



**REGULAR BOARD MEETING AGENDA**

**Date, Time:** Friday, January 18, 2019 – Regular Board Meeting – 9:00 a.m.  
**Location:** DoubleTree by Hilton Seattle Airport  
 Evergreen 4  
 18740 International Blvd  
 Seattle, WA 98188  
 (206) 277-7589  
**Notices:** None

Chair Introductions

**REGULAR MEETING AGENDA**

1. Introduction of New Board Member
2. Minutes – October 19, 2018, Annual Board Meeting.....A
3. Delegations of Authority – Annual Review
  - a. Charges, Subpoenas, Negotiate Settlements.....B
  - b. Administrative Notices of Non-Compliance/Administrative Sanctions.....C
  - c. CPE Waiver Extension Requests; Firm Names; Professional/Education Organizations Recognition Requests; Late Fee Waiver Requests; Domestic or Foreign Education Credential Evaluation Services Requests .....D
  - d. Quality Assurance Review (QAR) Program Remedial Actions/Review of Publicly Available Professional Work.....E
  - e. CR-101 Filing .....F
4. Chair’s Report
  - a. Greeting as New Chair
  - b. 2019 -- Year in Preview
  - c. Potential Rule Updates and Request for Other Topics
5. NASBA Update
  - a. NASBA Annual Meeting Report
  - b. NASBA Meeting Participation Encouraged – Opportunity to Learn about National Trends
6. Legal Counsel’s Report
7. Committee/Task Force Reports

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:  
 Kirsten Donovan, Washington State Board of Accountancy 7-1-1 or 1-800-833-6388 (TTY) - 1-800-833-6385 (Telebraille)  
 PO Box 9131, Olympia, WA 98507-9131 (TTY and Telebraille service nationwide by Washington Relay  
 Phone: 360-664-9191 Email: Kirsten.donovan@acb.wa.gov www.washingtonrelay.com)

- a. Executive – Mark Hugh, CPA, Chair - *Verbal Report*
  - b. Compliance Assurance Oversight – Thomas G. Neill, CPA, Chair – *Verbal Report*
  - c. Request Review – Elizabeth D. Masnari, CPA, Chair – *Verbal Report*.....G
  - d. State Ethics Compliance – Brian R. Thomas, CPA, Ethics Advisor – *No Report*
  - e. Qualifications – Rajib Doogar, Public Member, Chair – *No Report*
  - f. Performance Review and Succession – Joel Cambern, Public Member, Chair – *No Report*
  - g. WSCPA Education Fund – Elizabeth D. Masnari, CPA, Chair – *No Report*
  - h. CPE Task Force – Mark Hugh, CPA, Chair – *Verbal Report* .....H
8. Rules Review
- a. Semi-Annual Rules Development Agenda.....I
  - b. WAC 4-30-010 Definitions .....J
  - c. WAC 4-30-132 What are the program standards for CPE?.....K
  - d. WAC 4-30-133 Limitations on continuing professional education (CPE) credit.....L
  - e. WAC 4-30-134 What are the continuing professional education (CPE) requirements for individuals? .....M
  - f. WAC 4-30-136 How do I report my CPE to the board? .....N
  - g. WAC 4-30-138 What documentation must I retain to support my eligibility for CPE credit?.....O
  - h. WAC 4-30-062 How do I apply to take the CPA examination? .....P
9. Executive Director’s Report
- a. Budget Status Report .....Q
  - b. Peer Review Oversight Committee (PROC) Appointment for Laura Lindal.....R
  - c. Legislation in Progress
  - d. Dismissed Case Review
  - e. Meeting with CPABC on December 18, 2018
  - f. Other Matters as Needed
10. Enforcement Report
- a. Annual and Quarterly Enforcement Reports.....S
  - b. Discussion of Center for Public Trust (CPT) Ethics Course for Disciplinary Cases
11. Executive and/or Closed Sessions with Legal Counsel
12. 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.



