

BOARD MEETING AGENDA

Date, Time: Friday, July 19, 2024 – 9:00 a.m.
Location: DoubleTree by Hilton Spokane City Center
Suites A & B
322 North Spokane Falls Court
Spokane, WA 99201
or by Microsoft Teams Meeting

Notices: None

Chair Introductions

BOARD MEETING AGENDA

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6. Chair’s Report

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- b. Peer Review Oversight Committee (PROC) – Mark Hugh, CPA, Chair
- c. Request Oversight Committee (ROC) – Scott Newman, Public Member, Chair.....137
- d. Scholarship Oversight Committee (SOC) – Tonia Campbell, CPA, Chair
- e. Board/AICPA Rules Committee (BARC) – Brooke Stegmeier, CPA, Chair 138-143
- f. Licensing and Regulation Committee (LARC) – Rajib Doogar, Public Member, Chair

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9. Enforcement Report

- a. Quarterly Enforcement and Resolved Complaint Reports 148-149

10. Executive and/or Closed Sessions with Legal Counsel

11. Public Input - The public has an opportunity to address its concerns and the Board has an opportunity to ask questions of the public. Individual speakers will be provided 10 minutes each.

The Board of Accountancy schedules all public meetings at barrier free sites. Persons who need special assistance, such as enlarged type materials, please contact the Board's Americans with Disabilities Act contact person:

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**WASHINGTON STATE
BOARD OF ACCOUNTANCY
BOARD MEETING – JULY 19, 2024
SUMMARY**

Date and Time: Friday, July 19, 2024 - 9:00 a.m.
Location: DoubleTree by Hilton Spokane City Center
Suites A & B
322 North Spokane Falls Court
Spokane, WA 99201
or by Microsoft Teams Meeting

Notices: None

Chair’s Opening Announcements: The Board of Accountancy Quarterly Board meeting is now in session. The date is Friday, July 19, 2024. The time is ____.

The purpose of the Board meeting is for the Board to accomplish its business. After the Board completes its discussion of an agenda item, if appropriate, I will ask if anyone in the audience wishes to comment. As a reminder, individuals attending the meeting may participate only after recognition by the Chair. If you plan to address the Board on other matters during the public input section of the agenda, please sign the public input roster, or if attending by Teams meeting advise me now in the Teams chat, and your name will be added to the public input roster.

Chair Introductions: My name is Kate Dixon, Public Member; I am the Chair of the Board of Accountancy. (Have the Board Members introduce themselves - both those in person and virtually - then staff, and then Leo Roinila, AAG, Board Advisor).

July 19, 2024 – BOARD MEETING

1. Minutes – April 26, 2024, Board Meeting

Board staff presents the draft minutes of the April 26, 2024, Board meeting at **Pages 18-27** for the Board’s consideration.

Does the Board approve the minutes as drafted?

Do the Board Members attending virtually authorize the use of their electronic signatures on file at the Board office for the signing of the approved meeting minutes?

2. Board Policy – Annual Review

The Board tabled the April annual review of the Board Policies to the July Board meeting. **Pages 28-40** contain the current Board Policies when no changes are proposed or the draft Board Policies when changes are proposed.

a. 2003-1 Safe Harbor Report Language for Use by Non-CPAs – Pages 28-29

The Executive Director will report on the proposed revisions.

The proposed revisions:

- Update RCW reference numbers.
- Remove CPA-inactive certificate holder language.
- Add licensee in an inactive status guidance.
- Update dates in the report language examples.

Does the Board wish to revise, retain, or retire this policy?

b. 2004-1 Administrative Violations Guidelines – Pages 30-32

The Executive Director will report on the proposed revisions.

The proposed revisions:

- Add a citations column which provides the RCW or WAC references for the violation committed.
- Increase some fine amounts.
- Change verbiage for clarity.

Does the Board wish to revise, retain, or retire this policy?

c. 2015-1 Board Member Travel and Attendance at Group Gatherings – Page 33

No changes proposed.

Does the Board wish to revise, retain, or retire this policy?

d. 2017-1 Investigative and Disciplinary Processes – Pages 34-35

The Executive Director will report on the proposed revisions.

The proposed revisions:

- Remove the Charging and Administrative Review section.

- Update or remove RCW reference numbers.
- Modify Consulting Board Member (CBM) review from all complaints to complaints within the Board’s jurisdiction.
- Change verbiage for clarity.

Does the Board wish to revise, retain, or retire this policy?

e. 2017-2 Publication and Disclosure of Disciplinary Actions – Page 36

The Executive Director will report on the proposed revision.

The proposed revision:

- Add data.wa.gov and the Board’s website as disciplinary action posting locations.

Does the Board wish to revise, retain, or retire this policy?

f. 2020-1 Peer Review – Pages 37-38

The Executive Director will report on the proposed revision.

The proposed revision:

- Add “Pass with Deficiencies” where only PWD was present.

Does the Board wish to revise, retain, or retire this policy?

g. 2020-2 Public Officials and Public Employees – Pages 39-40

The Executive Director will report on the proposed revisions.

The proposed revision:

- Update or remove RCW reference numbers.

Does the Board wish to revise, retain, or retire this policy?

3. NASBA Update

a. 2024 Western Regional Meeting

The Executive Director will provide an update on NASBA activities.

4. Rules Review

a. Semi-annual Rules Development Agenda – July through December 2024

Pages 41-43 contain the Semi-Annual Rules development agenda filed with the Office of the Code Reviser.

The agenda is informational for the public, and the noted dates of anticipated activity are estimates.

b. CR-101 Filings for Rules under Review – Pages 44-46

c. Rules Review/Discussion

Pages 47-136 contain the draft copies of the proposed rule changes.

WAC 4-30-010 Definitions.

Pages 47-61 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.
- Update the “Firm” definition.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board’s October meeting; or**
- **Amend the rule proposal for consideration at the Board’s October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-024 Public records.

Pages 62-66 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update to gender neutral nouns.
- Change verbiage for clarity.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-034 Responding to board inquiries.

Pages 67-68 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-040 Integrity and objectivity.

Page 69 contains a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.
- Remove pronouns which are not gender neutral.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**

- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-042 Independence.

Page 70 contains a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or
- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-044 Contingent fees.

Pages 71-73 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or
- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-045 Commission and referral fees.

Pages 74-75 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-046 General standards.

Pages 76-77 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-048 Compliance with standards.

Pages 79-79 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-049 Accounting principles.

Pages 80-81 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.
- Update to gender neutral nouns.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-050 Confidential client information.

Pages 82-83 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**

- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-052 Acts discreditable.

Page 84 contains a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or
- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-053 Client records. (New rule)

Pages 85-86 contain a draft copy of the proposed rule changes.

The proposed new rule is intended to:

- Make client records information more accessible to non-CPA consumers.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or
- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-054 Advertising and other forms of solicitation.

Page 87 contains a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-056 Form of organization and name.

Pages 88-90 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-070 What are the experience requirements in order to obtain a CPA license?

Pages 91-94 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.
- Rename the rule.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-090 Must an out-of-state individual holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state?

Pages 95-97 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.
- Rename the rule.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**
- **Amend the rule proposal for consideration at the Board's October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-112 In state and out-of-state firm licensing requirements.

Pages 98-100 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or**

- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-114 How do I apply for and maintain a firm license?

Pages 101-105 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW revisions.
- Rename the rule.
- Update subsection headings.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or
- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-130 Quality assurance review (QAR) requirements for licensed CPA firms.

Pages 106-117 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Exclude compilations from Board approved peer review requirements.
- Change verbiage for clarity.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting; or
- Amend the rule proposal for consideration at the Board's October meeting; or
- Withdraw the rule proposal?

WAC 4-30-132 Qualifying continuing professional education (CPE) activities.

Pages 118-125 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update to gender neutral nouns.
- Update rule names contained within this rule.
- Add “professional” to AICPA code of conduct.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board’s October meeting; or**
- **Amend the rule proposal for consideration at the Board’s October meeting; or**
- **Withdraw the rule proposal?**

WAC 4-30-142 Disciplinary actions.

Pages 126-136 contain a draft copy of the proposed rule changes.

The proposed rule changes:

- Update RCW reference numbers to align the rule with HB 1920 RCW.
- Update to gender neutral nouns.

The Executive Director will lead a discussion on the proposed changes.

Does the Board wish to direct staff to:

- **File the CR-102 as written (or with minor changes) for this proposal and schedule a public rule-making hearing in conjunction with the Board’s October meeting; or**
- **Amend the rule proposal for consideration at the Board’s October meeting; or**
- **Withdraw the rule proposal?**

5. Legal Counsel’s Report

The Board's legal counsel requests the agenda for regular Board meetings contain a placeholder item allowing for legal counsel to report on any current issues related to

the Board's activities and/or Washington State law such as: the Administrative Procedures Act, Open Public Meetings Act, Public Disclosure requirements, etc.

6. Chair's Report

7. Committee/Task Force Reports

- a. **Executive Committee** – Chair: Kate Dixon, Public Member; Vice Chair: Thomas P. Sawatzki, CPA; Secretary: Brooke Stegmeier, CPA

Kate will give a verbal report.

- b. **Peer Review Oversight Committee (PROC)** – Chair: Mark Hugh, CPA; Members: Kate Dixon, Public Member; Thomas P. Sawatzki, CPA; Non-Board Volunteers: Robert Loe, CPA; Laura Lindal, CPA; Tom Neill, CPA

Mark will give a verbal report.

- c. **Request Oversight Committee (ROC)** – Chair: Scott Newman, Public Member; Members: Rajib Doogar, Public Member; Tonia Campbell, CPA

Page 137 contains a report on the 2nd quarter approval and denials from the committee.

Scott will give a verbal report.

- d. **Scholarship Oversight Committee (SOC)** – Chair: Tonia Campbell, CPA; Members: Kate Dixon, Public Member; Jacqueline Meucci, CPA; Thomas P. Sawatzki, CPA

Tonia will give a verbal report.

- e. **Board/AICPA Rules Committee (BARC)** – Chair: Brooke Stegmeier, CPA; Members: Brian Thomas, CPA; Mark Hugh, CPA; Scott Newman, Public Member

Pages 138-143 contain the BARC committee report regarding recommendations for a CPA-inactive and CPA retired rule.

Brooke will give a verbal report.

- f. **Licensing and Regulation Committee (LARC)** – Chair: Rajib Doogar, Public Member; Members: Kate Dixon, Public Member; Tonia Campbell, CPA; Non-Board Volunteers: Tom Neill, CPA; Kimberly Scott; Mike Nelson

Rajib will give a verbal report.

8. Executive Director's Report

a. Budget Status

Pages 144-146 contain the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant's Account Fund View, and the CPA Scholarship Transfer Account Fund View for transactions through June 28, 2024.

b. 2024 Renewal and CPE Extension Request Report

Page 147 contains the 2024 Renewal and CPE Extension Request report.

c. Pro-Equity Anti-Racism (PEAR) Update

d. Regional Mobility

9. Enforcement Report

a. Quarterly Enforcement and Resolved Complaint Reports

Taylor Shahon, CPA, Lead Investigator, will provide a verbal report on investigations.

Pages 148-149 contain the Enforcement Reports:

- Quarterly Report – April 1, 2024, through June 30, 2024
- Twelve-Month Lookback – July 1, 2023, through June 30, 2024
- All Complaints – Resolved with and without discipline for periods July 2023 to June 2024 and July 2022 to June 2023.
- CBM Report – April 1, 2024, through June 30, 2024

10. Executive and/or Closed Session with Legal Counsel

The Board's legal counsel requests the agenda for regular Board meetings contain a placeholder item identifying that the Board and legal counsel may enter executive or closed session when determined appropriate.

11. Public Input

Board meeting time has been set aside to ensure the public has an opportunity to address its concerns, and the Board has an opportunity to ask questions of the public. Individual speakers will be provided 10 minutes each.

Meeting Closing - Thank you all for your participation. The time is _____, and this quarterly Board meeting is now closed.

WASHINGTON STATE BOARD OF ACCOUNTANCY

Unapproved Draft - Minutes of a Meeting of the Board – Unapproved Draft

Time and Place of Meeting	9:10 a.m. – 12:22 p.m. Friday, April 26, 2024 Radisson Hotel Seattle Airport San Juan Rooms 2&3 18118 International Blvd Seattle, WA 98188 or by Microsoft Teams Meeting
Attendance	<u>Board Members</u> Kate Dixon, Public Member, Chair Thomas P. Sawatzki, CPA Member, Vice Chair Brooke Stegmeier, CPA Member, Secretary Mark Hugh, CPA Member Rajib Doogar, Public Member Brian R. Thomas, CPA Member Jacqueline Meucci, CPA Member Scott S. Newman, Public Member Tonia L. Campbell, CPA Member <u>Staff and Advisors</u> Michael Paquette, CPA, Executive Director Jennifer Sciba, Deputy Director Leo Roinila, Assistant Attorney General, Board Advisor Taylor Shahon, CPA, Lead Investigator Kirsten Donovan, Board Clerk Tia Landry, Data and Systems Administrator
Call to Order – Board Meeting	Board Chair, Kate Dixon called the meeting to order at 9:10 a.m. Technical difficulties caused a late meeting start. Board Members and staff introduced themselves.
Minutes – January 26, 2024, Board Meeting	The Board approved the minutes of the January 26, 2024, Board meeting. The Board Members attending virtually authorized the use of their electronic signatures for the signing of the meeting minutes.
Minutes – March 8, 2024, Special Board Meeting	The Board approved the minutes of the March 8, 2024, Special Board meeting. Jackie Meucci and Scott Newman abstained from the vote as they were unable to attend the Special Board meeting.

Board Policies Annual Review

Mark Hugh asked that the annual review be tabled until the July Board meeting, as the policies could then reflect the statute changes going into effect on June 6, 2024.

The Board voted unanimously to table the review until the July Board meeting.

NASBA Update

The Executive Director reported on the 42nd Annual Conference for Executive Directors and Board Staff and the 29th Annual Conference for Board of Accountancy Legal Counsel held March 25-27, 2024, in Nashville, TN.

- The discussions primarily centered around the Professional Licensure Task Force update.
- AAGs Leo Roinila and Elizabeth Lagerberg attended the legal counsel conference.

The Executive Director reported the upcoming NASBA conferences are as follows:

- Western Regional Meeting, June 25-27, 2024, in Omaha, NE.
- 117th Annual Meeting, October 27-30, 2024, in Orlando, FL.

Legal Counsel's Report

Leo Roinila, the Board's legal counsel, had nothing to report.

Chair's Report

National Accounting Pipeline Group (NPAG) Update

Tom Neill, CPA and Kimberly Scott, President & CEO WSCPA presented a PowerPoint on NPAG activities.

- 4 different national groups currently working on the pipeline issue.
 - National Pipeline Advisory Group
 - AICPA Pipeline Acceleration Plan
 - NASBA's Professional Licensure Task Force
 - AAA Pipeline Symposium Stakeholders and Workgroups
- Research review on the pipeline was initially difficult due to a lack of data.
- NPAG activities since October 2023
 - Developed a slate of potential strategies to attract more people to careers in accounting, based on 3rd party research, polls, forums, and member discussions.
 - Launched a national survey asking the entire accounting profession to weigh in (open through May 2024).
 - Launched a student survey to get the unique perspective on the most effective strategies for attraction, licensure, and

retention (open through early May).

- Concepts being considered:
 - Tell a compelling story.
 - Address the cost and time of education.
 - Make the academic experience more engaging.
 - Provide better support to CPA Exam candidates.
 - Enhance employee experience.
 - Expand paths for the under-represented.
- Modernize the CPA license – nothing is off the table as NPAG brainstorms - keep an open mind.
 - Education.
 - Internships.
 - Different paths to licensure – multiple ways into the profession.
 - Competency based learning.
 - Fully competency-based license.
- NPAG intends to have a draft report done by mid-May, after the survey results are reviewed. The official report is expected to be completed in July 2024.
- Some jurisdictions may not initially be on board with changes. The hope is all jurisdictions will envision the same endpoint no matter how we get there.
- Data reviewed is on the NPAG website and survey results will be posted as well.

In response to the report, particularly the competence based only aspect, Board Members expressed the following:

- Objective evaluation may be difficult. Potentially have an oral component for evaluation.
- Potential decision within the next 5 years. This Board will need to do what is best for Washington regardless of what other jurisdictions are doing.
- May put an end to reciprocity and mobility as jurisdictions may adopt changes or not and on a different timeline.
- Reducing education and/or experience requirements will take serious thought.
- Think of it as changing pieces to the puzzle.

