

MISSISSIPPI STATE BOARD OF PUBLIC ACCOUNTANCY
AGENCY 845
5 YEAR STRATEGIC PLAN FOR THE FISCAL YEARS 2025-2029

1. MISSION STATEMENT

The mission of the Mississippi State Board of Public Accountancy is to protect the public welfare of the citizens of the State of Mississippi, and therefore the state's commerce, through its oversight of Certified Public Accountants (CPAs) and CPA firms.

2. PHILOSOPHY

The philosophy of the Mississippi State Board of Public Accountancy is to protect the public's interest by assuring CPAs and CPA firms maintain the highest standards of proficiency, integrity, and ethics, through their compliance with state statutes, Board rules, and professional standards related to financial accounting and reporting, and advice on business, tax, and financial matters.

3. RELEVANT TO STATEWIDE GOALS AND BENCHMARKS

- Statewide Goal #1 – To develop a robust state economy which provides the opportunity for productive employment for all Mississippians.
 - Relevant Benchmarks for #1
 - State Business Tax Climate
- Statewide Goal #2 – To create an efficient government and an informed and engaged citizenry which helps to address social problems through the payment of taxes, the election of capable leaders at all levels of government, and participation in charitable organizations through contributions and volunteerism.
 - Relevant Benchmarks for #2
 - Number of government employees per 10,000 population
 - Average wait time for state government services
 - Regulatory efficiency: average length of time to resolution of documented complaints to professional licensing agencies.
 - Number and average cost of regulatory actions taken by regulatory body and type of action
 - State dollars saved by providing government services online (e.g., document retrieval, issuance of new business permits, license renewal)
- Statewide Goal #7 – To ensure the construction and maintenance of infrastructure adequate to meet the needs of citizens and the business community and to foster economic growth
 - Relevant Benchmarks for #7
 - State Buildings – percentage of total square footage of buildings housing state employees and operations that is owned versus leased.

4. OVERVIEW OF THE AGENCY 5 YEAR STRATEGIC PLAN

The main mission of the Board is generally accomplished through the following activities which have been streamlined and enhanced over the past several years:

- Registration of CPA firms. Oversight is provided through review of ownership, firm organization, quality controls, and CPA staffing verified through an established audit and monitoring process.
- Monitoring of CPAs' and CPA firms' work products, such as financial statement audits, reviews, and compilations through mandatory peer reviews and an independent oversight system.
- Overseeing computerized licensure examination. Timely investigations of complaints and an improved disciplinary process.
- Setting standards for and ensuring compliance with CPA continuing professional education (CPE) requirements.
- Investigating complaints of CPAs, CPA firms, candidates and non-licensees and disciplining valid complaints through Board action.
- Performing substantive audits of CPE documentation and compliance audits through statistical sampling of CPAs reports and examination of all supporting documentation.
- Responding to inquiries from CPAs and the public regarding accountancy statutes and Board Rules.

The goals for agency enhancements over the next five years have been identified as follows:

- Due to a FY 2015 staff reduction, the agency explored the possibility of relocating or otherwise reducing the cost of office space. The landlord kept us at the reduced rental rate negotiated in 2015 for an additional three (3) years which was approved and executed in May, 2018. It was anticipated that no relocation or reduction of space needs could occur as of May, 2021 based on the ongoing document scanning project mentioned below. The Agency successfully negotiated a 5-year renewal at a lower rate at that time.
- The Board began a document scanning/paperless office project in FY 2019. It is expected this will take another year or two to complete. The completion of this project has been delayed due to budget constraints, the loss of a trained contract employee, and the impacts of the recent COVID-19 pandemic. Once completed, this project will further streamline the agency to provide more efficient service to the CPA community, and therefore, the citizens of Mississippi.
- The agency's online application and renewal system for CPAs, CPA firms, and CPA exam candidates was implemented during fiscal year 2015, but further enhancements and upgrades are planned.
- The agency's annual CPE reporting form became an online form in fiscal year 2014. Several enhancements have been made and further enhancements and upgrades are planned.
- It is a goal of the agency to increase the investigative component of the office and to reduce the time required to resolve issues.

- Another goal of the agency is to continue to be responsive in a timely manner to requests for information on agency rules and accounting practices.
- The agency researched the process of permitting out-of-state firms, and in FY16 implemented a new Board Rule requiring an annual firm permit fee for such firms.
- The agency will need to revise its automated CPA examination candidate monitoring system to conform to the revised exam format under the “Evolution of CPA” initiative being launched by AICPA and NASBA. The initiative will replace the current four test sections applicable to all candidates with a three-section core plus discipline section format. The candidate will be able to choose from one of three different discipline test sections in addition to the three test sections which comprise the core for all candidates. The new CPA exam format is scheduled to launch January 1, 2024.

5. EXTERNAL/INTERNAL ASSESSMENT

The State Board operates under national standards as well as state statutes, rules and regulations. We have listed the standards, entities, vendors, etc. which can affect the agency and its operations below.

American Institute of Certified Public Accountants (AICPA) has been the sole-source provider for the CPA examination and grading services for all fifty states and five other jurisdictions. The AICPA continues to write the questions for the computerized CPA examination and provides advisory grading services as well. Changes to those services or fees charged to the candidates are a significant external factor. The AICPA also maintains its own Code of Professional Conduct, Bylaws, and financial reporting standards which affect CPAs within the states. This Code of Professional Conduct is incorporated into the Board rules and regulations by reference.