**WASHINGTON STATE  
BOARD OF ACCOUNTANCY  
REGULAR BOARD MEETING – JANUARY 18, 2019  
SUMMARY**

**Date and Time:** Friday, January 18, 2019 - 9:00 a.m.

**Location:** DoubleTree by Hilton Seattle Airport  
Evergreen 4  
18740 International Blvd  
Seattle, WA 98188  
(206) 277-7589

**Notices:** None

**Chair's Opening Announcements:** 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.

**January 18, 2019 – REGULAR BOARD MEETING**

**1. Introduction of New Board Member**

**2. Minutes – October 19, 2018 – Tab A**

Board staff presents the draft minutes of the October 19, 2018, Annual Board meeting at **Tab A** for the Board's consideration.

**Does the Board approve the minutes as drafted?**

**3. Delegations of Authority – Annual Review**

**Tabs B through F** contain the Board's current delegations. Staff reviewed and propose revisions to all delegations.

- a. **Charges, Subpoenas, Settlement Negotiations – Tab B** – Proposed changes incorporate Plain Talk principles.

**Does the Board wish to revise, retain, or revoke this delegation?**

- b. **Administrative Notices of Non-Compliance/Administrative Sanctions – Tab C** – Proposed changes incorporate Plain Talk principles.

**Does the Board wish to revise, retain, or revoke this delegation?**

- c. **CPE Waiver Extension Requests; Firm Names; Professional/ Education Organizations Recognition Requests; Late Fee Waiver Requests; Domestic or Foreign Education Credential Evaluation Services; Appeal of Denials of Requests for Lists of Individuals – Tab D** – Proposed changes incorporate Plain Talk principles.

**Does the Board wish to revise, retain, or revoke this delegation?**

- d. **Quality Assurance Review (QAR) Program Remedial Actions/Review of Publicly Available Professional Work – Tab E** – Proposed changes incorporate Plain Talk principles.

**Does the Board wish to revise, retain, or revoke this delegation?**

- e. **CR-101 Filing – Tab F** – Proposed changes incorporate Plain Talk principles.

**Does the Board wish to revise, retain, or revoke this delegation?**

#### 4. Chair's Report

- a. **Greeting as New Chair**
- b. **2019 – Year in Preview**
- c. **Potential Rule Updates and Request for Other Topics**

#### 5. NASBA Update

- a. **NASBA Annual Meeting Report**

The Executive Director will report in the NASBA Annual Meeting.

- b. **NASBA Meeting Participation Encouraged – Opportunity to Learn about National Trends**

The Board Chair will report on NASBA meeting attendance.

#### 6. 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.

## 7. Committee/Task Force Reports

- a. **Executive** – Chair: Mark Hugh, CPA; Vice Chair: Thomas G. Neill, CPA; Secretary: Joel Cambern, Public Member

Mark will give a verbal report.

- b. **Compliance Assurance Oversight** – Chair: Thomas G. Neill, CPA; Members: Karen R. Saunders, CPA; Joel Cambern, Public Member; Jacqueline Meucci, CPA

Tom will give a verbal report.

- c. **Request Review** – Chair: Elizabeth D. Masnari, CPA; Members: Joel Cambern, Public Member; Brian R. Thomas, CPA

**Tab G** contains a report on the 4<sup>th</sup> quarter approvals and denials from the committee.

Elizabeth will give a verbal report.

- d. **State Ethics Compliance** – Ethics Advisor: Brian R. Thomas, CPA

Brian has nothing to report.

- e. **Qualifications** – Chair: Rajib Doogar, Public Member; Members: Elizabeth D. Masnari, CPA; Jacqueline Meucci, CPA; Mark Hugh, CPA

Rajib has nothing to report.

- f. **Performance Review and Succession** – Chair: Joel Cambern, Public Member; Member: Brian R. Thomas, CPA

Joel has nothing to report.