Update on the Professional Licensure Task Force (PLFT)

Kimberly Scott provided an update on PLFT activities, which included:

- Task force established in October with 2 meetings held so far.
- Rapid response directive needed, due to Minnesota's alternate pathway legislation expected in 2025 which allows for 120 hours

- of education and 2 years of experience.
- NASBA says that Minnesota pathway is off the table for NASBA.
- PLFT report is expected to be presented at the NASBA regional meetings.

Executive Committee

The Chair reported that the committee meets monthly now with Board staff to bring ideas and feedback for the quarterly meeting agenda.

Peer Review Oversight Committee (PROC)

Mark Hugh presented and led the discussion on the committee report, Excluding Compilations from Peer Review.

- The PROC is pivoting from the previously recommended peer review alternative program path.
- The committee now recommends that compilations be excluded from peer review.
- 8 other jurisdictions exclude compilations of any type from peer review.
- Survey was sent to 5 of the 8 jurisdictions and found that the peer review alternative program was far more restrictive than excluding compilations.
- A firm license would still be required for firms providing compilation services.
- No additional burden would be placed on Board staff.
- Peer review would still be required for AICPA members who provide compilation services.
- Board Rule, WAC 4-30-130, would need revision to allow for the exclusion.
- The PROC suggests creating a Board Policy, which would include recommendations for compilation CPE and professional liability insurance.

The Board unanimously approved the recommendation and instructed staff to file the CR-101 to start the rule-making process for WAC 4-30-130.

Request Oversight Committee (ROC)

Scott Newman reported on the committee's 1st quarter activities.

Request Oversight Committee Report – April 2024:

- Firm Names Approved:
 Sequim CPA PS
 Counter Culture CPA
 M4 Consulting LLC
 The SH Group PS
 Caliber Audit & Attest, LLP

WWC, P.C
Chelan Valley CPAs
DZA PLLC

- Professional/Educational Organization – Recognition Requests

During the first quarter 2024, the Board did not receive any requests for recognition of an educational organization for purposes of obtaining list requests.

Firm Naming Conventions Report

Scott reported and led the discussion on the Firm Naming Conventions report.

- The ROC is finding a shift from owner names to more unique and marketable firm names.
- A unique name does not make it non-compliant with the Board Rule.
- The ROC found no reason to change the rule at this time.
- More complex names will be reviewed by the full committee.

Scholarship Oversight Committee (SOC)

Tonia Campbell presented the Washington CPA Foundation – 2024 Pre-Intake Scholarship Winner Data report. She reported:

- 49 scholarships were awarded from Board of Accountancy funds:
 - Master's program (\$10,000/scholarship) – 31
 - Bachelor's program (\$5,000/scholarship) – 18
- 68% of scholarship winners were female; 30% male; and 2% transgender/unknown.
- 16 colleges were represented with at least one scholarship winner. The University of Washington and Gonzaga University were the top recipients.
- Diversity of Winners:
 - Asian/Asian-American – 25.7%
 - Black/African American – 5.4%
 - Hispanic/Latino/Spanish – 9.5%
 - Caucasian/White – 40.5%
 - Other – 9.5%
 - NA – 5.4%
 - Multiracial – 1%
 - Middle Eastern/North African – 1%
 - Prefer not to answer – 1%

Kimberly Scott advised:

- The Board's scholarship fund balance on February 1, 2024, was \$1,980,000.
- Scholarship marketing is done at as many schools as possible.
- The WSCPA employs one full-time staff member for this purpose.
- The Scholarship Foundation meeting will be held on May 17 with scholarship winners in attendance. Board Members and staff are invited. A scholarship winner reception will also be held in Spokane.

**Board/AICPA
Rules Committee
(BARC)**

Brooke Stegmeier deferred to Mark Hugh to present the Recommendations for 2024 Rule Revisions report.

Mark commented the BARC is pivoting on previous plans to reorganize and clarify all Board Rules. The task was determined too large for timely completion. The BARC will work on revisions for rules related to the legislative changes going into effect June 6, 2024, and other rules deemed to be time sensitive. All rules will be reviewed in the future. The report included:

- 22 Board Rules recommended for revision and 1 new Board Rule.
- Rule revisions fell under these categories with some rules falling into multiple categories.
 - RCW updates for 2024 legislation (19 rules).
 - CPA-inactive status and use of the CPA retired title (two rules).
 - Client records information more accessible to non-CPA consumers (one rule).
 - Revising basis for the Board to impose discipline and moving any exceptions into the professional conduct rules (12 rules).
 - Revising the Quality Assurance Review rule for PROC recommended removal of compilations (one rule).
 - Responding to a petition from the public to update Board rules for gender neutral pronouns (five rules).
- The committee plans to provide drafts of the proposed rule changes to Board Members prior to the July Board meeting.
- The committee plans to present more information on CPA inactive and the retired status rules at the July Board meeting.

The Board directed staff to file the CR-101 to begin the rule making process for the rules listed in the report.

Licensing and Regulation Committee (LARC)

Rajib Doogar led the discussion on the principal place of business issue. Topics included:

- If a CPA lives in Washington, do they have to hold a license in Washington?
- A non-practicing CPA living here may experience issues even if they don't use the CPA title. Individuals in the community may know they are a CPA and accept advice based on that knowledge.
- Guidance from NASBA has not been as forthcoming as suggested some time ago.
- Different Boards are addressing different things with the topic. The issue is no closer to being resolved.

Tom Neill advised that the UAA is putting a task force together to revisit the issue. He advises caution before moving forward with any changes until we have more information.

Executive Director's Report

Budget Status Report

The Executive Director presented the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant's Account Fund View, and the CPA Scholarship Transfer Account Fund View for transactions through March 29, 2024. The Executive Director reported:

- The agency is in great financial position.
- Supplemental budget for IT licensing fees was approved and funded.
- Underspent \$400,000 for the biennium to date; however, the supplemental budget funds will be spent before the end of the biennium.
- IT costs and staff wages expected to reduce the fund balance.
- Scholarship administrative account has a \$100,000 balance. We annually pay \$25,000 for administration of the scholarship fund. Once the fund is depleted the Board will pay the fee out of its general budget.

Legislative Update

The Executive Director presented House Bill 1920, signed by the Governor on March 7, 2024. The changes to the Public Accountancy Act go into effect on June 6, 2024.

Enforcement Report

Quarterly Enforcement and Resolved Complaint Reports

Taylor Shahon, CPA presented the following reports:

- Quarterly Report – January 1, 2024, through March 31, 2024
- Twelve-Month Lookback – April 1, 2023, through March 31, 2024
- All Complaints – Resolved with and without discipline for periods April 2023 to March 2024 and April 2022 to March 2023.
- CBM Report – January 1, 2024, through March 31, 2024

Taylor reported the following on enforcement activities:

- 15 complaints received in February.
- Complaints included timely tax filing, records, and fees.

Disciplinary Statistics in Comparison with Other Boards

Taylor presented and led the discussion on the report, Washington Disciplinary Stats Compared with Other Jurisdictions.

Staff sent a poll to other boards which asked:

- On average, how many complaints does your board receive per year?
- On average, how many complaints result in disciplinary action per year?
- How many licensees does your board have?
- Does your board make disciplinary actions available through a website or newsletter for consumers?

The Board received 24 responses. Using the data that was comparable to our process found that our complaint intake and disciplinary actions are consistent with other jurisdictions.

Complaint/Investigation Section of Website

Taylor presented the complaint/investigation section of the Board's website to the Board Members.

The Board Members thanked Taylor for guiding them through the website stating that the website is clear and informative.

Executive and/or Closed Session with Legal Counsel

No executive or closed sessions were held.

Public Input

The Board received public input from the following:

Jeremy Saladino, Washington Association of Accounting and Tax Professionals (WAATP) thanked Kimberly and Tom for their presentation saying that it was very informative. WAATP members are looking forward to the outcome. Jeremy also thanked the PROC stating they are looking forward to the Board Rule revision regarding compilation exclusion from peer review.

Adjournment

The Board meeting adjourned at 12:22 p.m.

Member

Member

Member

Member

Member

Member

Member

Member

Member



Washington State Board of Accountancy

Policy Number: 2003-1

Title: Safe Harbor Report Language for Use by Non-CPAs

Revised: ~~January 29, 2021~~ July 19, 2024

Approved: ~~Joel Cambern~~ Kate Dixon, Chair

Purpose:

RCW 18.04.~~350 (11)~~345 (9) (c) states that persons or firms composed of persons not holding a license under RCW 18.04.215 (i.e., non-CPAs) may offer or render certain services to the public, including the preparation of financial statements and written statements describing how such financial statements were prepared, provided they do not:

- Designate any written statement as an “audit report,” “review report,” or “compilation report,”
- Issue any written statement which purports to express or disclaim an opinion on financial statements which have been audited, and
- Issue any written statement which expresses assurance on financial statements which have been reviewed.

~~In April of 1989, the~~The Board has approved two alternatives as “safe harbor” report language for use by non-CPAs. Non-CPAs may use the language in the following paragraphs without challenge by the Board as a violation of RCW 18.04.345. The words “audited,” “reviewed,” “compiled,” or “compilation” may not be inserted or substituted for the language found in the letters.

Licensees with an inactive status are prohibited from the practice of public accounting, and therefore CPA Inactive certificate holders may not use the ‘CPA Inactive’ title when performing or offering accounting, tax, tax consulting, management advisory, or similar services to the public. As such, CPA Inactive certificate holders are prohibited from using the safe harbor report language concurrent with the CPA-~~Inactive~~ inactive title.

Safe harbor report language Sample #1:

The accompanying balance sheet of ABC Company, as of December 31, ~~1988-2024~~ and related statement of income for the year then ended have been prepared by me (us).

These statements have been prepared from information furnished by management (owner), and accordingly, I do not express any assurance on them.

Safe harbor report language Sample #2:

The accompanying balance sheet of ABC Company, as of December 31, ~~1988-2024~~ and related statement of income for the year then ended have been prepared by me (us).

My engagement was limited to presenting in the form of financial statements information that is the representation of management (owner), and accordingly, I do not express any assurance on them.

Effective: January 31, 2003

Revised: ~~July 19, 2024;~~ October 17, 2013



Washington State Board of Accountancy

Policy Number: 2004-1

Title: Administrative Violations Guidelines

Revised: ~~April 24, 2020~~ July 19, 2024

Approved: Mark Hugh, CPA Kate Dixon, Chair

~~This policy rescinds and supersedes any previous Board policy.~~

Purpose:

The purpose of this policy is to authorize the Washington State Board of Accountancy's (Board) Executive Director to resolve certain violations through a Remedial Resolution resulting in an administrative process of voluntary settlements without Board approval.

Authority and Delegation:

The Board delegates to the Executive Director the authority to administer Remedial Resolutions. The Board does not intend ~~these the~~ guidelines in this policy to be mandatory; nor does the Board wish to exclude or limit other sanctions or considerations in other disciplinary action.

Guiding Principles:

~~These guidelines~~ This policy will be used when the Executive Director has sufficient evidence of an administrative violation. These guidelines only apply to first time administrative violations; repeat or non-administrative violations shall be subject to the Board's formal disciplinary process. At any time, the respondent may refuse the Remedial Resolution and request a formal hearing before the Board in accordance with the Administrative Procedure Act RCW 34.05.

A Remedial Resolution is an informal settlement between the Executive Director on behalf of the Board and the respondent ~~and must be signed by both parties~~. As part of the Remedial Resolution, the Executive Director may ~~include recover~~ investigative and legal costs recovery. All terms must be satisfied within ~~90-30~~ 90-30 days of service unless otherwise specified. Failure to comply with the terms may result in commencement of formal disciplinary action.

	<u>Administrative Violation:</u>	<u>Remedial Resolution terms:</u>	<u>Citation(s)</u>
1.	Use of a restricted title with a lapsed credential.	<ul style="list-style-type: none"> • \$1,000 500-fine • Obtain a license or eCease use of title <u>while not licensed to do so</u> 	<u>RCW 18.04.345</u>
2.	Failure to obtain a firm license by a firm who offers or performs attest services or compilations	<ul style="list-style-type: none"> • \$1,500 fine • <u>Completion of Board approved Washington State Ethics course</u> • <u>Comply with requirements under RCW 18.04.195(1)(a)</u> 	<u>RCW 18.04.195 (1)(a)</u>
3.	Use of <u>First time</u> Use of title(s) in violation of RCW 18.04.345(5) by an un-credentialed individual.	<ul style="list-style-type: none"> • \$2,000 1,500-fine 	<u>RCW 18.04.345</u>
4.	Failure to provide records in compliance with WAC 4-30-051 <u>applicable standards</u> , so long as the failure does not result in client financial harm.	<ul style="list-style-type: none"> • \$1,500 fine • Completion of Board approved Washington State Ethics course 	<u>WAC 4-30-052</u>
5.	Failure to timely inform the Board of matters in compliance with WAC 4-30-030, or to respond to a request for administrative information or documentation.	<ul style="list-style-type: none"> • \$750 fine • Completion of Board approved Washington State Ethics course 	<u>WAC 4-30-030</u>

Non-Administrative Violations:

The Executive Director may pursue formal disciplinary action in accordance with the Administrative Procedures Act 34.05 RCW for Misconduct that is not listed above-are acts that the Board finds too significant to be handled through a Remedial Resolution. The Executive Director may open an investigation into the alleged conduct. Board Policy 2017-1 provides guidance on the Board's investigative and disciplinary process.

Effective: October 29, 2004

*Revised: July 19, 2024; April 24, 2020; July 28, 2017; October 24, 2014; April 23, 2013; April 26, 2012; April 25, 2011; October 17, 2008; April 28, 2006; January 28, 2005




Washington State Board of Accountancy

Policy Number: 2015-1

Title: Board Member Travel and Attendance at Group Gatherings

Adopted: January 30, 2015

Approved:


Donald F. Aubrey, CPA, Chair

Purpose:

To ensure the continuity of the Board's authority to take legal action in the event of unexpected travel challenges or other events while some or all Board members are in group travel status.

To ensure that no Board actions occur at social, business, or professional gatherings attended by a quorum of Board members.

Policy:

Board members may periodically travel or congregate together at social, business, or professional meetings. A quorum of voting Board members is required for the Board to conduct its business.

It is the policy of this Board that:

1. No more than three Board members shall travel together in a common vehicle or on a common carrier to ensure that any required Board action would be legally binding in the event of unexpected travel challenges or other events while some or all Board members are in travel status and not present to vote.
2. The Open Public Meetings Act of this state is designed to promote transparency when boards and commissions conduct public business. Board business or recommended Board actions shall not be discussed as a group if a quorum or more of Board members attend social, business, or professional gatherings.



Washington State Board of Accountancy

Policy Number: 2017-1

Title: Investigative and Disciplinary Processes

Revised: ~~April 24, 2020~~ July 19, 2024

Approved: ~~Mark Hugh, CPA~~ Kate Dixon, Chair

Purpose:

The purpose of this policy is to further define and make available the Washington State Board of Accountancy's (Board) investigative and disciplinary process against Washington State licensees, or persons holding out as certified public accountants (Respondents) as described in chapter 18.04 RCW.

Authority and Delegation:

The Board's authority to conduct investigations and enforce administrative discipline derives from Chapter 18.04 RCW (Public Accountancy Act) and chapter 34.05 RCW (the Administrative Procedures Act). The Board has delegated the responsibility for conducting such investigations to the Executive Director per RCW 18.04.045(7) and WAC 4-30-140. The Executive Director may work with staff, a Consulting Board Member (CBM), a contractor, and the Prosecuting Assistant Attorney General during the enforcement process so that the Board members may remain impartial and objective in the event of an administrative hearing.

Guiding Principles:

The Board seeks to resolve disciplinary cases in a fair and equitable manner, and recognizes that administrative hearings are costly, time consuming, and delay resolution. Therefore, the Board seeks to resolve most disciplinary cases through informal consent agreements in accordance with the Administrative Procedures Act ~~34.05 RCW (APA)~~. Furthermore, the Board seeks respondent participation in the development of settlements in order to encourage future compliance, foster professional development, and advance the profession.

Complaint Intake:

The enforcement activities are driven primarily by complaints received from the public; however, the findings of federal, state, or other disciplinary entities may serve as the basis of a complaint with the Board. The Executive Director may also initiate an investigation following an observation of a potential violation ~~by Board staff~~.

Charging and Administrative Review:

~~If resolution through settlement is not reached, the Executive Director may issue a Statement of Charges against the respondent, as outlined in WAC 4-30-140.~~

Approval and Review:

As part of the ongoing investigative and disciplinary process, all complaints within the Board's jurisdiction are reviewed by a CBM. The CBM is recused from any Board vote.

~~All consent agreements must be signed by the respondent, and approved by a majority vote of the Board. Any CBM involved with the case is recused from voting. If approved by the Board, the consent agreement becomes effective and binding once served on the respondent.~~
signed by the respondent and Board Chair or designee, and served upon the respondent.

