitude of resource allocation and personnel management. They need to be able to appropriately protect the public.

Semi-independence would enable the Board to fulfill their responsibilities.

Sincerely,

Hugh A. McWhorter

Hugh A. McWhorter

March 14, 2013

To: The Members of the House Business and Labor Committee
State of Montana
Re: House Bill #582

In the matter of full disclosure, I am a current board member of the Board of Public Accountants as a public member; ***however, I am not*** writing to you today as a member of this Board, but as a ***private citizen*** of Montana. I wanted to share some of my personal thoughts about the above referenced Bill.

First off, this bill does not specify full independence from the Department of Labor, instead it is outlining semi-independence. With semi-independence, the Board would still be attached to the Department of Labor working ***together*** planning and coordinating the work of the Board to fulfill the purpose of regulating the accounting profession and protecting the public. What this bill is outlining pertains to changes allowing the Board to hire its own staff and determine its staffs' pay, freedom in managing its own finances and its own administrative decisions.

The world of accounting is changing rapidly, especially with globalization. The CPA exam is now administered in several countries around the globe and more and more applicants for CPA certification and licensure are applying from these countries. With this increased globalization, board members need to be able to keep up on the cutting edge of these changes affecting the accounting profession. This requires the ability to keep staff educated and sending board members to educational and national conferences so the profession can be regulated as necessary and to protect the public.

Due to the current structuring, board members have no say in Board staffing decisions; they do not have the ability to assure staff and board members receive the training they need to keep up with this ever-changing profession; nor are they included in any administrative decisions or the budget processes.

Without proper ongoing training and interaction with other state board peers, without a say in hiring staff, without active participation in the budget and financial issues, how can a board effectively do its job regulating the profession AND protecting the public?

I support HB582 because it will allow the Board to hire staff that is knowledgeable of the accounting profession. How can staff do an effective job when they have no idea what the accounting profession consists of? I have education in accounting and worked in accounting for many years before changing professions, and I faced a big learning curve during the years I've served on the Board. What is done by the Board goes beyond simple debits and credits and assets versus liabilities.

I am a strong believer in education and educating staff so they have the tools to be able to do their jobs effectively. I believe board members need to be able to attend their national organization's conferences and educational offerings so they can keep abreast of current

trends and changes in the accounting profession so they can effectively do their job regulating the profession in a knowledgeable way. This Bill will help assure this can happen. Protecting the public is one of the major jobs of the Board. I ask, how can a Board effectively protect the public if they cannot receive the training needed?

Hiring staff has always been done by the Department when a position became open. No one from the Board has ever been included in this process. If the hiring team has no idea what the accounting profession is and what the profession faces, how can they hire knowledgeable staff to do the work of regulating it?

Under the current structure, the Board cannot effectively regulate the profession and respond to the rapid changes of the accounting profession? Semi-independence will give the Board more say in hiring staff that is knowledgeable, provide the ability to send board members to conferences and educational opportunities, and control their own finances.

I ask you today to support House Bill #582 and give the Board the ability to do what they were appointed to do, regulate the profession and protect the public.

Sincerely,

Beatrice Rosenleaf
1112 W 3rd St.
Anaconda, MT 59711