- g. **WSCPA Education Fund** – Chair: Elizabeth D. Masnari, CPA; Members: Thomas G. Neill, CPA; Jacqueline Meucci, CPA

Elizabeth has nothing to report.

- h. **CPE Task Force** – Chair: Mark Hugh, CPA; Members: Rajib Doogar, Public Member; Thomas G. Neill, CPA

**Tab H** contains a summary of the Washington CPE proposed changes, a summary of the changes of the CPE Model Rules, and a table comparing the changes.

Mark and Tom will give a verbal report.

## 8. Rules Review

### a. Semi-Annual Rules Development Agenda

**Tab I** contains the listing the potential rule-making activities for January through June 2019 filed with the Office of the Code Reviser.

### b. WAC 4-30-010 Definitions

**Tab J** contains a draft revision of the rule which adds a definition for nano learning.

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

### c. WAC 4-30-132 What are the program standards for CPE?

**Tab K** contains a draft revision of the rule which will incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules, reorganize the CPE requirements between the various CPE rule sections for clarity, and rename the rule.

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

### d. WAC 4-30-133 Limitations on continuing professional education (CPE) credit

**Tab L** contains a draft of a proposed new rule which will incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules and reorganize the CPE requirements between the various CPE rule sections for clarity.

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

### e. WAC 4-30-134 What are the continuing professional education (CPE) requirements for individuals?

**Tab M** contains a draft revision of the rule which will incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules, reorganize the CPE requirements between the various CPE rule sections for clarity, and rename the rule.

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

f. **WAC 4-30-136 How do I report my CPE to the board?**

**Tab N** contains a draft revision of the rule which will simplify the rule language and rename the rule.

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

g. **WAC 4-30-138 What documentation must I retain to support my eligibility for CPE credit?**

**Tab O** contains a draft revision of the rule which will simplify the rule language, remove the information and reference related to a retired board policy, and rename the rule.

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

**For the Rules discussed above (WAC 4-30-010, 4-30-132, 4-30-133, 4-30-134, 4-30-136, and 4-30-138) the Office of the Code Reviser filings will be done as a group, as the Rules are dependent on one another. The rules will be added to the April Board meeting agenda for further discussion.**

**Does the Board wish to direct staff to:**

- **Wait on filing the rules with the Office of the Code Reviser**
- **File the CR-101 for these rules to begin the rule-making process**

h. **WAC 4-30-062 How do I apply to take the CPA examination?**

**Tab P** contains the CR-101 filing and a draft revision of the rule which intends to accommodate the development of a continuously available examination process.

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 April meeting**
- **Amend the rule proposal for consideration at the Board's April meeting**
- **Withdraw the rule proposal**

9. **Executive Director's Report**

a. **Budget Status**

**Tab Q** contains the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant's Account Fund Balance, and the CPA Scholarship Transfer Account Fund Balance for transactions through December 28, 2018.

**b. Peer Review Oversight Committee (PROC) Appointment**

**Tab R** contains the PROC appointment letter for Laura G. Lindal, CPA.

**c. Legislation in Progress**

**d. Dismissed Case Review**

**e. Meeting with CPABC on December 18, 2018**

**f. Other Matters as Needed**

**10. Enforcement Report**

**a. Annual and Quarter Enforcement Reports**

**Tab S** contains the Enforcement Annual Report for January 1, 2018 through December 31, 2018, and the Quarter Report for October 1, 2018 through December 31, 2018.

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

**b. Discussion of Center for Public Trust (CPT) Ethics Course for Disciplinary Cases**

**11. 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 into executive or closed session when determined appropriate.