~~As part of the ongoing investigative and disciplinary process, all complaints are reviewed by a Board member.~~

Complainant Recourse:

The Board shall not reopen closed complaints ~~closed after review by the Executive Director and a Board member~~ CBM. If a complainant disagrees with the closure of a complaint, they may submit a new complaint ~~using the Board's complaint form with new allegations and/or~~ new material evidence. ~~Complaints with allegations already reviewed may not be investigated without new material evidence.~~

Cost Recovery:

The Board has the power to recover investigative and legal costs through the ~~case resolution disciplinary~~ process by RCW 18.04.295. Investigative and legal costs may include, but are not limited to, staff time, travel costs, legal costs, costs associated with an administrative hearing, and cost of contractors.

Effective: July 28, 2017

Revised: July 19, 2024; April 24, 2020



Washington State Board of Accountancy

Policy Number: 2017-2

Title: Publication and Disclosure of
Disciplinary Actions

Adopted: ~~October 27, 2017~~ July 19, 2024

Approved: _____
~~Thomas G. Neill, CPA~~ Kate Dixon, Chair

Purpose:

The Washington State Board of Accountancy's (Board) purpose is, in part, to protect the public interest. The Board is also required to comply with the Public Records Act Chapter 42.56 RCW. To help achieve this purpose, the Board shall make accessible disciplinary actions taken by the Board.

Guiding Principles:

All disciplinary actions taken by the Board shall be published through the Board's licensee search, and through the Board's newsletter in summary. For the purposes of this policy, disciplinary actions may include, but are not limited to, board orders issued at an administrative hearing, default orders, negotiated consent agreements, and emergency temporary cease and desist orders.

All disciplinary actions are subject to the Public Records Act and may be provided in response to a request in accordance with WAC 4-30-024. The Board shall post any public safety notices on its website immediately.

The Board shall maintain updated disciplinary data through the National Association of State Boards of Accountancy (NASBA), data.wa.gov, and the [Board's website](#) in order to provide current licensee information to the public. NASBA maintains CPAverify.org to provide public access license statuses.

Effective: October 27, 2017

Revised: July 19, 2024



Washington State Board of Accountancy

Policy Number: 2020-1

Title: Peer Review

Revised: ~~April 28, 2023~~ July 19, 2024

Approved: _____
~~Brian R. Thomas, CPA~~ Kate Dixon,
Chair

Purpose:

The purpose of this policy is to clearly define the Board's process and procedures for interacting with licensed firms who are required under WAC 4-30-130 to undergo peer review and to report the results using the AICPA's Facilitated State Board Access (FSBA) database at the time of their firm license renewal.

Guiding Principles:

The Board believes remediation is the fundamental goal of peer review. In the majority of instances where deficiencies are discovered through the peer review process, corrective action and follow through by the Administering Entity (AE) and/or Review Acceptance Body (RAB) should be allowed to proceed.

In certain instances the Board may impose a practice restriction or other measures through its disciplinary process when deemed appropriate.

Process for Dropped or Terminated Firms:

The AICPA notifies the state boards when an AICPA member has been dropped or terminated from the peer review program.

Board staff will access FSBA to routinely review the list of firms that have been dropped or terminated from peer review. Per WAC 4-30-130, licensed firms who have provided attest or compilation services and who have been dropped or terminated from peer review by the AICPA must notify the Board. Board staff will generate reports detailing dropped firms and follow up with firms that have not reported.

Firms that have been dropped or terminated from peer review, have not responded to a board inquiry per WAC 4-30-034, and remain out of compliance will be referred to the Board's disciplinary process.

Board Evaluation of the Results of Peer Review:

One member of the Board's Peer Review Oversight Committee and the Executive Director (ED) will review all failed reports. Board staff will make all files available electronically for the Board member's review.

Fails and/or Sequential Fails:

If there is one instance of a fail, the Board member and ED will review the peer review report for unusual facts or troubling trends, especially if the prior peer review was a Pass with Deficiencies (PWD). Board staff will follow up to ensure that corrective action, as recommended by the AE/RAB, is completed by the firm.

If a firm has two sequential fail reports over two renewal periods, a Board member and ED will evaluate the two fail reports to determine if the same topic is at issue in both periods. If not, Board staff will follow up to ensure that corrective action, as recommended by the AE/RAB, is completed by the firm.

If the firm is dropped or terminated from the peer review program, the disciplinary process noted above will be undertaken. The Board will determine what action is appropriate under the circumstances. Options, beyond the corrective action, include but are not limited to the following:

- Required remedial training through Consent Agreement
- Practice restriction through Consent Agreement or Board Order
- Discipline including fine and/or firm license revocation through Consent Agreement or Board Order

Effective: January 31, 2020

Revised: July 19, 2024; April 28, 2023; April 24, 2020



Washington State Board of Accountancy

Policy Number: 2020-2

Title: Public Officials and Public Employees

Adopted: ~~October 29, 2021~~ July 19, 2024

Approved:

~~Rajib Doogar, Vice Chair~~ Kate Dixon,

Chair

Purpose:

The Washington Public Accountancy Act generally does not apply to government officials and employees. The Act provides “Nothing in this chapter prohibits any act of or the use of any words by a public official or a public employee in the performance of his or her duties.” RCW 18.04.~~350(12)~~345. The purpose of this policy is to explain both the application and the limitations of this exception.

Guiding Principles:

The Board has authority over licensees to revoke or suspend licenses, impose conditions on practice and to impose fines for a variety of causes under RCW 18.04.295 and RCW 18.04.345. However, that authority is limited ~~by RCW 18.04.350(12)~~ for actions performed by public employees in the normal course of their duties.

Public employees are not required to be licensed as CPAs. While RCW 18.04.345 prohibits a person from offering attest or compilation services without a license, ~~RCW 18.04.350(12)~~ it creates a specific exception for public employees. Therefore, a non-licensed public employee is not prohibited from preparing audits as long as it within the scope of their employment.

A public employee who is a licensed CPA is still subject to ethics rules and standards for professional conduct under the Act. Under RCW 18.04.~~350(12)~~345, the Board does not have the authority to judge the quality of performance or judgement of a public employee in course of their employment. However, if the public employee is a licensed CPA, the Public Accountancy Act provides additional standards and rules of professional conduct that accompany that license, regardless of employment, and the Board has the duty to uphold those standards and rules.

Many of the requirements, and potential violations under Chapter 18.04 RCW and Chapter 4-30 WAC are not related to the performance of job duties. For example, neither obtaining or renewing a CPA license, nor performing accountancy work outside of the office are part of a public employee’s job duties and violations associated with those activities are subject to Board action.

A public employee who is a licensed CPA would be subject to Board enforcement action for committing fraud or deceit in renewing their CPA license, or in failing to report that they had been sanctioned by another public agency. In addition, a public employee CPA who refused to cooperate with the Board in its investigation of a case would be in violation of the Act.

Even when a public employee who is a licensed CPA is “at work” they may commit violations of the Public Accountancy Act. For example, criminal activity even if performed while “at work” would not be part of the public employee’s job duties and therefore, the CPA would be subject to enforcement. Likewise, it can be argued that engaging in acts of fiscal dishonesty, fraud, or self-dealing would not be included in the public employee’s job duties.

However, for actions in the normal course of their duties by public employees, even licensed CPAs, it is up to the employing public agency to determine whether the performance of a public employee is satisfactory. In that situation, by Washington law, the Board has no disciplinary authority over that agency and that employee.

This exception is not unique to Washington. Reviewing the legislative history of RCW 18.04.~~350(12)~~345, it is in Washington law because the legislature modeled it upon the Uniform Accountancy Act, the national model licensing law developed to provide a uniform approach to regulation of the accounting profession.

For further discussion see Attorney General Opinion (AGO) 2021 No.5.

Effective: October 16, 2020

Revised: ~~July 19, 2024;~~ October 29, 2021



STATE OF WASHINGTON
Board of Accountancy
PO Box 9131 • Olympia WA 98507-9131
(360) 753-2586 • www.acb.wa.gov

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: June 03, 2024

TIME: 7:53 AM

WSR 24-12-054

June 3, 2024

Semi-Annual Rules Development Agenda
July 2024 through December 2024

The Washington State Board of Accountancy's semi-annual, rules development agenda follows for publication in the Washington State register under RCW 34.05.314.

This agenda is for information purposes, and the noted dates of anticipated activity are estimates. Additional rule development activity not on the agenda may occur as conditions warrant.

If you have questions about this rule development agenda, please contact:

Michael J. Paquette, CPA, Executive Director
PO Box 9131, Olympia, WA 98507-9131
Phone: (360) 485-1659; Email: mike.paquette@acb.wa.gov

WAC Citation	Subject Matter	Anticipated Activity Dates		
		Preproposal (CR-101)	Proposed (CR-102) or Expedited (CR-105)	Permanent (CR-103)
WAC 4-30-010	Definitions.	May 2024	July 2024	October 2024
WAC 4-30-024	Public records.	May 2024	July 2024	October 2024
WAC 4-30-034	Responding to board inquiries.	May 2024	July 2024	October 2024
WAC 4-30-040	Integrity and objectivity.	May 2024	July 2024	October 2024
WAC 4-30-042	Independence.	May 2024	July 2024	October 2024
WAC 4-30-044	Contingent fees.	May 2024	July 2024	October 2024
WAC 4-30-045	Commission and referral fees.	May 2024	July 2024	October 2024
WAC 4-30-046	General standards.	May 2024	July 2024	October 2024

WAC 4-30-048	Compliance with standards.	May 2024	July 2024	October 2024
WAC 4-30-049	Accounting principles.	May 2024	July 2024	October 2024
WAC 4-30-050	Confidential client information.	May 2024	July 2024	October 2024
WAC 4-30-052	Acts discreditable.	May 2024	July 2024	October 2024
WAC 4-30-053	Client Records (New Rule)	May 2024	July 2024	October 2024
WAC 4-30-054	Advertising and other forms of solicitation.	May 2024	July 2024	October 2024
WAC 4-30-056	Form of organization and name.	May 2024	July 2024	October 2024
WAC 4-30-057	Limitations on CPA inactive and CPA retired. (New Rule)	May 2024	October 2024	January 2025
WAC 4-30-058	Other authorized titles.	May 2024	October 2024	January 2025
WAC 4-30-070	What are the experience requirements in order to obtain a CPA license?	May 2024	July 2024	October 2024
WAC 4-30-090	Must an out-of-state individual holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state?	May 2024	July 2024	October 2024
WAC 4-30-112	In state and out-of-state firm licensing requirements.	May 2024	July 2024	October 2024
WAC 4-30-114	How do I apply for and maintain a firm license?	May 2024	July 2024	October 2024
WAC 4-30-130	Quality assurance review (QAR) requirements for licensed CPA firms.	May 2024	July 2024	October 2024

WAC 4-30-132	Qualifying continuing professional education (CPE) activities.	May 2024	July 2024	October 2024
WAC 4-30-142	Disciplinary actions.	May 2024	July 2024	October 2024



Michael J. Paquette, CPA
Executive Director



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: May 10, 2024

TIME: 9:00 AM

WSR 24-11-049

Agency: Board of Accountancy

Subject of possible rule making: WAC 4-30-053 Client records

Statutes authorizing the agency to adopt rules on this subject: RCW 18.04.055

Reasons why rules on this subject may be needed and what they might accomplish:

The board of accountancy proposes adoption of new rule:
WAC 4-30-053 to provide guidance to consumers regarding client records.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

	(If necessary)
Name: Kirsten Donovan, Rules Coordinator	Name:
Address: Washington State Board of Accountancy PO Box 9131 Olympia, WA 98507-9131	Address:
Phone: 360-664-9191	Phone:
Fax: 360-664-9190	Fax:
TTY: 1-800-833-6388	TTY:
Email: Kirsten.donovan@acb.wa.gov	Email:
Web site: https://acb.wa.gov/	Web site:
Other:	Other:

Additional comments:

Date: May 10, 2024

Name: Michael J. Paquette, CPA,

Title: Executive Director

Signature:



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

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DATE: May 03, 2024

TIME: 10:06 AM

WSR 24-11-008

Agency: Board of Accountancy

Subject of possible rule making: WAC 4-30-010 Definitions.; WAC 4-30-024 Public records; WAC 4-30-034 Responding to board inquiries.; WAC 4-30-040 Integrity and objectivity.; WAC 4-30-042 Independence.; WAC 4-30-044 Contingent fees.; WAC 4-30-045 Commission and referral fees.; WAC 4-30-046 General standards.; WAC 4-30-048 Compliance with standards.; WAC 4-30-049 Accounting principles; WAC 4-30-050 Confidential client information.; WAC 4-30-052 Acts discreditable.; WAC 4-30-054 Advertising and other forms of solicitation.; WAC 4-30-056 Form of organization and name.; WAC 4-30-070 What are the experience requirements in order to obtain a CPA license?; WAC 4-30-090 Must an out-of-state individual holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state?; WAC 4-30-112 In state and out-of-state firm licensing requirements.; WAC 4-30-114 How do I apply for and maintain a firm license?; WAC 4-30-130 Quality assurance review (QAR) requirements for licensed CPA firms.; WAC 4-30-132 Qualifying continuing professional education (CPE) activities.; WAC 4-30-142 Disciplinary actions.

Statutes authorizing the agency to adopt rules on this subject: RCW 18.04.055

Reasons why rules on this subject may be needed and what they might accomplish: The board of accountancy proposes amending rules for the following reasons (rules may appear in more than one category):

- 1) Align the rules with HB 1920 RCW revisions. On March 7, 2024, Governor Inslee signed into law HB 1920, which is effective June 6, 2024. WAC 4-30-010, 4-30-034, 4-30-040, 4-30-042, 4-30-044, 4-30-045, 4-30-046, 4-30-048, 4-30-049, 4-30-050, 4-30-052, 4-30-054, 4-30-056, 4-30-070, 4-30-090, 4-30-112, 4-30-114, 4-30-130, and 4-30-142.
- 2) Provide guidance to consumers regarding client records. WAC 4-30-052
- 3) Clarify the basis for the board to impose discipline and move any exceptions into the professional conduct rules. WAC 4-30-040, 4-30-042, 4-30-044, 4-30-045, 4-30-046, 4-30-048, 4-30-049, 4-30-050, 4-30-052, 4-30-054, 4-30-056, and 4-30-142.
- 4) Update the quality assurance review (QAR) requirements. WAC 4-30-130.
- 5) Update to gender neutral pronouns. WAC 4-30-024, 4-30-040, 4-30-049, 4-30-132, and 4-30-142.
- 6) Rename the rule. WAC 4-30-070, 4-30-090, and 4-30-114.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

(If necessary)

Name: Kirsten Donovan, Rules Coordinator
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Other:

Fax:
TTY:
Email:
Web site:
Other:

Additional comments:

Date: May 3, 2024

Name: Michael J. Paquette, CPA,

Title: Executive Director

Signature:

A handwritten signature in black ink that reads "Michael J. Paquette". The signature is written in a cursive style with a large initial 'M' and 'P'.

Effective July 1, 2024

WAC 4-30-010 Definitions. For purposes of these rules the following terms have the meanings indicated unless a different meaning is otherwise clearly provided in these rules:

"Act" means the Public Accountancy Act codified as chapter 18.04 RCW.

"Active individual participant" means an individual whose primary occupation is at the firm or affiliated entity's business. An individual whose primary source of income from the business entity is provided as a result of passive investment is not an active individual participant.

"Applicant" means an individual who has applied:

(a) To take the national uniform CPA examination;

(b) For an initial individual license, an initial firm license, or initial registration as a resident nonlicensee owner;

(c) To renew an individual license, a CPA firm license, or registration as a resident nonlicensee firm owner;

(d) To reinstate an individual license or registration as a resident nonlicensee firm owner;

(e) To convert an inactive license to an active license.

"Attest" means providing the following services:

(a) Any audit or other engagement to be performed in accordance with the statements on auditing standards;

(b) Any review of a financial statement to be provided in accordance with the statements on standards for accounting and review services;

(c) Any engagement to be performed in accordance with the statements on standards for attestation engagements; and

(d) Any engagement to be performed in accordance with the public company accounting oversight board auditing standards.

"Audit," "review," and **"compilation"** are terms reserved for use by licensees, as defined in this section.

"Board" means the board of accountancy created by RCW 18.04.035.

"Breach of fiduciary responsibilities/duties" means when a person who has a fiduciary responsibility or duty acts in a manner adverse or contrary to the interests of the person to

whom they owe the fiduciary responsibility or duty. Such actions would include profiting from their relationship without the express informed consent of the beneficiary of the fiduciary relationship, or engaging in activities that represent a conflict of interest with the beneficiary of the fiduciary relationship.