National Association of State Boards of Accountancy (NASBA) is the national group comprising regulatory Boards from the fifty-five jurisdictions (fifty states and five other jurisdictions: District of Columbia, Guam, Northern Mariana Islands, Puerto Rico, and The Virgin Islands). The mission of NASBA is to enhance the effectiveness of the State Boards of Accountancy. It provides a voice for the Boards through national debates and communications concerning related regulation of CPAs and CPA firms. It also provides programs and services, researches and analyzes current and emerging related regulatory issues, assists communication among state boards, and communicates with organizations which may impact the regulation of accounting. NASBA provides the national database system for the computerized CPA examination which is used to oversee the monitoring and prevention of illegal movement of candidates among jurisdictions. NASBA serves as the contract monitor for the Boards overseeing the three-way contract which concerns the computerized examination costs, effectiveness, and security.

Prometric / Sylvan is under contract as the nationwide provider of the testing centers for the computerized CPA examination. The testing centers must meet specific standards to be and remain secure testing centers. Any change in the testing requirements or vendor could impact the State Board and examination administration.

Institutions of Higher Education (Colleges and Universities) provide the curriculum and education of candidates who prepare and sit for the CPA examination. Changes in curriculum and course offerings could impact candidates' success rates for passing examination requirements.

State and Federal Laws contain mandates with which CPAs and CPA firms must comply when performing services as well as the incorporation and organization of firms as businesses which could potentially increase the oversight responsibilities of the Board. The Sarbanes-Oxley Act of 2002 is the largest federal legislation passed since The Securities Act of 1934. This act affects what CPAs and CPA firms can and must do when auditing and performing services for a public company. Implementation of this act through The U.S. Securities and Exchange Commission (SEC) and under a national Public Company Accounting Oversight Board (PCAOB) affects the work of the Board through investigative cooperation and additional monitoring and oversight of affected CPAs and CPA firms.

Financial Accounting Standards Board, Government Accounting Standards Board, and other U.S. standard setting organizations (including the AICPA previously mentioned) greatly influence generally accepted accounting principles, generally accepted auditing standards and other professional standards that must be followed by CPAs and CPA firms in the performance of their services, and therefore, affects the Board's review of CPA practices.

International Federation of Accountants, International Ethics Standards Board for Accountants, International Accounting Standards Board are influences that have become recognized as part of the necessary relationship in the world economies and businesses related to financial reporting and professional standards.

Technological advances or changes influence progress and the direction the Board takes toward meeting its administrative and management objectives.

Professional career or demographic economic changes could affect the number of persons who enter the public accounting field and require oversight as CPAs and CPA firms.

6. AGENCY'S GOALS, OBJECTIVES, STRATEGIES AND MEASURES BY PROGRAM FOR FY 2025-2029:

Program 1: Regulation

GOAL A: Enforce laws, rules and regulations regarding Certified Public Accountants (CPAs), CPA firms, and non-licensees to maintain the highest standards of proficiency in the profession and for the protection of the public interest (Miss. Code Ann. § 73-33-5(f)).

OBJECTIVE A.1. Effectively manage compliance with laws and rules by CPAs, CPA firms, and non-licensees by identifying and investigating violations.

Outcome: Compliance with laws and rules is encouraged and increased.

Outcome: More reliable and accurate CPA work product is provided to the public.

STRATEGY A.1.1. Violations to investigate are identified from outside complaints or through in-house research and monitoring.

Output: Number of investigations
Efficiency: Direct cost per investigation

OBJECTIVE A.2. Effectively manage compliance by CPAs with Board Continuing Professional Education (CPE) rules through annual reporting of CPE and content.

Outcome: The technical proficiency of CPAs is maintained and updated

STRATEGY A.2.1. Timely submission of CPE reports is monitored and reviewed.

Output: Number of CPE reports received/monitored
Efficiency: Direct cost of CPE reports monitored

STRATEGY A.2.2. Perform detailed audits of a statistically-relevant sample of CPE reports submitted each year.

Output: Number of CPE audits completed
Efficiency: Reports in compliance as percentage of those audited

OBJECTIVE A.3. Effectively monitor compliance of CPA firms with the Board's Compliance Assurance Rules requiring peer reviews for certain CPA Firms.

Outcome: Quality of CPA firms' reports on financial statements is enhanced.

STRATEGY A.3.1. Maintain a roster of CPA firms requiring a peer review based on firm permit renewal questions, enrollments in ASCPA / AICPA peer review programs, and other in-house research techniques.

Output: Monitoring of firms requiring peer review
Efficiency: Direct Cost per CPA firm peer review monitored

GOAL B: Grant licenses to qualified individual Certified Public Accountants (CPAs) and permits to qualified CPA firms (Miss. Code Ann. § 73-33-1).

OBJECTIVE B.1. Effectively manage the initial licensing and reinstatement of CPAs as well as initial permitting and reinstatement of CPA firms.

Outcome: New CPAs and CPA firms are properly screened for compliance with laws and rules.

STRATEGY B.1.1. Assess qualifications of CPA license applicants and CPA firm permit applicants to determine compliance with Board licensing requirements.

Output: Number of new CPA licenses
Output: Number of new CPA firm permits
Efficiency: Direct cost per license application

OBJECTIVE B.2. Effectively manage the renewal of CPA licenses and CPA firm permits.

Outcome: Renewing CPAs and CPA firms are properly screened for continued compliance with laws and rules.

STRATEGY B.2.1. Assess continued compliance with Board licensing requirements for CPAs and CPA firms.

Output: Number of renewal applications processed

Efficiency: Direct cost per annual license or firm permit renewal (no renewal cost associated with in-state firm permits)

GOAL C: Regulate the conducting of the CPA examination (Miss. Code Ann. § 73-33-5 (c)).

OBJECTIVE C.1. Ensure that exam candidates meet minimum qualifications.

Outcome: Only qualified applicants are allowed to sit for the CPA exam.

STRATEGY C.1.1. Review and approve exam candidate applications based on education and residency requirements.

Output: Number of exam candidates approved

Efficiency: Direct cost per approved candidate