**12. 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.



# WASHINGTON STATE BOARD OF ACCOUNTANCY

## Unapproved Draft - Minutes of an Annual Meeting of the Board – Unapproved Draft

<b>Time and Place of Meeting</b>	9:00 a.m. – 11:42 a.m. Friday, October 19, 2018 J.A. Cherberg Building, Capital Campus Senate Hearing Room 3 304 15 <sup>th</sup> Avenue SW Olympia, WA 98501
<b>Attendance</b>	<u>Board Members</u> Karen R. Saunders, CPA, Chair, Board Member Elizabeth D. Masnari, CPA, Vice Chair, Board Member Mark Hugh, CPA, Secretary, Board Member Thomas G. Neill, CPA, Board Member Rajib Doogar, Public Member Joel Cambern, Public Member Brian R. Thomas, CPA, Board Member Jacqueline Meucci, CPA, Board Member  <u>Staff and Advisors</u> Charles E. Satterlund, CPA, Executive Director Bruce L. Turcott, Assistant Attorney General, Board Advisor Jennifer Sciba, Deputy Director Taylor Shahon, CPA, Lead Investigator Kirsten Donovan, Board Clerk
<b>Call to Order</b>	Board Chair, Karen Saunders, called the annual meeting of the Board to order at 9:00 a.m.  The Board Chair excused the absence of Favian Valencia, Public Member.
<b>Minutes – July 19, 2018 Regular Board Meeting and August 15, 2018 Special Board Meeting</b>	The Board approved the minutes of the July 19, 2018, regular Board meeting with minor edits.  The Board approved the minutes of the August 15, 2018, special Board meeting as presented.
<b>Chair’s Report</b>	<u>Election of 2019 Officers</u> – The Chair presented the following slate of officers to serve during 2019: <ul style="list-style-type: none"><li>• Chair – Mark Hugh, CPA</li><li>• Vice Chair – Thomas G. Neill, CPA</li><li>• Secretary – Joel Cambern, Public Member</li></ul>

## Minutes, October 19, 2018, Annual Board Meeting

No other nominations were made. The Board cast a unanimous vote for the slate of officers presented.

2019 Board Meeting Schedule – The Board established the following schedule for the 2019 Board meetings:

- January 18, 2019 – DoubleTree by Hilton Hotel Seattle Airport – Seattle
- April 26, 2019 – DoubleTree by Hilton Hotel Seattle Airport – Seattle
- July 26, 2019 – Hilton Garden Inn Spokane Airport – Spokane
- October 18, 2019 – Capitol Event Center – Tumwater

Committee Appointments for 2019 – The Board made the following committee appointments for 2019:

- Compliance Assurance Oversight Committee  
Chair:  
Thomas G. Neill, CPA  
Members:  
Karen R. Saunders, CPA  
Joel Cambern, Public Member  
Jacqueline Meucci, CPA
- Legislative Review Committee  
The committee was disbanded. If legislative matters arise in the future which require special Board attention, the committee can be reestablished at that time.
- Request Review Committee  
Chair:  
Elizabeth D. Masnari, CPA  
Members:  
Joel Cambern, Public Member  
Brian R. Thomas, CPA
- State Ethics Compliance Committee  
Ethics Advisor:  
Brian R. Thomas, CPA
- Qualifications Committee:  
Chair:  
Rajib Doogar, Public Member  
Members:

Minutes, October 19, 2018, Annual Board Meeting

Elizabeth D. Masnari, CPA  
Jacqueline Meucci, CPA  
Mark Hugh, CPA

- Performance Review and Succession Committee  
Chair:  
Joel Cambern, Public Member  
Member:  
Brian R. Thomas, CPA
- Social Media Task Force  
The task force was disbanded.
- WSCPA Education Fund Committee  
Chair:  
Elizabeth D. Masnari, CPA  
Members:  
Thomas G. Neill, CPA  
Jacqueline Meucci, CPA
- CPE Task Force  
Chair:  
Mark Hugh, CPA  
Members:  
Rajib Doogar, Public Member  
Thomas G. Neill, CPA

**Rules Review**

The Executive Director presented the following Rule drafts and led the discussion on the proposed revisions.

WAC 4-30-010 Definitions

The revision adds a definition for “nano learning.”

WAC 4-30-132 What are the program standards for CPE?