"Certificate" issued under this act means an alternative license type previously issued by the board indicating that the certificate holder had passed the CPA examination, but had no verified experience, and was not fully licensed to practice public accounting. Certificates remained valid until June 30, 2024, at which time they convert to a CPA license in an inactive status. This definition does not include certificates issued by other jurisdictions which may be substantially equivalent to a Washington CPA license.

"Client" means the person or entity that retains a licensee, as defined in this section, a nonlicensee firm owner of a licensed firm or an entity affiliated with a licensed firm to perform professional services through other than an employer/employee relationship.

"Compilation" means providing a service to be performed in accordance with statements on standards for accounting and review services that is presenting in the form of financial statements, information that is the representation of management (owners) without undertaking to express any assurance on the statements.

"CPA" or **"certified public accountant"** means an individual holding a license to practice public accounting under chapter 18.04 RCW or recognized by the board in the state of Washington, including an individual exercising practice privileges pursuant to RCW 18.04.350 (~~2~~1).

"CPE" means continuing professional education.

"Fiduciary responsibility/duty" means a relationship wherein one person agrees to act solely in another person's interests. Persons having such a relationship are fiduciaries and the persons to whom they owe the responsibility are principals. A person acting in a fiduciary capacity is held to a high standard of honesty and disclosure in regard to a principal. Examples of fiduciary relationships include those between broker and client, trustee and beneficiary, executors or

administrators and the heirs of a decedent's estate, and an officer or director and the owners of the entity.

"Firm" or "CPA firm" means a sole proprietorship, a corporation, ~~or~~ a partnership, a limited liability company, or other forms of organization issued a license under RCW

18.04.195. ~~"Firm" also means a limited liability company or partnership formed under chapters 25.15 and 18.100 RCW and a professional service corporation formed under chapters 23B.02 and 18.100 RCW.~~

"Firm mobility" means an out-of-state firm that is not licensed by the board and meets the requirements of RCW 18.04.195 (1) (a) (ii) (A) through (D) exercising practice privileges in this state.

"Generally accepted accounting principles" (GAAP) is an accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also detailed practices and procedures. Those conventions, rules, and procedures provide a standard by which to measure financial presentations.

"Generally accepted auditing standards" (GAAS) are guidelines and procedures, promulgated by the AICPA, for conducting individual audits of historical financial statements.

"Holding out" means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person that the person holds a license or practice privileges under the act and that the person offers to perform any professional services to the public. "Holding out" shall not affect or limit a person not required to hold a license under the act from engaging in practices identified in RCW 18.04.~~350~~345 (9) (b).

"Inactive" means a status of a license which prohibits a licensee from practicing public accounting. A person holding an inactive license may apply to the board to convert the license to an active status through an approval process established by the board.

"Individual" means a living, human being.

"Independence" means an absence of relationships that impair a licensee's impartiality and objectivity in rendering

professional services for which a report expressing assurance is prescribed by professional standards.

"Interactive self-study program" means a CPE program that provides feedback throughout the course.

"IRS" means Internal Revenue Service.

"License" means a license to practice public accounting issued to an individual or a firm under the act, or a license or certificate to practice public accounting in another state or jurisdiction.

"Licensee" means an individual or firm holding a valid license to practice public accounting issued under the act, and individuals holding licenses or certificates to practice public accounting granted by an out-of-state jurisdiction who are allowed to exercise practice privileges in this state under RCW 18.04.350 (~~21~~) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1) (a) and (b).

"Manager" means a manager of a limited liability company licensed as a firm under the act.

"Nano learning" is a stand-alone continuing professional education (CPE) course that is a minimum of 10 minutes (0.2 CPE credit hours) consisting of electronic self-study with a stated learning objective and a minimum of two final assessment questions.

"NASBA" means the National Association of State Boards of Accountancy.

"Nonlicensee firm owner" means an individual, not licensed in any state to practice public accounting, who holds an ownership interest in a firm permitted to practice public accounting in this state.

"PCAOB" means Public Company Accounting Oversight Board.

"Peer review" means a study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including the "quality assurance review" under this section.

"Person" means any individual, nongovernmental organization, or business entity regardless of legal form, including a sole proprietorship, firm, partnership, corporation, limited liability company, association, or not-for-profit organization, and including the sole proprietor, partners, members, and, as applied to corporations, the officers.

"Practice privileges" are the rights granted by chapter 18.04 RCW to a person who:

(a) Has a principal place of business outside of Washington state;

(b) Is licensed to practice public accounting in another substantially equivalent state;

(c) Meets the statutory criteria for the exercise of privileges as set forth in RCW 18.04.350~~(2)~~ for individuals or RCW 18.04.195 (1)(b) for firms;

(d) Exercises the right to practice public accounting in this state individually or on behalf of a firm;

(e) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board in this state;

(f) Must comply with the act and all board rules applicable to Washington state licensees to retain the privilege; and

(g) Consents to the appointment of the issuing state board of another state as agent for the service of process in any action or proceeding by this state's board against the certificate holder or licensee.

"Principal place of business" means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

"Professional services" include all services requiring accountancy or related skills that are performed for a client, an employer, or on a volunteer basis. These services include, but are not limited to, accounting, audit and other attest services, tax, bookkeeping, management consulting, financial management, corporate governance, personal financial planning, business valuation, litigation support, educational, and those services for which standards are promulgated by the appropriate body for each services undertaken.

"Public practice" or the **"practice of public accounting"** means performing or offering to perform by a person or firm

holding itself out to the public as a licensee, or as an individual exercising practice privileges, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. The "practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.~~350~~345(~~109~~) (b) by persons or firms not required to be licensed under the act.

"Quality assurance review or QAR" is the process, established by and conducted at the direction of the board, to study, appraise, or review one or more aspects of the audit, compilation, review, and other professional services for which a report expressing assurance is prescribed by professional standards of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed.

"Reciprocity" means board recognition of licenses, permits, certificates or other public accounting credentials of another

jurisdiction that the board will rely upon in full or partial satisfaction of licensing requirements.

"Report," when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to and/or special competence of the part of the person or firm issuing such language; and it includes any other form of language that is conventionally

understood to imply such assurance and/or such special knowledge or competence. "Report" does not include services referenced in RCW 18.04.~~350-345~~ (109) (b) or (11c) provided by persons not holding a license under this chapter as provided in RCW 18.04.~~350~~345 (14) (b).

"Representing oneself" means having a license, practice privilege, or registration that entitles the holder to use the title "CPA," "CPA-Inactive," or be a nonlicensee firm owner.

"Rules of professional conduct" means rules adopted by the board to govern the conduct of licensees, as defined in this section, while representing themselves to others as licensees. These rules also govern the conduct of licensees with an inactive status, nonlicensee firm owners, and persons exercising practice privileges pursuant to RCW 18.04.350(2).

"SEC" means the Securities and Exchange Commission.

"Sole proprietorship" means a legal form of organization owned by one person meeting the requirements of RCW 18.04.195.

"State" includes the states and territories of the United States, including the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands, and the Commonwealth of

the Northern Mariana Islands at such time as the board determines that the Commonwealth of the Northern Mariana Islands is issuing licenses under the substantially equivalent standards of RCW 18.04.350 (~~2~~1) (a).

"Statements on auditing standards (SAS)" are interpretations of the generally accepted auditing standards and are issued by the Auditing Standards Board of the AICPA. Licensees are required to adhere to these standards in the performance of audits of financial statements.

"Statements on standards for accounting and review services (SSARS)" are standards, promulgated by the AICPA, to give guidance to licensees who are associated with the financial statements of nonpublic companies and issue compilation or review reports.

"Statements on standards for attestation engagements (SSAE)" are guidelines, promulgated by the AICPA, for use by licensees in attesting to assertions involving matters other than historical financial statements and for which no other standards exist.

"Substantial equivalency" ~~or "substantially equivalent"~~

means a determination by the board or its designee that the education, examination, and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed those listed in this chapter.

[Statutory Authority: RCW 18.04.055. WSR 24-04-024, § 4-30-010, filed 1/29/24, effective 7/1/24; WSR 23-04-085, § 4-30-010, filed 1/31/23, effective 3/3/23; WSR 19-16-074, § 4-30-010, filed 7/31/19, effective 1/1/20. Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-010, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-010, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055, 18.04.025, 18.04.350. WSR 10-24-009, amended and recodified as § 4-30-010, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055, 18.04.025. WSR 08-18-016, § 4-25-410, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055. WSR 05-01-137, § 4-25-410, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-410, filed 11/25/03, effective 12/31/03. Statutory Authority: RCW 18.04.055(16). WSR 02-04-064, § 4-25-410, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(11). WSR 01-11-124, § 4-25-410, filed 5/22/01, effective 6/30/01; WSR 98-12-020, § 4-25-410, filed 5/27/98, effective 6/27/98; WSR 94-23-071, § 4-25-410, filed 11/15/94, effective 12/16/94.]

WAC 4-30-024 Public records. All public records of the agency are available for public inspection and copying pursuant to these rules and applicable state law (chapter 42.56 RCW), as follows:

(1) **Hours for inspection of records.** Public records are available for inspection and copying during normal business hours of the office of the Washington State Board of Accountancy at 711 Capitol Way S., Suite 400, Olympia, Washington, Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding legal holidays. Records must be inspected at the agency's office when the requestor has been notified of the availability of the requested documents and an appointment is made with the public records officer.

(2) **Records index.** An index of public records, consisting of the retention schedules applicable to those records, is available to members of the public at the agency's office.

(3) **Organization of records.** The agency maintains its records in a reasonably organized manner. The agency will take reasonable actions to protect records from damage and disorganization. A requestor shall not take original records

from the agency's office. A variety of records are also available on the agency's website at www.acb.wa.gov. Requestors are encouraged to view the documents available on the website prior to submitting a public records request.

(4) Making a request for public records.

(a) Any person wishing to inspect or obtain copies of public records should make the request in writing by letter, fax, or email addressed to the public records officer. **Written requests must include the following information:**

- Date of the request;
- Name of the requestor;
- Address of the requestor and other contact information, including telephone number and any email address;
- Clear identification of the public records requested to permit the public records officer or designee to identify and locate the records.

(b) The public records officer or designee may ~~also~~ accept requests for public records by telephone or in person. ~~If the public records officer or designee accepts an oral or telephone request, he or she will~~ The requestor will receive a written

~~confirmation receipt~~ of the request ~~and the details of the records requested, in writing, to the requestor.~~

(c) If the requests received in (a) or (b) of this subsection are not sufficiently clear to permit the public records officer to identify the specific records requested, the public records officer will request clarification from the requestor in writing.

(d) If the requestor wishes to have copies of the records made instead of simply inspecting them, ~~he or she~~ the requestor should make that preference clear in the request. Copies will be made by the agency's public records officer or designee.

(e) When fulfilling public records requests the agency will perform its public records responsibilities in the most expeditious manner consistent with the agency's need to fulfill its other essential functions.

(f) By law, certain records and/or specific content of any specific record or document may not be subject to public disclosure. Accordingly, a reasonable time period may occur between the date of the request and the ability of the public records officer to identify, locate, retrieve, remove content

not subject to disclosure, prepare a redaction log that includes the specific exemption, a brief explanation of how the exemption applies to the records or portion of the records being withheld, and produce the records for inspection and/or copying. The requestor will be kept informed of the expected delivery timetable.

(g) If the request includes a large number of records, the production of the records for the requestor may occur in installments. The requestor will be informed, in writing, of the agency's anticipated installment delivery timetable.

(h) In certain instances, 1 the agency may notify affected third parties to whom the record relates. This notice allows the affected third party to seek an injunction within fifteen days from the date of the written notice. The notice further provides that release of the records to the requestor will be honored unless timely injunctive relief is obtained by the affected third party on or before the end of the fifteen-day period.

(i) Requests for lists of credentialed individuals by educational organizations and professional associations:

In order to obtain a list of individuals under the provisions of RCW 42.56.070 (~~98~~), educational organizations and professional associations must apply for and receive recognition by the board before requests will be honored. The requesting organization must provide sufficient information to satisfy the approving authority that the requested list of individuals is primarily for educational and professionally related uses.

Board forms are available on the board's website or upon request ~~for your use~~.

[Statutory Authority: RCW 18.04.055. WSR 18-21-034, § 4-30-024, filed 10/8/18, effective 11/8/18. Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-024, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.055, 42.56.070. WSR 10-24-009, amended and recodified as § 4-30-024, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-520, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055 and 42.17.260. WSR 02-04-064, § 4-25-520, filed 1/31/02, effective 3/15/02; WSR 01-11-125, § 4-25-520, filed 5/22/01, effective 6/30/01; WSR 98-12-021, § 4-25-520, filed 5/27/98, effective 6/27/98. Statutory Authority: Chapter 42.17 RCW. WSR 93-14-050, § 4-25-520, filed 6/29/93, effective 7/30/93.]

Effective July 1, 2024

WAC 4-30-034 Responding to board inquiries. All licensees, including out-of-state individuals exercising practice privileges in this state under RCW 18.04.350(~~21~~) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1)(a) and (b), nonlicensee firm owners, and applicants must respond, **in writing**, to board communications requesting a response. Your response must be made within **20 days of the date** the board's communication is posted in the U.S. mail. Communications from the board to you are directed to the last address you furnished the board.

[Statutory Authority: RCW 18.04.055. WSR 24-04-024, § 4-30-034, filed 1/29/24, effective 7/1/24; WSR 16-17-036, § 4-30-034, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(16). WSR 10-24-009, amended and recodified as § 4-30-034, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-551, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-551, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-551, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. WSR 98-12-047, § 4-25-551, filed 5/29/98, effective

6/29/98; WSR 93-12-072, § 4-25-551, filed 5/27/93, effective
7/1/93.]

WAC 4-30-040 Integrity and objectivity. (1) In the performance of any professional service, a licensee shall maintain objectivity and integrity, shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate ~~his or her~~ judgment to others.

(2) For the purposes of this rule, "licensees" includes licensees, licensees with an inactive status, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350 (~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-040, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, amended and recodified as § 4-30-040, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-620, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-620, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-620, filed 1/31/02, effective 3/15/02; WSR 98-12-048, § 4-25-620, filed 5/29/98, effective 6/29/98. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-620, filed 10/28/93, effective 11/28/93.]

WAC 4-30-042 Independence. (1) A licensee in public practice shall be independent in the performance of professional services as required by standards promulgated by the appropriate body for each service undertaken.

(2) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-042, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, amended and recodified as § 4-30-042, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-622, filed 8/25/08, effective 9/25/08; WSR 03-24-034, § 4-25-622, filed 11/25/03, effective 12/31/03; WSR 98-12-049, § 4-25-622, filed 5/29/98, effective 6/29/98. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-622, filed 10/28/93, effective 11/28/93.]

WAC 4-30-044 Contingent fees. (1) A licensee in public practice shall not:

(a) Perform for a contingent fee any professional services for, or receive such a fee from, a client for whom the licensee or the licensee's firm performs:

(i) An audit or review of a financial statement; or

(ii) A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or

(iii) An examination of prospective financial information;
or

(b) Prepare an original or amended tax return or claim for a tax refund for a contingent fee for any client.

(2) The prohibition above applies during the period in which the licensee or licensee's firm is engaged to perform any of the services listed above and the period covered by any historical financial statements involved in any such listed services.

(3) Except as stated in the next sentence, a contingent fee is a fee established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. Solely for purposes of this rule, fees are not regarded as being contingent if fixed by courts or other public authorities, or, in tax matters, if determined based on the results of judicial proceedings or the findings of governmental agencies.

(4) A licensee's fees may vary depending, for example, on the complexity of services rendered.

(5) Any licensee who is not prohibited by this rule from performing services for a contingent fee must:

(a) Disclose the arrangement in writing and in advance of client acceptance;

(b) Disclose the method of calculating the fee or amount of fee;

(c) Specify the licensee's role as the client's advisor;
and

(d) Obtain the client's consent to the fee arrangement in writing.

(6) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-044, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, amended and recodified as § 4-30-044, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-626, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-626, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-626, filed 1/31/02, effective 3/15/02; WSR 01-03-012, § 4-25-626, filed 1/5/01, effective 2/5/01; WSR 98-12-055, § 4-25-626, filed 5/29/98, effective 6/29/98.]

WAC 4-30-045 Commission and referral fees. (1) A licensee

in public practice shall not for a commission recommend or refer to a client any product or service, or for a commission recommend or refer any product or service to be supplied by a client, or receive a commission, when the licensee or licensee's firm also performs for that client:

(a) An audit or review of a financial statement; or

(b) A compilation of a financial statement when the licensee expects, or reasonably might expect, that a third party will use the financial statement and the licensee's compilation report does not disclose a lack of independence; or

(c) An examination of prospective financial information.

(2) This prohibition applies during the period in which the licensee is engaged to perform any of the services listed above and the period covered by any historical financial statements involved in such listed services.

(3) Any licensee who is not prohibited by this rule from performing services for, or receiving a commission or referral fee must:

(a) Disclose the arrangement in writing and in advance of client acceptance;

(b) Disclose the method of calculating the fee or amount of fee;

(c) Specify the licensee's role as the client's advisor;
and

(d) Obtain the client's consent to the fee arrangement in writing.

(4) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-087, § 4-30-045, filed 1/31/23, effective 3/3/23.]

WAC 4-30-046 General standards. (1) Licensees shall comply with the following general standards:

(a) Professional competence. Undertake only those professional services that the licensee or the licensee's firm can reasonably expect to be completed with professional competence.

(b) Due professional care. Exercise due professional care in the performance of professional services.

(c) Planning and supervision. Adequately plan and supervise the performance of professional services.

(d) Sufficient relevant data. Obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.

(2) For the purposes of this rule, "licensees" includes licensees, licensees with an inactive status, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350 (~~21~~), and out-of-state firms permitted to offer or render certain

professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-046, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, recodified as § 4-30-046, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-630, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-630, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-630, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-630, filed 10/28/93, effective 11/28/93.]

WAC 4-30-048 Compliance with standards. (1) A licensee who performs professional services shall comply with standards promulgated by the appropriate body for each service undertaken.

(2) Authoritative bodies include, but are not limited to ~~;~~ the American Institute of Certified Public Accountants (AICPA), its Code of Professional Conduct, its definitions, and interpretations, and other AICPA standards; the Internal Revenue Code (IRC); the Internal Revenue Service (IRS); ~~and~~ federal, state, and local audit, regulatory, and tax agencies; the Securities and Exchange Commission (SEC); the Public Company Accounting Oversight Board (PCAOB); the Financial Accounting Standards Board (FASB); the Governmental Accounting Standards Board (GASB); the Cost Accounting Standards Board (CASB); the Federal Accounting Standards Advisory Board (FASAB); the U.S. Governmental Accountability Office (GAO); and the Federal Office of Management and Budget (OMB).

(3) However, if the requirements found in the professional standards differ from the requirements found in specific board rules, board rules prevail.

(4) For the purposes of this rule, "licensees" includes licensees, licensees with an inactive status, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350 (~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-048, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 11-07-070, § 4-30-048, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-048, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-631, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-631, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-631, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055 (2) and (6). WSR 00-11-071, § 4-25-631, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(6). WSR 98-12-050, § 4-25-631, filed 5/29/98, effective 6/29/98. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-631, filed 10/28/93, effective 11/28/93.]

WAC 4-30-049 Accounting principles. (1) A licensee shall not (a) express an opinion or state affirmatively that the financial statements or other financial data of any entity are presented in conformity with generally accepted accounting principles or (b) state that ~~he or she~~ the licensee is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with generally accepted accounting principles, if such statements or data contain any departure from an accounting principle promulgated by bodies appropriate to the service undertaken to establish such principles that has a material effect on the statements or data taken as a whole. If, however, the statements or data contain such a departure and the licensee can demonstrate that due to unusual circumstances the financial statements or data would otherwise have been misleading, the licensee can comply with the rule by describing the departure, its approximate effects, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

(2) For the purposes of this rule, "licensees" includes licensees, licensees with an inactive status, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350 (~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-087, § 4-30-049, filed 1/31/23, effective 3/3/23.]

WAC 4-30-050 Confidential client information. (1) A

licensee in public practice shall not disclose any confidential client information without the specific consent of the client.

(2) This rule does not:

(a) Affect in any way the obligation of those persons to comply with a disclosure required by law or a lawfully issued subpoena or summons;

(b) Prohibit disclosures in the course of a quality review of a licensee's attest, compilation, or other reporting services governed by professional standards;

(c) Preclude those persons from responding to any inquiry made by the board or any investigative or disciplinary body established by local, state, or federal law or recognized by the board as a professional association; or Board AICPA Rules;

(d) Preclude a review of client information in conjunction with a prospective purchase, sale, or merger of all or part of the professional practice of public accounting of any such persons.

(3) It is permissible for the successor in interest of a deceased or incapacitated licensee to contract with a

responsible custodian to securely store client records until such time as consent to transfer records has been obtained.

(4) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(~~2~~1), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-050, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055 and 2017 c 304. WSR 18-04-071, § 4-30-050, filed 2/2/18, effective 3/5/18. Statutory Authority: RCW 18.04.055(2), 18.04.405(1). WSR 13-04-011, § 4-30-050, filed 1/25/13, effective 2/25/13. Statutory Authority: RCW 18.04.055(2), 18.04.390 (4) (b), and 18.04.405(1). WSR 11-06-062, amended and recodified as § 4-30-050, filed 3/2/11, effective 4/2/11; WSR 08-18-016, § 4-25-640, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-640, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-640, filed 11/25/03, effective 12/31/03. Statutory Authority: RCW 18.04.055(2). WSR 02-22-082, § 4-25-640, filed 11/5/02, effective 12/31/02. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-640, filed 10/28/93, effective 11/28/93.]

WAC 4-30-052 Acts discreditable. (1) A licensee shall not commit an act discreditable to the profession.

(2) For the purposes of this rule, "licensees" includes licensees, licensees with an inactive status, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350 (~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-052, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, recodified as § 4-30-052, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-650, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-650, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-650, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055. WSR 93-22-090, § 4-25-650, filed 11/2/93, effective 12/3/93.]

New Section

WAC 4-30-053 Client record requests.

- (1) For the purpose of this rule:
 - (a) “Client” includes current and former clients.
 - (b) “Client-provided records” are accounting or other records, including hardcopy and electronic reproductions of such records, belonging to the client that were provided to a licensee by, or on behalf of, the client.
 - (c) “Licensee-prepared records” are accounting or other records that a licensee was not specifically engaged to prepare and that are not in the client’s books and records or are otherwise not available to the client, thus rendering the client’s financial information incomplete. Examples include adjusting, closing, combining, or consolidating journal entries (including computations supporting such entries) and supporting schedules and documents that a licensee proposed or prepared as part of an engagement (for example, an audit).
 - (d) “Licensee’s work products” are deliverables set forth in the terms of the engagement, such as tax returns.
 - (e) “Working papers” are all other items prepared solely for purposes of the engagement and include items prepared by a licensee, such as audit programs, analytical review schedules, and statistical sampling results and analyses, or items prepared by the client at the request of a licensee and reflecting testing or other work done by a licensee.
 - (f) “Make records available” means to provide the records in any format that is usable and accessible, whether electronic or otherwise, regardless of the format in which they were received.
- (2) When an initial request for client-provided records is received, a licensee should make those records in a licensee’s custody or control available. A licensee may charge a reasonable fee for the time and expense incurred to retrieve, copy, and ship such records; however, the client-provided records may not be withheld for nonpayment of such fees.
- (3) A licensee and the client may agree to terms other than those stated in this rule. When this occurs, a licensee should respond in accordance with such agreement. Otherwise, a licensee should respond to a request for licensee-prepared records or a licensee’s work products that are in a licensee’s custody or control and that have not previously been made available to the client as follows:
 - (a) A licensee should make available licensee-prepared records relating to a completed and issued work product; however, such records may be withheld if fees are due to a licensee for that specific work product.
 - (b) Licensee’s work products should be made available; however, such work products may be withheld if fees are due to a licensee for the specific work product; the

work product is incomplete; for purposes of complying with professional standards (for example, withholding an audit report with outstanding audit issues); or threatened or outstanding litigation exists concerning the engagement or a licensee's work.

- (4) Once a licensee has complied with this rule, a licensee is under no obligation to:
 - (a) Comply with any subsequent requests to again make records or copies of records available. However, if after complying with a request, a loss of records due to a natural disaster or an act of war is experienced, a licensee should, when practicable, comply with an additional request to make such records available.
 - (b) Retain records for periods that exceed applicable professional standards, state and federal statutes and regulations, and contractual agreements relating to the service performed.
 - (c) Make the records available to any other associated party, such as the general partner, majority shareholder, or spouse.
- (5) Working papers are a licensee's property, and a licensee is not required to make such information available.
- (6) In fulfilling a request for a licensee's copy of client-provided records that was previously made available to the client, licensee-prepared records, or a licensee's work products, a licensee may:
 - (a) Charge a reasonable fee for the time and expense incurred to retrieve, copy, and ship such records and require payment before a licensee makes the records available.
 - (b) Make the requested records available in any usable and accessible format. However, a licensee is not required to convert records that are not in electronic format to electronic format. If the records are requested in a specific format and the records are available in such format within a licensee's custody and control, the request should be honored. In addition, a licensee is not required to make formulas available, unless a licensee was engaged to make such formulas available as part of a completed work product or the formulas were used to create Licensee-prepared records without which the client's financial information would be incomplete.
 - (c) Make and retain copies of any records that a licensee already made available.
- (7) When a licensee is required to return or make records available, a licensee should comply as soon as practicable but, absent extenuating circumstances, no later than 45 days after the request is made.
- (8) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(2), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

WAC 4-30-054 Advertising and other forms of solicitation.

(1) A licensee in public practice shall not seek to obtain clients by advertising or other forms of solicitation in a manner that is false, misleading, or deceptive. Solicitation by the use of coercion, over-reaching, or harassing conduct is prohibited.

(2) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195.

[Statutory Authority: RCW 18.04.055. WSR 23-04-088, § 4-30-054, filed 1/31/23, effective 3/3/23. Statutory Authority: RCW 18.04.055(2). WSR 10-24-009, recodified as § 4-30-054, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-660, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-660, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-660, filed 1/31/02, effective 3/15/02; WSR 00-11-072, § 4-25-660, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055. WSR 93-22-090, § 4-25-660, filed 11/2/93, effective 12/3/93.]

WAC 4-30-056 Form of organization and name. (1) A

licensee may practice public accounting only in a form of organization permitted by law or regulation.

(2) A firm name that does not consist of the name(s) of one or more present or former owners must be approved in advance by the board as not being deceptive or misleading.

(3) Misleading or deceptive firm names are prohibited. The following are examples of misleading firm names. The board does not intend this listing to be all inclusive. The firm name:

(a) Implies it is a legal entity when it is not such an entity (as by the use of the designations "P.C.," "P.S.," "Inc. P.S.," or "L.L.C.");

(b) Implies the existence of a partnership when one does not exist;

(c) Includes the name of a person who is neither a present nor a past owner of the firm;

(d) Implies educational or professional attainments, specialty designations, or licensing recognition not supported in fact; or

(e) Includes the terms "& Company", "& Associate", or "Group," but the firm does not include, in addition to the named partner, shareholder, owner, or member, at least one other unnamed partner, shareholder, owner, member, or staff employee.

(4) Licensed firms and unlicensed firms.

(a) No licensed firm may operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the board.

(b) A firm not required to be licensed may not operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the secretary of state and/or the department of revenue.

(5) A licensee may not operate under an alias or title that differs from the name that is registered with the board.

(6) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges under RCW 18.04.350(~~21~~), and out-of-state firms permitted to offer or render certain professional services in this state under the

conditions prescribed in RCW 18.04.195. Subsection (5) of this section also includes licensees in an inactive status.

[Statutory Authority: RCW 18.04.055. WSR 23-22-047, § 4-30-056, filed 10/25/23, effective 11/25/23; WSR 23-04-088, § 4-30-056, filed 1/31/23, effective 3/3/23. WSR 10-24-009, recodified as § 4-30-056, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055 (4), (8) and 18.04.345(5). WSR 05-01-137, § 4-25-661, filed 12/16/04, effective 1/31/05. Statutory Authority: RCW 18.04.055(8). WSR 01-22-036, § 4-25-661, filed 10/30/01, effective 12/1/01; WSR 00-11-073, § 4-25-661, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.40.055 [18.04.055]. WSR 93-22-046, § 4-25-661, filed 10/28/93, effective 11/28/93.]

WAC 4-30-070 ~~What are the experience~~ Experience

~~requirements.~~ ~~in order to obtain a CPA license?~~ (1) Qualifying

experience may be obtained through the practice of public accounting and/or employment in industry or government. In certain situations, employment in academia may also provide experience to obtain some or all of the competency requirements. Qualifying experience may be obtained through one or more employers, with or without compensation, and may consist of a combination of full-time and part-time employment.

(2) Employment experience should demonstrate that it occurred in a work environment and included tasks sufficient to have provided an opportunity to obtain the competencies defined by subsection (3) of this section and:

(a) Covered a minimum twelve-month period (this time period does not need to be consecutive);

(b) Consisted of a minimum of two thousand hours;

(c) Provided the opportunity to utilize the skills generally used in business and accounting and auditing including, but not limited to, accounting for transactions, budgeting, data analysis, internal auditing, preparation of

reports to taxing authorities, controllership functions, financial analysis, performance auditing and similar skills;

(d) Be verified by a licensed CPA as meeting the requirements identified in subsection (5) of this section; and

(e) Be obtained no more than eight years prior to the date the board receives your complete license application.

(3) **Competencies:** The experience should demonstrate that the work environment and tasks performed provided the applicant an opportunity to obtain the following competencies:

(a) Assess the achievement of an entity's objectives;

(b) Develop documentation and sufficient data to support analysis and conclusions;

(c) Understand transaction streams and information systems;

(d) Assess risk and design appropriate procedures;

(e) Make decisions, solve problems, and think critically in the context of analysis; and

(f) Communicate scope of work, findings and conclusions effectively.

(4) **The applicant's responsibilities:** The applicant for a license requesting verification is responsible for:

(a) Providing information and evidence to support the applicant's assertion that their job experience could have reasonably provided the opportunity to obtain the specific competencies, included on the applicant's Experience Affidavit form presented for the verifying CPA's evaluation;

(b) Producing that documentation and the completed Experience Affidavit form to a qualified verifying CPA of their choice;

(c) Determining that the verifying CPA meets the requirements of subsection (5) of this section; and

(d) Maintaining this documentation for a minimum of three years.

(5) **Qualification of a verifying CPA:** A verifying CPA must have held a valid CPA license to practice public accounting in the state of Washington or be qualified for practice privileges as defined in RCW 18.04.350 (~~2~~1) for a minimum of five years prior to verifying the candidate's experience, including the date that the applicant's experience is verified. The five years do not need to be consecutive.

[Statutory Authority: RCW 18.04.055 (7), (14), and 18.04.215(5). WSR 13-22-001, § 4-30-070, filed 10/23/13, effective 1/1/14. Statutory Authority: RCW 18.04.055(11), 18.04.105 (1)(d). WSR 10-24-009, amended and recodified as § 4-30-070, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-730, filed 12/16/04, effective 1/31/05. Statutory Authority: RCW 18.04.055(11) and 18.04.105 (1)(d). WSR 02-04-064, § 4-25-730, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.215. WSR 01-03-011, § 4-25-730, filed 1/5/01, effective 6/30/01. Statutory Authority: RCW 18.04.055 and 18.04.215 (1)(a). WSR 99-18-113, § 4-25-730, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055. WSR 93-12-068, § 4-25-730, filed 5/27/93, effective 7/1/93.]

WAC 4-30-090 ~~Must an out-of-state individual holding a~~

~~license from another state apply and obtain a Washington state~~

~~license to hold out and practice in Washington state? Practice~~

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privileges. ~~No.~~ Out-of-state individuals holding valid licenses

to practice public accounting issued by a substantially

equivalent state, may hold out and practice within Washington

state and/or provide public accounting services in person, by

mail, telephone, or electronic means to clients residing in

Washington state without notice or payment of a fee. An

individual who qualifies for practice privileges under RCW

18.04.350 (~~21~~), and who performs any attest service described in

RCW 18.04.~~010~~025(1) may only do so through a firm that has

obtained a license under RCW 18.04.195 and 18.04.215 or that

meets the requirements for an exception from the firm licensure

requirements under RCW 18.04.195 (1) (a) (~~ii~~)(A) through (D) or

(b).

As a condition of this privilege, the out-of-state

individual is deemed to have consented to:

(1) The personal and subject matter jurisdiction and

disciplinary authority of this state's board;

(2) Comply with the Public Accountancy Act of this state, chapter 18.04 RCW, and this board's rules contained in Title 4 WAC;

(3) The appointment of the state board which issued the certificate or license as their agent upon whom process may be served in any action or proceeding by this state's board against the certificate holder or licensee;

(4) Not render any professional services in this state unless the out-of-state individual is licensed to render such services in the state of licensure upon which the privilege is contingent;

(5) Cease offering or performing professional services in this state, individually and/or on behalf of a firm, if the license from the state of the out-of-state individual's principal place of business is no longer valid; and

(6) Cease offering or performing specific professional services in this state, individually and/or on behalf of a firm, if the license from the state of the out-of-state individual's principal place of business is restricted from offering or performing such specific professional services.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-090, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.350 (2), (3), (4), (5). WSR 11-07-070, § 4-30-090, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-090, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-747, filed 8/25/08, effective 9/25/08.]