The revisions incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules, reorganize the CPE requirements between the various CPE rule sections for clarity, and rename the rule.

WAC 4-30-133 Limitations on continuing professional education (CPE) credit

The proposed new rule will incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules and reorganize the CPE requirements between the various CPE rule sections for clarity.

WAC 4-30-134 What are the continuing professional education (CPE) requirements for individuals?

The revisions incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules, reorganize the CPE requirements between the various CPE rule sections for clarity, and rename the rule.

WAC 4-30-136 How do I report my CPE to the board?

The revisions simplify the rule language and rename the rule.

WAC 4-30-138 What documentation must I retain to support my eligibility for CPE credit?

The revisions simplify the rule language, remove the information and reference related to a retired Board policy, and rename the rule.

The Executive Director advised that the Rules are still a work in progress and that no filings have been done with the Office of the Code Reviser. He asked that Board Members, the meeting participants, and other stakeholders review the drafts and provide feedback or suggestions directly to him. Depending on the feedback received, the first filing with the Code Reviser could come as early as January 2019.

Rules review will be added as an agenda item for the next Board meeting. The Executive Director will prepare and send an outline of the changes to the Board Members, and Tom Neill will map the revisions against the Uniform Accountancy Act (UAA) CPE model rules prior to the next meeting.

The Board Members requested that the Board Clerk provide a “clean” copy of the proposed revisions for review to go along with one showing the edit mark-ups.

**NASBA Update**

The Executive Director reported on the following topics:

- NASBA proposal to implement continuous CPA Exam testing
  - Would eliminate testing windows
  - Would eliminate the requirement to wait for the next testing window to retake a section

## Minutes, October 19, 2018, Annual Board Meeting

- Would require changes to WAC 4-30-062, How do I apply to take the CPA examination?, if the Board chooses to implement continuous testing, when/if NASBA does
- New pathway to CPA discussion was deferred until the annual NASBA meeting

The Board Chair advised that Rajib Doogar has been designated the authority to vote on her behalf at the NASBA Annual Meeting.

### **Executive Director's Report**

#### Current Budget Report and Appropriation Request for Electronic Content Management

The Executive Director presented the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant's Account Fund Balance, and the CPA Scholarship Transfer Account Fund Balance for transactions run through September 28, 2018.

The Executive Director reported on the state of operations:

- The fund balance continues to grow
- 20% of licensees live outside of the United States

#### Update on IT Projects

The Executive Director reported:

- The Electronic Content Management (ECM) system is moving forward and will include enforcement functionality. Implementation of the system may come as early as the end of the year or early next year.
- A decision package has been submitted for a new licensing system.

#### Firm Licensing Bill Update

The Executive Director reported that the firm licensing bill has been submitted. He is working closely with the Governor's office throughout the process. Legislative sponsors are still needed.

#### CPE Audit Sampling Plan

The Executive Director presented the Attributes Sampling Plan for CPE Audit used to determine the number of random individuals chosen for the audit.

He advised that the audit numbers will now be reported in two groups – random and prelapsd reinstatement (PLR). Random audit failure rates have appeared to be higher when including the PLR individuals in the sample. PLR individuals fail at a much higher rate than the randomly chosen individuals. The new reporting should provide a clearer picture of the CPE audit results.

#### Peer Review Oversight Committee (PROC) Appointment

The Executive Director reported that Robert Loe, CPA, has agreed to serve as the PROC Chair. Robert briefly introduced himself to the Board. The Board thanked Robert for taking on this role.

The Executive Director presented a copy of Mr. Loe's PROC appointment acceptance letter received from the Washington Society of Certified Public Accountants (WSCPAs), who administer the peer review program. The Board voted unanimously to authorize Mr. Loe's signing of the letter.

Robert Loe and Board staff will recruit other members to assist on the committee.