WAC 4-30-112 In state and out-of-state firm licensing

requirements. (1) A firm license must be obtained from the board if the firm has an office in this state and performs attest or compilation services for clients in this state.

(2) A firm license is not required for a firm that does not have an office in this state but offers or renders attest services described in RCW 18.04.025(1), and meets the requirements listed in RCW 18.04.195 (1) (a) (ii~~±~~) (A) through (D).

(3) A firm license is not required to perform other professional services in this state, including compilation, review and other services for which reporting requirements are provided in professional standards, if the firm complies with the following:

(a) The firm performs such services through individuals with practice privileges under RCW 18.04.350 (~~21~~) and WAC 4-30-090 or reciprocal license under RCW 18.04.180 and 18.04.183 and board rules;

(b) The firm is licensed to perform such services in the state in which the individuals with practice privileges have their principal place of business; and

(c) The firm meets the board's quality assurance program requirements, when applicable.

(4) As a condition of this privilege, any nonresident firm meeting the requirement of subsection (2) or (3) of this section is deemed to have consented to:

(a) The personal and subject matter jurisdiction and disciplinary authority of this state's board;

(b) Comply with the Public Accountancy Act of this state, chapter 18.04 RCW, and this board's rules contained in Title 4 WAC;

(c) Cease offering or rendering professional services in this state through a specific individual or individuals if the license(s) of the individual(s) through whom the services are offered or rendered becomes invalid;

(d) Cease offering or rendering specific professional services in this state through an individual or individuals if the license(s) from the state(s) of the principal place of business of such individual(s) is restricted from offering or performing such specific professional services;

(e) The appointment of the state board which issued the firm license as their agent upon whom process may be served in any action or proceeding by this state's board against firm licensee;

(f) Not render those services described in subsection (1) of this section for a client with a home office in this state unless the firm that has obtained a license from this state (RCW 18.04.195 and 18.04.295) and this section; and

(g) Not render any professional services in this state through out-of-state individual(s) who are not licensed to render such services by the state(s) in which the principal place of business of such individual(s) is (are) located.

[Statutory Authority: RCW 18.04.055. WSR 20-04-090, § 4-30-112, filed 2/5/20, effective 3/7/20; WSR 16-17-036, § 4-30-112, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(8), 18.04.195. WSR 11-07-070, § 4-30-112, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-112, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-753, filed 8/25/08, effective 9/25/08.]

WAC 4-30-114 ~~How do I apply~~Application for and maintain maintenance of a firm license.? (1) ~~How does a firm apply for~~

~~an initial firm license?~~Application. To apply for an initial firm license an owner, or designee, or, in the case of an out-of-state firm, that does not meet the requirements to operate under firm mobility per RCW 18.04.195 (1)(a)(ii~~±~~)(A) through (D), and is required to be licensed in this state, an individual qualified for practice privileges in this state under RCW 18.04.350 (~~21~~) who has been authorized by the applicant firm to make the application must submit the following information to the board:

- (a) The firm name;
- (b) Address and telephone number of the main office and any branch offices of the firm;
- (c) Name of the managing licensee of the main office located and maintained in this state;
- (d) Resident licensee owners' names;
- (e) Name(s) of all resident nonlicensee owners; and
- (f) Type of legal organization under which the firm operates.

The required information must be submitted to the board either by making application through the board's online application system or on a form provided by the board upon request. All requested information, documents and fees must be submitted to the board before the application will be evaluated.

Upon approval of the firm's application the firm's licensed status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of the firm license can be provided upon request.

The initial CPA firm license will expire on June 30th of the third calendar year following initial licensure.

(2) ~~How do I renew a CPA firm license?~~ Renewal. To renew a CPA firm license an owner or designee or, in the case of an out-of-state firm that does not meet the requirements to operate under firm mobility per RCW 18.04.195 (1) (a) (ii) (A) through (D), an individual qualified for practice privileges in this state under RCW 18.04.350 (~~21~~) who has been authorized by the applicant firm to make the application, must submit the information described in subsection (1) of this section that is current at the date the renewal application is submitted to the

board. A renewal application is not complete and cannot be processed until all required information, requested documents, and all fees are submitted to the board.

An individual authorized by the firm must provide the required information to the board either by making application through the board's online application system or on a form provided by the board upon request. All requested information, documents and fees must be submitted to the board before the application will be evaluated.

On the date the renewal application is approved, the firm's license will be included in the board's licensee database and, therefore, made publicly available for confirmation.

Confirmation of the renewed status can be provided upon request.

The CPA firm license will expire on June 30th of the third calendar year following the calendar year of renewal.

(3) ~~When and how must the firm notify the board of changes in the licensed firm?~~Notification of changes. An individual authorized by the firm must provide the board written notification and other documentation deemed necessary by the

board within ninety days of any or all of the following occurrences:

(a) Dissolution of the firm;

(b) The occurrence of any event that would cause the firm to be in violation of RCW 18.04.195 or this section, including the retirement, lapse, revocation or suspension of the license of a sole proprietor or sole owner of another legal form of organization, for example, a limited liability company (LLC) or professional service corporation (PS) owned by a single person, licensed by the board for the practice of public accounting, and holding out to the public for the practice of public accounting and/or offering or performing professional services restricted to licensees; or

(c) An event that requires an amendment to a firm license.

(4) ~~What events require a firm~~ Firm amendments.? An individual authorized by the firm must provide written notification to the board, by submitting the following information and the appropriate amendment fee, within ninety days of the following:

(a) Admission or withdrawal of a resident licensee owner;

(b) Any change in the name of the firm; or

(c) Change in the resident managing licensee of the firm's main office in this state; or

(d) Change in the resident managing licensee of any branch office of the firm.

(5) ~~How long do I have to correct noncompliance with licensure requirements due to a change in ownership or an owner's credentials?~~ Correction of noncompliance. The board must be notified in writing within ninety days of the first date the firm is not in compliance with the firm's licensure requirements due to changes in firm ownership and propose a time period in which the firm will achieve compliance. The board may grant a reasonable period of time for a firm to become compliant. The board may revoke, suspend, or impose conditions on the firm's license for failure to bring the firm into compliance within the approved time period.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-114, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(8), 18.04.195, 18.04.205. WSR 10-24-009, § 4-30-114, filed 11/18/10, effective 12/19/10.]

WAC 4-30-130 Quality assurance review (QAR) requirements

for licensed CPA firms. ~~(1) Purpose. The Washington state board of accountancy is charged with protection of the public interest and ensuring the dependability of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private or governmental. The purpose of the QAR program, such as peer review, is to monitor licensees' compliance with audit, compilation, review, and other attestation standards. If the board becomes aware that a firm's performance and/or reporting practices for audit, review, compilation, and other engagements covered by relevant recognized professional standards as delineated in WAC 4-30-048, may not be in accordance with said professional standards, the board will take appropriate action to protect the public interest.~~

(2) Peer review. Generally, all firms licensed in Washington state offering and/or performing attest services ~~or compilation services,~~ as defined by WAC 4-30-010, or other professional services for which a report expressing assurance is

prescribed by professional standards, are required to participate in a board-approved peer review program as a condition of renewing each CPA firm license under RCW 18.04.215 and WAC 4-30-114. ~~However, certain exemptions are listed in subsection (10) of this section.~~

(2) Approved programs. Board-approved peer review programs include:

(a) The inspection processes of the Public Company Accounting Oversight Board (PCAOB);

(b) Peer review programs administered by the American Institute of CPAs (AICPA) and/or their assigned administering entities (AE); and

(c) Other programs recognized and approved by the board.

(3) **Enrollment in peer review:** A licensed firm must enroll in a board-approved peer review program **before** issuing a report for each of the following types of service:

~~(a) Compilation on historical financial statements;~~

~~(b)~~ a Review ~~on~~ of historical financial statements;

(~~eb~~) Audit report ~~en-of~~ financial statements, performance audit reports, or examination reports ~~en-of~~ internal controls for nonpublic enterprises;

(d) Other professional services subject to Statements on Standards for Attestation Engagements.

The schedule for the firm's peer review shall be established according to the peer review program's standards. The board does not require any licensee to become a member of any organization administering a peer review program.

(4) **Participation in peer review.** Every firm that is required to participate in a peer review program shall have a peer review in accordance with the peer review program standards.

(a) It is the responsibility of the firm to anticipate its needs for review services in sufficient time to enable the reviewer to complete the review by the assigned review date.

(b) Any firm that is dropped or terminated by a peer review program for any reason shall have twenty-one days to provide written notice to the board of such termination or drop and to

request authorization from the board to enroll in another board-approved peer review program.

(c) In the event a firm is merged, otherwise combined, dissolved or separated, the peer review program shall determine which firm is considered the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.

(d) A firm choosing to change to another peer review program may do so only if there is not an open active peer review and if the peer review is performed in accordance with the minimum standards for performing and reporting on peer reviews.

(5) **Reporting requirements.** Every firm must provide the following information, along with the appropriate fees, with every application for renewal of a firm license by April 30th of the renewal year:

(a) Certify whether the firm does or does not perform attest services, or compilation services, as defined by WAC 4-30-010, or other professional services for which a report

expressing assurance is prescribed by professional standards in Washington state;

(b) If the firm is subject to the peer review requirements, provide the name of the approved peer review program in which the firm is enrolled, and the period covered by the firm's most recent peer review;

(c) Certify the result of the firm's most recent peer review.

Failure to timely submit complete information and the related fee by the April 30th due date can result in the assessment of late fees. The board may waive late fees based on individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

(6) **Documents required.** Any firm required to undergo peer review per subsection (21) of this section is required to provide unlimited access to all peer review documents to the board, including mandatory ~~participate~~ participation in the AICPA Facilitated State Board Access (FSBA). ~~Other information the board deems important, may be requested for understanding the information submitted.~~

(7) **Document retention.** RCW 18.04.390(4) ~~and WAC 4-30-051(11)~~ require a firm to retain audit and review records and documentation for a period of seven years after the firm concludes an audit or review of a client's financial statements.

(8) **Extensions.** The board may grant an extension of time for submission of the peer review report to the board. Extensions will be determined by the board on a case-by-case basis.

(9) **Verification.** The board may verify the certifications of peer review reports that firms provide.

(10) Compilations. Compilations are excluded from board approved peer review requirements.

(a) A firm may be required to include compilations in any peer review program to satisfy membership requirements for the AICPA or any other professional organization; to satisfy licensing requirements in other jurisdictions; or for any other reason whatsoever.

(b) A firm license is still required even if a firm only performs compilation services that are otherwise excluded from board approved peer review.

(11) Exemption from peer review.

(a) Out-of-state firms that do not have a physical location in this state, but perform attest ~~or compilation services~~ in this state, and are otherwise qualified for practice privileges under RCW 18.04.195 (1) (a) (iii) (A) through (D) or (b) are not required to participate in the board's program if the out-of-state firm participates in a board-approved peer review program or similar program approved or sponsored by another state's board of accountancy.

(b) Firms that do not perform attest services ~~or compilation services~~, as defined by WAC 4-30-010, or other professional services for which a report expressing assurance is prescribed by professional standards are not required to participate in a peer review program, and shall request exemption on each firm license renewal application.

~~(c) Firms that prepare financial statements which do not require reports under Statements on Standards for Accounting and Review Services (management use only compilation reports) and that perform no other attest or compilation services, are not required to participate in a peer review program; however, any~~

~~such engagements performed by a firm that is otherwise required to participate in a peer review program shall be included in the selection of engagements subject to peer review.~~

~~(1112)~~ **Quality assurance oversight.**

(a) The board will:

(i) Annually appoint a peer review oversight committee, and such other committees as the board, in its discretion deems necessary, to provide oversight of the administration of approved peer review programs in order to provide reasonable assurance that peer reviews are being conducted and reported on in accordance with the minimum standards for performing and reporting on peer reviews;

(ii) Consider reports from the peer review oversight committee;

(iii) Direct the evaluation of peer review reports and related documents submitted by firms;

(iv) Determine the appropriate action for firms that have unresolved matters relating to the peer review process or that have not complied with, or acted in disregard of the peer review requirements;

(v) Determine appropriate action for firms when issues with a peer review report may warrant further action; and

(vi) Take appropriate actions the board, in its discretion, deems appropriate to carry out the functions of the quality assurance review program and achieve the purpose of the peer review requirement.

(b) The **peer review oversight committee** shall conduct oversight of approved peer review programs at least semiannually to provide reasonable assurance that such programs are in compliance with the minimum standards for performing and reporting on peer reviews.

~~(i) The peer review oversight committee's oversight procedures may consist of, but are not limited to:~~

~~(A) Attending the peer review program's report acceptance body (RAB) meetings during consideration of peer review documents;~~

~~(B) Observing the peer review program administrator's internal review of program and quality control compliance;~~

~~(C) Observing the peer review program's review of the administrator's process.~~

~~(ii) The peer review oversight committee shall report to the board any modifications to approved peer review programs and shall make recommendations regarding the continued approval of peer review programs.~~

(~~12~~13) **Remedies.** The board will take appropriate action to protect the public's interest if the board determines through the peer review process or otherwise that a firm's performance and/or reporting practices are not or may not be in accordance with applicable professional standards, the firm does not comply with peer review program requirements, or the firm does not comply with all or some of the reporting, remedial action, and/or fee payment requirements of subsection (5) of this section. The board's actions may include, but are not limited to:

(a) Require the firm to develop quality control procedures to provide reasonable assurance that similar occurrences will not occur in the future;

(b) Require any individual licensee who had responsibility for, or who substantially participated in the engagement(s), to

successfully complete specific courses or types of continuing education as specified by the board;

(c) Require that the reviewed firm responsible for engagement(s) submit all or specified categories of its compilation or attest working papers and reports to a preissuance evaluation performed by a board-approved licensee in a manner and for a duration prescribed by the board. Prior to the firm issuing the reports on the engagements reviewed, the board-approved licensee shall submit to the board for board acceptance a report of the findings, including the nature and frequency of recommended actions to the firm. The cost of the board-approved preissuance evaluation will be at the firm's expense;

(d) Require the reviewed firm to engage a board-approved licensee to conduct a board-prescribed on-site field review of the firm's work product and practices or perform other investigative procedures to assess the degree or pervasiveness of nonconforming work product. The board-approved licensee engaged by the firm shall submit a report of the findings to the board within thirty days of the completion of the services. The

cost of the board-prescribed on-site review or other board-prescribed procedures will be at the firm's expense; or

(e) Initiate an investigation pursuant to RCW 18.04.295, 18.04.305, and/or 18.04.320.

(f) Absent an investigation, the specific rating of a single peer review report is not a sufficient basis to warrant disciplinary action.

~~(1314)~~ The board may solicit and review licensee reports and/or other information covered by the reports from clients, public agencies, banks, and other users of such information. [Statutory Authority: RCW 18.04.055. WSR 19-22-005, § 4-30-130, filed 10/24/19, effective 1/1/20; WSR 16-17-036, § 4-30-130, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW 18.04.055(9). WSR 14-16-102, § 4-30-130, filed 8/5/14, effective 9/5/14; WSR 12-17-054, § 4-30-130, filed 8/10/12, effective 9/10/12. WSR 10-24-009, amended and recodified as § 4-30-130, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-25-820, filed 8/25/08, effective 9/25/08; WSR 07-14-036, § 4-25-820, filed 6/26/07, effective 7/27/07; WSR 05-01-135, § 4-25-820, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-820, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055. WSR 94-02-071, § 4-25-820, filed 1/4/94, effective 2/4/94.]

WAC 4-30-132 Qualifying continuing professional education

(CPE) activities. (1) CPE activities are learning opportunities that contribute directly to an individual's knowledge, ability, and/or competence to perform ~~his or her~~one's professional responsibilities. CPE activities should:

(a) Address the individual's current and future work environment, current knowledge and skills, and desired or needed knowledge and skills to meet future opportunities and/or professional responsibilities; and

(b) Maintain knowledge of current ethical and other regulatory requirements.

(2) An activity qualifies as acceptable CPE, under RCW 18.04.215, if it follows one of the following formats:

(a) **Nano learning format** - As defined in WAC 4-30-010. A nano learning course shall be considered a qualifying activity once a minimum of ten minutes (0.2 credit hours) but less than fifty minutes (1.0 credit hour) has been completed; or

(b) **Formal learning format** - Defined herein, as a formal activity of learning that is:

- A minimum of fifty minutes of continuous instruction in length with participants signing in to record attendance;

- If the program exceeds four credit hours, participants must also sign out; and

- Attendees are provided a certificate of completion.

(3) **Formal learning formats can include:**

(a) Professional, technical, or education sessions of national, state, and local organizations and their chapters;

(b) Programs of other organizations (accounting, industrial, professional, etc.);

(c) Formal employer education programs;

(d) Dinner, luncheon, and breakfast meetings which are structured as formal education programs;

(e) Undergraduate and graduate courses. For both undergraduate and graduate courses, 1 one quarter credit equals ten CPE credit hours, 1 and one semester credit equals fifteen CPE credit hours;

(f) Interactive and noninteractive self-study programs;

(g) Instructor/developer of a college or university course;

(h) Instructor/developer of a CPE course;

(i) Authorship of published articles, books, and other publications relevant to maintaining or improving professional competence;

(j) Group study;

(k) Service on the Washington state board of accountancy, the board's committees, or volunteer service on one of the board approved peer review committees;

(l) CPE credit may not be claimed for CPA examination review courses; and

(m) You may not claim CPE credit for preparing for or taking a credential examination unless you complete a formal review course and receive a certificate of completion meeting the requirements of WAC 4-30-138.

(4) Formats other than those listed may be approved by the executive director provided you can demonstrate they contribute to your professional competence.

(5) **Subject areas:** Activities relating to the following subjects are acceptable for all formats provided they follow the standards of this section:

(a) **Technical subjects include:**

- (i) Auditing standards or procedures;
- (ii) Compilation and review of financial statements;
- (iii) Financial statement preparation and disclosures;
- (iv) Attestation standards and procedures;
- (v) Projection and forecast standards or procedures;
- (vi) Accounting and auditing;
- (vii) Management advisory services;
- (viii) Personal financial planning;
- (ix) Taxation;
- (x) Management information services;
- (xi) Budgeting and cost analysis;
- (xii) Asset management;
- (xiii) Professional ethics;
- (xiv) Specialized areas of industry;
- (xv) Human resource management;
- (xvi) Economics;
- (xvii) Business law;
- (xviii) Mathematics, statistics, and quantitative applications in business;
- (xix) Business management and organization;

(xx) General computer skills, computer software training, information technology planning and management; and

(xxi) Negotiation or dispute resolution courses;

(b) **Nontechnical subjects include:**

(i) Communication skills;

(ii) Interpersonal management skills;

(iii) Leadership and personal development skills;

(iv) Client and public relations;

(v) Practice development;

(vi) Motivational and behavioral courses; and

(vii) Speed reading and memory building.

(6) Subjects other than those listed above may be acceptable provided you can demonstrate they contribute to your professional competence.

(7) **Washington state board approved ethics.** Courses must meet the following requirements:

(a) The content of the course, which shall be approved by the board, must be specific to the laws and rules applicable to the regulatory framework in Washington state including the

administrative requirements for an individual's initial and continued use of restricted titles in this state;

(b) All CPE authors must submit course materials for this course to the executive director of the board for approval prior to delivery of the content for credit;

(c) The ethics and regulations course material must cover all of the following topics, and instructors of approved courses must substantially address these topics in their presentations:

(i) General level information on the AICPA code of professional conduct.

(ii) General level information on the Public Accountancy Act, the board's rules, policies, including recent or pending changes therein, and the rule-making process.

(iii) Emphasis must be placed on key differences between Washington state law (chapter 18.04 RCW), this board's rules (Title 4 WAC), and the AICPA code of professional conduct.

(iv) Detailed information on the following:

(A) WAC 4-30-026 How can I contact the board?

(B) WAC 4-30-032 ~~Do I need to notify the board if I change my address?~~Change of address.

(C) WAC 4-30-034 ~~Must I respond to inquiries from the board?~~Responding to board inquiries.

(D) WAC 4-30-040 through 4-30-058 ethics and prohibited practices, including related board policies, if any.

(E) WAC 4-30-130 series - Continuing competency, including related board policies, if any.

(F) WAC 4-30-142 ~~What are the bases for the board to impose discipline?~~Disciplinary actions.

(G) Other topics or information as defined by board policy;

(d) The course must also include case study scenarios demonstrating how to comply with the relevant provisions of the AICPA code of professional conduct and the board's statutory or regulatory framework when faced with ethical situations that might occur when offering or performing a specific type of professional service in the practice of public accounting or as a professionally regulated person not in the practice of public accounting; and

(e) At least sixty percent of the course material content, presentation time, and commentary must include general level information on the Public Accountancy Act, the board's rules and

policies, including recent or pending changes thereto, variances of key differences between Washington state law (chapter 18.04 RCW), the board's rules (Title 4 WAC), and the AICPA code of professional conduct, and scenarios demonstrating the different compliance outcomes that might result because the board's rules prevail when the board's rules vary from the AICPA code of professional conduct and/or related official AICPA interpretations.

Limits on total hours that can be earned during any single renewal cycle for specified formats are detailed in WAC 4-30-133.

[Statutory Authority: RCW 18.04.055. WSR 19-16-074, § 4-30-132, filed 7/31/19, effective 1/1/20. Statutory Authority: RCW 18.04.055(7) and 18.04.215(5). WSR 12-17-053, § 4-30-132, filed 8/10/12, effective 9/10/12. WSR 10-24-009, amended and recodified as § 4-30-132, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. WSR 09-17-044, § 4-25-831, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 05-01-137, § 4-25-831, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-831, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.105(8). WSR 99-23-046, § 4-25-831, filed 11/15/99, effective 1/1/00.]

Effective July 1, 2024

WAC 4-30-142 Disciplinary actions. RCW 18.04.055, 18.04.295, 18.04.305, and 18.04.~~350~~345 authorize the board to revoke, suspend, refuse to issue, renew, or reinstate an individual or firm license the right to exercise practice privileges in this state, or registration as a resident nonlicensee firm owner; impose a fine not to exceed \$30,000; recover investigative and legal costs; impose full restitution to injured parties; impose remedial sanctions; impose conditions precedent to renew; or prohibit a resident nonlicensee from holding an ownership interest in a firm licensed in this state for the specific acts listed below.

The following are specific examples of prohibited acts that constitute grounds for discipline under RCW 18.04.295, 18.04.305, and 18.04.~~350~~345. The board does not intend this listing to be all inclusive.

(1) Fraud or deceit in applying for the CPA examination, obtaining a license, registering as a resident nonlicensee firm owner, or in any filings with the board.

(2) Fraud or deceit in renewing or requesting reinstatement of a license or registration as a resident nonlicensee firm owner.

(3) Cheating on the CPA exam.

(4) Making a false or misleading statement in support of another person's application or request to:

(a) Take the national uniform CPA examination;

(b) Obtain a license or registration required by the act or board;

(c) Reinstate or modify the terms of a revoked or suspended license or registration as a resident nonlicensee firm owner in this state;

(d) Reinstate revoked or suspended practice privileges of an individual or firm licensed in another state.

(5) Dishonesty, fraud, or negligence while representing oneself as a licensee or a resident nonlicensee firm owner including, but not limited to:

(a) Practicing public accounting in Washington state prior to obtaining a license required per RCW 18.04.215, obtaining a

firm license as required by RCW 18.04.195, or without qualifying to operate under firm mobility;

(b) Offering or rendering public accounting services in this state by an out-of-state individual not qualified for practice privileges under RCW 18.04.350 (~~21~~);

(c) Offering or rendering public accounting services in this state by an out-of-state firm not qualified for practice privileges under firm mobility per RCW 18.04.195.

(d) Making misleading, deceptive, or untrue representations;

(e) Engaging in acts of fiscal dishonesty;

(f) Purposefully, knowingly, or negligently failing to file a report or record, or filing a false report or record, required by local, state, or federal law;

(g) Unlawfully selling unregistered securities;

(h) Unlawfully acting as an unregistered securities salesperson or broker-dealer;

(i) Discharging a trustee's duties in a negligent manner or breaching one's fiduciary duties, acting in a manner not in compliance with chapter 11.96A RCW; or

(j) Withdrawing or liquidating, as fees earned, funds received by a licensee or a resident nonlicensee firm owner from a client as a deposit or retainer when the client contests the amount of fees earned, until such time as the dispute is resolved.

(6) The following shall be prima facie evidence that a licensee, as defined in WAC 4-30-010, a nonlicensee firm owner, or the employees of such persons has engaged in dishonesty, fraud, or negligence while representing oneself as a licensee, as defined in WAC 4-30-010, a nonlicensee firm owner, or an employee of such persons:

(a) An order of a court of competent jurisdiction finding that the person or persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent ~~himself, herself, or itself~~ oneself as a licensee, as defined in WAC 4-30-010, or a nonlicensee firm owner;

(b) An order of a federal, state, local or foreign jurisdiction regulatory body, or a PCAOB, finding that the licensee, as defined in WAC 4-30-010, or nonlicensee firm owner,

or employee of such persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent ~~himself, herself, or itself~~oneself as a licensee, as defined in WAC 4-30-010, or a nonlicensee firm owner;

(c) Cancellation, revocation, suspension, or refusal to renew the right to practice as a licensee or a nonlicensee firm owner by any other state for any cause other than failure to pay a fee or to meet the requirements of continuing education in the other state; or

(d) Suspension or revocation of the right to practice before any state agency, federal agency, or the PCAOB.

(7) Sanctions and orders entered by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee or nonlicensee firm owner;

(8) Any state or federal criminal conviction or commission of any act constituting a crime under the laws of this state, or of another state, or of the United States.

(9) A conflict of interest such as:

(a) Self dealing as a trustee, including, but not limited to:

(i) Investing trust funds in entities controlled by or related to the trustee;

(ii) Borrowing from trust funds, with or without disclosure; and

(iii) Employing persons related to the trustee or entities in which the trust has a beneficial interest to provide services to the trust (unless specifically authorized by the trust creation document).

(b) Borrowing funds from a client unless the client is in the business of making loans of the type obtained by the licensee, as defined in WAC 4-30-010, or nonlicensee firm owner and the loan terms are not more favorable than loans extended to other persons of similar credit worthiness.

(10) A violation of the Public Accountancy Act or failure to comply with a board rule contained in Title 4 WAC, by a licensee, defined in WAC 4-30-010, or employees of such persons of this state or a licensee of another substantially equivalent

state qualified for practice privileges, including but not limited to:

(a) An out-of-state individual exercising the practice privileges authorized by RCW 18.04.350(~~21~~) when not qualified;

(b) Submission of an application for firm license on behalf of a firm licensed in another state that does not meet the firm mobility requirements under RCW 18.04.195 (1) (a) (~~ii~~) (A) through (D) by an out-of-state individual not qualified under RCW 18.04.350(~~21~~) or authorized by the firm to make such application;

(c) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(~~21~~) to cease offering or performing professional services in this state, individually or on behalf of a firm, when the license from the state of the out-of-state individual's principal place of business is no longer valid;

(d) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(~~21~~) to cease offering or performing specific professional services in this state, individually or on behalf of a firm, when the license

from the state of the out-of-state individual's principal place of business has been restricted from performing those specific services;

(e) Failure of an out-of-state firm operating under firm mobility per RCW 18.04.195 (1) (a) (iii~~+~~), in this state to cease offering or performing professional services in this state through one or more out-of-state individuals whose license from the state of those individuals' principal place(s) of business is (are) no longer valid or is (are) otherwise restricted from performing the specific engagement services;

(f) Failure of a firm licensed in this state, or a firm operating under firm mobility to comply with the ownership requirements of RCW 18.04.195 within a reasonable time period, as determined by the board;

(g) Failure of a firm licensed in this state or another state to comply with the board's quality assurance program requirements, when applicable.

(11) Violation of one or more of the rules of professional conduct included in Title 4 WAC.

(12) Concealing another's violation of the Public Accountancy Act or board rules.

(13) Failure to cooperate with the board by failing to:

(a) Furnish any papers or documents requested or ordered to produce by the board;

(b) Furnish in writing a full and complete explanation related to a complaint as requested by the board;

(c) Respond to an inquiry of the board;

(d) Respond to subpoenas issued by the board, whether or not the recipient of the subpoena is the accused in the proceeding.

(14) Failure to comply with an order of the board.

(15) Adjudication of a licensee, as defined by WAC 4-30-010, or a nonlicensee firm owner as mentally incompetent is prima facie evidence that the person lacks the professional competence required by the rules of professional conduct.

(16) Failure of a licensee, as defined by WAC 4-30-010, nonlicensee firm owner, or out-of-state person exercising practice privileges authorized by RCW 18.04.195 and 18.04.350 to

timely notify the board, in the manner prescribed by the board, of any of the following:

(a) A sanction, order, suspension, revocation, or modification of a license, certificate, permit or practice rights by the SEC, PCAOB, IRS, or another state board of accountancy for any cause other than failure to pay a professional license fee by the due date or failure to meet the continuing professional education requirements of another state board of accountancy;

(b) Charges filed by the SEC, IRS, PCAOB, another state board of accountancy, or a federal or state taxing, insurance, or securities regulatory body that the licensee or nonlicensee firm owner committed a prohibited act that would be a violation of board ethical or technical standards;

(c) Sanctions or orders entered against such persons by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee or nonlicensee firm owner.

[Statutory Authority: RCW 18.04.055. WSR 24-04-024, § 4-30-142, filed 1/29/24, effective 7/1/24; WSR 16-17-036, § 4-30-142, filed 8/9/16, effective 9/9/16. Statutory Authority: RCW

18.04.055(16), 18.04.195 (11) (d), 18.04.295, 18.04.305,
18.04.350(2). WSR 11-07-070, § 4-30-142, filed 3/22/11,
effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-
30-142, filed 11/18/10, effective 12/19/10; WSR 08-18-016, § 4-
25-910, filed 8/25/08, effective 9/25/08. Statutory Authority:
RCW 18.04.055(16), 18.04.295, and 18.04.305. WSR 05-01-137, § 4-
25-910, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-
25-910, filed 11/25/03, effective 12/31/03. Statutory Authority:
RCW 18.04.055(11), 18.04.295, and 18.04.305. WSR 02-04-064, § 4-
25-910, filed 1/31/02, effective 3/15/02; WSR 00-11-078, § 4-25-
910, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW
18.04.055 and 18.04.295. WSR 94-23-070, § 4-25-910, filed
11/15/94, effective 12/16/94.]

Request Oversight Committee Report July 2024

Scott Newman, Chair

During the second quarter 2024, the Executive Director and a Consulting Board Member from the Request Oversight Committee took the following action:

Approved Firm Names:

M4 CPA
Fagerland & Associates INC
SmartCloud Tax & Accounting PLLC
Gavac & Associates LLC
Dendron Studio 26, PLLC
DTBCPAS, PLLC

Professional/Educational Organization – Recognition Requests

During the second quarter in 2024, the Board did not receive any requests for recognition as an educational organization or professional association for purposes of obtaining list requests.

Late Fee Waiver Requests

Late Fee Waiver Requests were received between 05/01/2024 and 06/30/2024.

The Board received 5 late fee waiver requests:

- Approved – 1
- Denied – 1
- Pending – 3

To: Washington State Board of Accountancy

From: Board AICPA Rules Committee (BARC) (Brooke Stegmeier, Brian Thomas, Mark Hugh, Scott Newman, Mike Paquette, Jennifer Sciba)

Re: Recommendations for a CPA-inactive and CPA-retired rule

Date: July 19, 2024

The new CPA-inactive status, effective July 1, 2024, will create thousands of individuals with this title over time. The BARC recommends the Board create a new rule for the public, licensees, and Board staff on the restrictions that apply to the status.

While CPA-inactive status is new to Washington, it is not new throughout the country, and the BARC recommends the Board adopt similar restrictions as other states. In addition, a new rule is also an opportunity to clarify the use of the existing CPA-retired title, adding similar restrictions as other states.

Restrictions on CPA-inactive activities

A CPA-inactive is the holder of a license that chooses to put their license in an inactive status, rather than the options of lapsing or retirement, with the only CPE requirement Board approved ethics every three years. A CPA-inactive renews triennially with the Board which creates oversight and contact with the Board.

A CPA-inactive may “hold out”, which means any representation to the public by the use of the title that the person or firm holds a license and that the person or firm offers to perform any professional services to the public as a licensee.

However, a CPA-inactive is prohibited from the practice of public accounting. The "practice of public accounting" means performing or offering to perform by a person or firm holding itself out, ***for a client or potential client***:

- One or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports.”
- One or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters.

CPA-inactive is a choice made by a licensee to eliminate all CPE requirements other than four hours of Board approved ethics, and at any time a CPA-inactive can readily convert to an active license.

Therefore, the BARC recommends that a CPA-inactive is allowed to hold out:

- In industry, government, nonprofit, or education in an employer-employee relationship, or
- Performing uncompensated work such as a volunteer, trustee, director, or executor.