#### Peer Review Referral to Enforcement for Double Fails

The Executive Director reported that he is reviewing Policy 2004-1 for possible revision which will authorize the Executive Director to use remedial action in peer review double fails. If a revised policy is drafted, the Executive Director will bring the revision to the Board for their review and vote.

#### New Public Board Member Search

The Executive Director reported that Favian Valencia, Public Member, has resigned from the Board effective December 31, 2018. Favian has served on the Board for four years, but has found that he is no longer able to commit the time necessary for Board functions. The Executive Director and Board expressed gratitude for Favian's service.

The search for a new Public Board Member has begun. The Executive Director asked the Board Members to direct anyone they know who may be interested in the position to the Board's website or the Governor's website for additional information.

CPA-Retired Designation and CPA-Inactive Certificateholder Status

The Executive Director reported that confusion exists over this designation and this status. He would like to reopen the discussion on these two topics at a later date.

Agency Finances

Paul Bitar, CPA, Small Agency Financial Services (SAFS) Budget Analyst reported:

- The agency is in good financial condition
- The fund balance is building
- The fund balance is expected to increase until the new licensing system is purchased (if approved by the legislature)
- A fund sweep could potentially occur

**Executive Committee**

The Board Chair reported that she spoke with the committee members by phone. She reported that the conversation related to the selection of the 2019 officers and committee structure.

**Compliance Assurance Oversight Committee**

Tom Neill presented the 2018 Quality Assurance Review (QAR) Results Report and led the discussion.

**Legislative Review Committee**

The committee had nothing to report.

**Request Review Committee**

Elizabeth Masnari reported on the 3rd quarter 2018 approval and denials from the committee:

Firm Names: *Approved:*

DRAGONFLY 360, INC  
PETERSON NW CPA INC  
MAKING CENTS, INC  
TWH CPA LLC  
VEGA TAX SERVICES  
ACCOUNTOLOGY PLLC  
BERUSH CPA, PS  
SOUND PAYROLL LLC

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Professional/Educational Organization - Recognition Requests:

During the 3<sup>rd</sup> quarter 2018, the Board received one request for recognition as an educational organization for purposes of obtaining list requests.

- American Center for Continuing Professional Education, Inc.

Domestic or Foreign Education Credential Evaluation Services –

Applications: During the 3<sup>rd</sup> quarter 2018, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

**State Ethics  
Compliance  
Committee**

Joel Cambern reported that he reviewed the annual state ethics compliance checklists completed by Board staff. No matters were reported that require further attention or action. He did note that he was very encouraged by the amount of volunteer service staff members reported and completed.

**Qualifications  
Committee**

Rajib Doogar had nothing to report.

**Performance  
Review and  
Succession  
Committee**

Joel Cambern had nothing to report.

**Social Media  
Task Force**

The task force had nothing to report.

**WSCPA  
Education  
Fund**

Elizabeth Masnari presented the Projected Fund Balance and Estimated Expenses for Administering Washington State Certified Public Accounting Scholarship Program – for the Year Ending September 30, 2019.

Monette Anderson, WSCPA Manager of Student Initiatives, reported on the program and applications. The scholarship application deadline for the upcoming year is February 14, 2019.

**CPE Task  
Force**

The committee members reported during the Rules Review section of the agenda.

**Legal  
Counsel's  
Report**

Bruce Turcott, the Board's legal counsel, had nothing to report.



Minutes, October 19, 2018, Annual Board Meeting

**Enforcement Report** Taylor Shahon presented the Enforcement Report for July 1, 2018 through September 30, 2018.

Taylor reported that current enforcement issues include:

- Questions regarding CPA (Canada) title use in context outside of accounting
- CPE audit failures for double-counting courses used to complete the PLR process – the enforcement team is considering requiring that failing individuals complete a specific CPE course through the remedial resolution process
- Procedural change for enforcement – the enforcement team began sending the Statement of Charges and a Consent Agreement together. This measure has resulted in significant time savings.
- Recruitment for the dismissed case review for the fourth quarter – Joel Cambern volunteered to complete the review

**Public Input** No public input received.

**Executive and/or Closed Sessions with Legal Counsel** An executive session was held from 11:30 - 11:42 a.m. regarding litigation or potential litigation under RCW 42.30.110(1)(i).

**Adjournment** The meeting adjourned at 11:42 a.m.

Minutes, October 19, 2018, Annual Board Meeting

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Secretary

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Chair

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Vice Chair

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Member

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Member

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Member

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Member

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Member

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Member

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, Mark Hugh, Chair of the Washington State Board of Accountancy (“Board”), acting under authorization by a Board vote, delegate to the Executive Director of the Board the authority to:

- (a) Sign, issue, and withdraw Statements of Charges, which seek to suspend, revoke, reprimand, discipline, or impose a fine upon a certified public accountant licensee, a CPA-inactive certificate holder, a licensed CPA firm, a CPA Examination or license applicant, a nonlicensee firm owner, or an unlicensed individual or firm using the CPA title.
- (b) Sign, issue, and withdraw Statements of Intent to Deny, which refuse to issue, reinstate, or renew a certified public accountant license, a CPA-inactive certificate, a CPA firm license, or a nonlicensee firm owner registration.
- (c) Apply to the appropriate court for an order enjoining any acts or practices which constitute, or will constitute, a violation of chapter 18.04 RCW under RCW 18.04.360.
- (d) Issue an order staying the practice rights or use of the restricted title in situations requiring agency action due to an immediate danger to the public health, safety, or welfare. The order will initiate an emergency adjudicative proceeding under RCW 34.05.479.
- (e) Investigate alleged violations of chapter 18.04 RCW, chapter 4-30 WAC, or chapter 34.05 RCW, to include issuing subpoenas to compel the attendance of witnesses and require the production of documents, administering oaths or affirmations to witnesses appearing before the Board, taking testimony, and requiring that documentary evidence be submitted.
- (f) Negotiate settlement proposals during investigations of alleged violations of chapter 18.04 RCW or chapter 4-30 WAC. Such proposals are subject to consulting Board member concurrence prior to submission to the Board for consideration.

This delegation is made under the authority of RCW 18.04.045, 18.04.295, and 18.04.305.

DATED this 18th day of January 2019.

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Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, ~~KAREN R. SAUNDERS~~ ~~Mark ARK Hugh UGH~~, Chair of the Washington State Board of Accountancy ("Board"), acting under authorization by a Board vote ~~of the Board~~, delegate to the Executive Director ~~for of~~ the Board, the ~~specific~~ authority to:

- (a) ~~s~~Sign, issue, and withdraw Statements of Charges ~~and/or Statements of Intent to Deny that, which~~ seek to suspend, revoke, reprimand, ~~refuse to issue, reinstate, or renew a certificate or license, or otherwise~~ discipline, or impose a fine upon a certified public accountant ~~licensee, a CPA-inactive certificate holder, a licensee, a licensed CPA firm, a CPA Examination or license applicant, or a nonlicensee holding an ownership interest in a licensed firm owner, and, or an unlicensed individual or firm using the CPA title.~~
- (~~a~~)~~(b)~~ ~~s~~Sign, issue, and withdraw Statements of Intent to Deny, which ~~refuse to issue, reinstate, or renew a certified public accountant license, a CPA-inactive certificate, a CPA firm license, or a nonlicensee holding an ownership interest in a licensed firm owner registration.~~
- (c) ~~make applications~~ Apply to the appropriate court for an order enjoining any acts or practices which constitute, or will constitute, a violation of ~~C~~chapter 18.04 RCW ~~pursuant to~~ under RCW 18.04.360.
- (~~b~~)~~(d)~~ ~~to temporarily~~ Issue an order staying the practice rights or use of the restricted title ~~by an order signed by the Executive Director initiating an emergency adjudicative proceeding pursuant to RCW 34.05.479~~ in situations requiring ~~immediate~~ agency action due to an immediate danger to the public health, safety, or welfare; ~~and The order will initiate an emergency adjudicative proceeding under RCW 34.05.479.~~
- (~~c~~)~~(e)~~ ~~in making~~ ~~i~~Investigations concerning alleged violations of ~~c~~Chapter RCW 18.04 RCW, ~~c~~Chapter 4-30 WAC, ~~and in all proceedings under RCW 18.04.295, 18.04.305,~~ or chapter 34.05 RCW, to include ~~issuing~~ subpoenas to compel the attendance of witnesses and require the production of documents, ~~administering~~ oaths or affirmations to witnesses appearing before the Board, ~~taking~~ testimony, and ~~requiring~~ that documentary evidence be submitted; ~~and~~
- (~~e~~)~~(f)~~ ~~n~~Negotiate settlement proposals during investigations of alleged violations of ~~c~~Chapter RCW 18.04 RCW ~~or, or Board rules Title C~~ ~~c~~Chapter 4-30 WAC, ~~and in all proceedings under RCW 18.04.295, 18.04.305, or Cchapter 34.05 RCW.~~ Such proposals are subject to consulting Board member concurrence ~~by a consulting Board member~~ prior to submission to the Board for consideration.