However, a CPA-inactive is not allowed to hold out:

- In industry, government, nonprofit, or education as an independent contractor,
- Perform compensated work such as a trustee, director, or executor,
- As a sole practitioner offering to perform services for a client or potential client, or
- As part of a CPA firm either offering to perform services for a client or potential client, or working in purely an administrative role.

Despite a limited CPE requirement, a CPA-inactive is still subject to professional conduct requirements for integrity and objectivity, competence, following standards, following accounting principles, professional misconduct (acts discreditable), and confidentiality, but not those for independence, commissions and referral fees, contingent fees, and advertising.

In particular, the standard for competence requires a CPA-inactive to maintain professional competence in all their allowable professional roles, despite limited CPE requirements for renewal.

Restrictions on CPA-retired activities

The existing CPA-retired title may be used by a licensee who has retired their license with the Board and:

- Has reached 60 years of age and holds an active license in good standing; or
- At any age, has held an active license in good standing to practice public accounting in any state for a combined period of not less than 20 years.

CPA-retired is a designation authorized by the Board but is not considered a license or a status, therefore there are no CPE requirements, no renewal requirements, and no further contact with the Board.

Under NASBA model rules and in most states, CPA-retired is a status that is renewed with the state, and any users of the CPA-retired title may use accounting skills as a volunteer or to provide pro bono tax services work as long as there is no compensation or remuneration of any kind offered or paid.

CPA-retired is a choice made by a licensee to eliminate all CPE requirements and any further contact with the Board. A CPA-retired is an individual with no active or inactive license, who was formerly a CPA. A CPA-retired can readily renew to an active license at any time.

Therefore, the BARC recommends that a CPA-retired should be considered a status by the Board for individuals 60 year older, and that a CPA-retired using the title CPA-retired is limited to using accounting skills only as a volunteer or on a pro bono basis.

A CPA-retired using the title may not hold out:

- In industry, government, nonprofit, or education in an employer-employee relationship,
- In industry, government, nonprofit, or education as an independent contractor,
- Perform compensated work such as a trustee, director, or executor,
- As a sole practitioner offering to perform services for a client or potential client, or
- As part of a CPA firm either offering to perform services for a client or potential client, or working in purely an administrative role.

A former licensee not using the title CPA-retired may perform any of the services noted above.

In addition to a new rule, these changes will require moving the requirements for CPA-retired from existing rule WAC 4-30-058.

EXAMPLES FROM OTHER STATES

California. Code Regs. Title. 16 § 80 - Inactive License Status

...(b) The holder of a license in an inactive status shall not engage in the practice of public accountancy as defined in Section 5051 of the Business and Professions Code.

California Code, Business and Professions Code - BPC § 5051

Except as provided in Sections 5052 and 5053, a person shall be deemed to be engaged in the practice of public accountancy within the meaning and intent of this chapter if he or she does any of the following:

- (a) Holds himself or herself out to the public in any manner as one skilled in the knowledge, science, and practice of accounting, and as qualified and ready to render professional service therein as a public accountant for compensation.
- (b) Maintains an office for the transaction of business as a public accountant.
- (c) Offers to prospective clients to perform for compensation, or who does perform on behalf of clients for compensation, professional services that involve or require an audit, examination, verification, investigation, certification, presentation, or review of financial transactions and accounting records.
- (d) Prepares or certifies for clients reports on audits or examinations of books or records of account, balance sheets, and other financial, accounting and related schedules, exhibits, statements, or reports that are to be used for publication, for the purpose of obtaining credit, for filing with a court of law or with any governmental agency, or for any other purpose.
- (e) In general or as an incident to that work, renders professional services to clients for compensation in any or all matters relating to accounting procedure and to the recording, presentation, or certification of financial information or data.
- (f) Keeps books, makes trial balances, or prepares statements, makes audits, or prepares reports, all as a part of bookkeeping operations for clients.
- (g) Prepares or signs, as the tax preparer, tax returns for clients.

(h) Prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans.

(i) Provides management consulting services to clients.

The activities set forth in subdivisions (f) to (i), inclusive, are “public accountancy” only when performed by a certified public accountant or public accountant, as defined in this chapter.

Oregon OAR 801-010-0120, Inactive Status

...(b) The licensee applying for inactive status must certify to the Board that:

(A) The licensee holds a license issued under ORS 673.150 (Permits to engage in practice of public accountancy) that is not lapsed, expired, retired, revoked or suspended;

(B) The licensee is not employed in a firm;

(C) The licensee is not a sole practitioner;

(D) Except as expressly authorized in writing by the Board or provided for in this rule, the licensee does not perform or offer to perform for compensation or remuneration in Oregon or for an Oregon client, services involving the use of accounting or attestation skills, including but not limited to issuance of reports on financial statements, management advisory, financial advisory, consulting services, preparation of tax returns or the furnishing of advice on tax or tax planning matters.

(c) An inactive licensee not working in a Firm is permitted to practice public accountancy in private industry for one business entity as a staff accountant, CFO or similar position.

(d) Inactive licensees may not hold ownership interest in a registered CPA or PA firm.

NASBA Model Rule 6.8, Inactive and Retired Status

...(c) Licensees granted an exception by the Board must place the word “inactive” adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears. Licensees granted the exception who are

at least fifty-five (55) years of age may replace “inactive” with “retired.” Any of these terms must not be applied in such a manner that could likely confuse the public as to the current status of the licensee.

(d) Licensees granted the use of “inactive” or “retired” must affirm in writing their understanding of the limitations placed on them by being given an exception from CPE.

(e) Licensees granted the use of “inactive” or “retired” may volunteer their time to nonprofit or governmental organizations, to the extent provided in statute. Licensees may not be compensated for such volunteer service other than through reimbursement of actual expenses or a limited per diem allowance for expenses. Licensees have the responsibility to maintain professional competence relative to the volunteer services they provide even though excepted from the specific CPE requirements of Rule 6-4(b).

(f) Licensees granted the use of “inactive” or “retired” may not sign documents using CPA with any of these terms attached when rendering one of the services allowed under UAA Section 6(d) [volunteer, uncompensated services: tax preparation services, participating in a government –sponsored business mentoring program, serving on the board of directors for a non-profit or governmental organization, or serving on a government-appointed advisory body]. As UAA Section 6(d) provides, an inactive or retired licensee cannot offer or render professional services that require their signature and use of the CPA title either with or without “inactive” or “retired” attached.

1650 - State Board of Accountancy

Allotment Expenditure/Revenue BTD Flexible

Report Number: AEF04

Date Run: Jun 30, 2024 11:59PM

Biennium: 2025

As of Fiscal Month: Jun FY1

Transactions Through: Jun 28, 2024 8:00PM

Account: 02J Allotment Content: Approved & Adjusted Estimated Revenue Content: Approved & Adjusted Expenditure Content: Cash, Accr(all)
 Revenue Content: Cash, Accr(all)


(For a complete listing of all input parameter values, please see the last page of the report)

	BTD Allotment	BTD Disbursement	BTD Accrual	BTD Encumbrance	BTD Variance	Biennium Remaining
By Account/Expenditure Authority						
02J - Certified Public Accountants' Acct						
030 - Salaries and Expenses	2,549,223	1,847,786.95	(2,500.00)	0.00	703,936.05	3,342,713.05
Total for Agency	2,549,223	1,847,786.95	(2,500.00)	0.00	703,936.05	3,342,713.05
By Object						
A - Salaries and Wages	821,861	770,965.58	0.00	0.00	50,895.42	885,508.42
B - Employee Benefits	280,668	258,741.59	0.00	0.00	21,926.41	298,396.41
C - Professional Service Contracts	102,000	97,028.00	0.00	0.00	4,972.00	106,972.00
E - Goods and Services	1,302,854	693,140.08	(2,500.00)	0.00	612,213.92	1,997,767.92
G - Travel	31,640	26,474.44	0.00	0.00	5,165.56	35,105.56
J - Capital Outlays	10,200	1,437.26	0.00	0.00	8,762.74	18,962.74
Total for Agency	2,549,223	1,847,786.95	(2,500.00)	0.00	703,936.05	3,342,713.05
By Object						

Fund View

Fund
 02J - CERTIFIED PUBLIC ACCOUNTANTS' ACCT
 Fund Type
 BA - SPECIAL REVENUE FUNDS
 Agency
 1650 - STATE BOARD OF ACCOUNTANC
 Budget Type
 A - Appropriated
 GWP Fund Type
 B - SPECIAL REVENUE FUNDS
 Rollup Fund
 FBD - CENTRAL ADMIN AND REGULATORY FU

Treasury Type
 Treasury
 State
 18.04.105
 Status
 Active
 TALS Only
 No
 DOT Fund
 No


Jun 2024 

Balance Date ↓	Cash Balance	Book Balance	Outstd. Warrants
06/30/2024	4,309,905.19	4,309,675.19	230.00
06/29/2024	4,309,905.19	4,309,675.19	230.00
06/28/2024	4,309,905.19	4,309,675.19	230.00
06/27/2024	4,300,440.19	4,300,210.19	230.00
06/26/2024	4,296,798.37	4,293,560.19	3,238.18
06/25/2024	4,292,177.84	4,288,939.66	3,238.18
06/24/2024	4,332,050.12	4,328,811.94	3,238.18
06/23/2024	4,331,462.34	4,328,224.16	3,238.18
06/22/2024	4,331,462.34	4,328,224.16	3,238.18
06/21/2024	4,331,462.34	4,328,224.16	3,238.18
06/20/2024	4,325,605.25	4,325,375.25	230.00
06/19/2024	4,303,751.08	4,303,521.08	230.00
06/18/2024	4,303,751.08	4,303,521.08	230.00
06/17/2024	4,292,426.08	4,292,196.08	230.00
06/16/2024	4,285,906.08	4,285,676.08	230.00
06/15/2024	4,285,906.08	4,285,676.08	230.00
06/14/2024	4,285,906.08	4,285,676.08	230.00
06/13/2024	4,291,225.34	4,290,995.34	230.00
06/12/2024	4,287,957.05	4,287,727.05	230.00
06/11/2024	4,309,184.32	4,308,954.32	230.00
06/10/2024	4,308,854.32	4,308,624.32	230.00
06/09/2024	4,346,631.46	4,346,401.46	230.00
06/08/2024	4,346,631.46	4,346,401.46	230.00
06/07/2024	4,346,631.46	4,346,401.46	230.00
06/06/2024	4,344,651.46	4,344,421.46	230.00
06/05/2024	4,342,771.46	4,342,541.46	230.00
06/04/2024	4,353,327.03	4,353,097.03	230.00
06/03/2024	4,349,037.03	4,348,807.03	230.00
06/02/2024	4,344,662.03	4,344,432.03	230.00
06/01/2024	4,344,662.03	4,344,432.03	230.00

Fund View

Fund
 20D - CPA SCHOLARSHIP TRANSFER ACCOU
 Fund Type
 BA - SPECIAL REVENUE FUNDS
 Agency
 1650 - STATE BOARD OF ACCOUNTANC
 Budget Type
 N - Nonappropriated/Nonallotted
 GWP Fund Type
 B - SPECIAL REVENUE FUNDS
 Rollup Fund
 FBG - HIGHER EDUCATION FUND

Treasury Type
 Treasury Trust
 Statute
 28B.123.050
 Status
 Active
 TALS Only
 No
 DOT Fund
 No

Jun 2024 

Balance Date ↓	Cash Balance	Book Balance	Outstd. Warrants
06/30/2024	100,000.00	100,000.00	0.00
06/29/2024	100,000.00	100,000.00	0.00
06/28/2024	100,000.00	100,000.00	0.00
06/27/2024	100,000.00	100,000.00	0.00
06/26/2024	100,000.00	100,000.00	0.00
06/25/2024	100,000.00	100,000.00	0.00
06/24/2024	100,000.00	100,000.00	0.00
06/23/2024	100,000.00	100,000.00	0.00
06/22/2024	100,000.00	100,000.00	0.00
06/21/2024	100,000.00	100,000.00	0.00
06/20/2024	100,000.00	100,000.00	0.00
06/19/2024	100,000.00	100,000.00	0.00
06/18/2024	100,000.00	100,000.00	0.00
06/17/2024	100,000.00	100,000.00	0.00
06/16/2024	100,000.00	100,000.00	0.00
06/15/2024	100,000.00	100,000.00	0.00
06/14/2024	100,000.00	100,000.00	0.00
06/13/2024	100,000.00	100,000.00	0.00
06/12/2024	100,000.00	100,000.00	0.00
06/11/2024	100,000.00	100,000.00	0.00
06/10/2024	100,000.00	100,000.00	0.00
06/09/2024	100,000.00	100,000.00	0.00
06/08/2024	100,000.00	100,000.00	0.00
06/07/2024	100,000.00	100,000.00	0.00
06/06/2024	100,000.00	100,000.00	0.00
06/05/2024	100,000.00	100,000.00	0.00
06/04/2024	100,000.00	100,000.00	0.00
06/03/2024	100,000.00	100,000.00	0.00
06/02/2024	100,000.00	100,000.00	0.00
06/01/2024	100,000.00	100,000.00	0.00

2024 Renewal and CPE Extension Request Report

Credential Statuses

Credential	Renewed	Lapsed/Dissolved	Retired	Deceased	Pending	Total
CPA License	6957	786	185	2	24	7954
CPA-Inactive	277	41	16			334
Nonlicensee Firm Owner	37	15				52
CPA Firm	540	122				662
Total	7811	964	201	2	24	9002

CPE Extension Requests

Credential	Approved	Denied -BAP Requested	Withdrawn or Denied - No BAP	Pending BAP Order	Pending CPA Response	Total
CPA License	918	3	20	6	18	965
CPA-Inactive	13					13
Nonlicensee Firm Owner	3					3
Total	934	3	20	6	18	981

CPE Deficiency Reason

Reason	Total
Missed Reporting Period Only	214
Missed Annual Requirement Only	435
Missed Both	285
Total	934

Time Licensed - Approved CPE Extension

Renewal Period	Total
First CPE Reporting Period and Renewal	338
At Least One Previous Renewal	596
Total	934

Individuals Due for Renewal that Renewed -- 87.2%
 Individuals Who Renewed with a CPE Extension -- 12.8%

Denied/withdrawn and pending applications consist of:
 Back-to-Back CPE extension requests -- 32
 Incomplete applications -- 15

Board of Accountancy Washington State Enforcement Report

Quarterly Report (Apr 01, 2024 through Jun 30, 2024)			
Complaint Workload			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	24	19	43
Closed with No Action	(12)	(1)	(13)
Closed with Action Taken	(3)	(1)	(4)
Complaints at End of Period	9	17	26
Details of Complaint Closures			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	0	13	13
Revocation, Suspension, Restriction	0	1	1
Fines, costs, and other sanctions	0	0	0
Remedial Resolution (Policy 2004-1)	0	2	2
Total Closed	0	16	16

Twelve-Month Lookback (Jul 01, 2023 through Jun 30, 2024)			
Complaint Workload			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	12	56	68
Closed with No Action	(6)	(30)	(36)
Closed with Action Taken	(3)	(3)	(6)
Complaints at End of Period	3	23	26
Details of Complaint Closures			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	0	36	36
Revocation, Suspension, Restriction	0	1	1
Fines, costs, and other sanctions	0	0	0
Remedial Resolution (Policy 2004-1)	0	4	4
Total Closed	0	41	41

Board of Accountancy Washington State

All complaints - resolved with and without discipline

	<u>Jul 2023 to Jun 2024</u>		<u>Jul 2022 to Jun 2023</u>	
	<i>All</i>	<i>Action Only</i>	<i>All</i>	<i>Action Only</i>
Public Harm				
Negligence - Attest related	0	0	1	1
Negligence, Disregard of standards	28	0	50	2
Use of Restricted Titles	7	4	10	2
Embezzlement, Theft, Breach of Fid. Duty	3	2	0	0
Breach of Confidentiality	0	0	0	0
Records Retention Causing Harm	1	0	4	0
<u>Subtotal</u>	39	6	65	5
Administrative				
Peer Review	0	0	0	0
<u>Subtotal</u>	0	0	0	0
Total	39	6	65	5

<u>Apr 01, 2024 through Jun 30, 2024</u>				
CBM Report				
	BAP	Action	No Action	Total
Rajib Doogar	1	0	2	3
Brooke Stegmeier	1	0	1	2
Jacqueline Meucci	0	0	0	0
Tonia Campbell	1	0	2	3
Kate Dixon	0	0	0	0
Mark Hugh	1	0	4	5
Scott Newman	1	0	0	1
Thomas Sawatzki	0	0	3	3
Brian Thomas	1	0	1	2
Total	6	0	13	19