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This delegation is made ~~pursuant to~~ under the authority of RCW 18.04.045, 18.04.295, and 18.04.305.

DATED this ~~1926~~th day of January 201~~98~~.

~~Karen R. Saunders~~Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, KAREN R. SAUNDERS, Chair of the Washington State Board of Accountancy (“Board”), acting under authorization by a vote of the Board, delegate to the Executive Director for the Board, the specific authority to:

- (a) **sign, issue, and withdraw Statements of Charges and/or Statements of Intent to Deny that seek to suspend, revoke, reprimand, refuse to issue, reinstate, or renew a certificate or license, or otherwise discipline or impose a fine upon a certified public accountant, a certificate holder, a licensee, a licensed firm, an applicant, or a nonlicensee holding an ownership interest in a licensed firm; and**
- (b) **make application to the appropriate court for an order enjoining any acts or practices which constitute, or will constitute, a violation of Chapter 18.04 RCW pursuant to RCW 18.04.360; to temporarily stay the practice rights or use of the restricted title by an order signed by the Executive Director initiating an emergency adjudicative proceeding pursuant to RCW 34.05.479 in situations requiring immediate agency action due to an immediate danger to the public health, safety, or welfare; and**
- (c) in making investigations concerning alleged violations of RCW 18.04 and in all proceedings under RCW 18.04.295, 18.04.305, or chapter 34.05 RCW, to issue subpoenas to compel the attendance of witnesses and require the production of documents, administer oaths or affirmations to witnesses appearing before the Board, take testimony, and require that documentary evidence be submitted; and
- (d) negotiate settlement proposals during investigations of alleged violations of RCW 18.04 or Board rules Title 4 WAC and in all proceedings under RCW 18.04.295, 18.04.305, or Chapter 34.05 RCW. Such proposals are subject to concurrence by a consulting Board member prior to submission to the Board for consideration.

This delegation is made pursuant to the authority of RCW 18.04.045, 18.04.295, and 18.04.305.

DATED this 26th day of January 2018.



**Karen R. Saunders, CPA**

Chair, Washington State Board of Accountancy

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, Mark Hugh, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a Board vote, delegate to the Executive Director the authority to:

Issue Remedial Resolutions and execute voluntary settlements including monetary terms in accordance with the guidelines in Board Policy 2004-1.

This delegation is made under the authority of RCW 18.04.045, RCW 18.04.305, and RCW 18.04.295.

DATED this 18th day of January 2019.

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Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

Effective: April 28, 2006

Revised: Delegation Revised: January 18, 2019 by Board vote

Delegation Revised: January 26, 2018 by Board vote

Delegation Revised and Appendix Removed: February 12, 2016 by Board vote

Delegation and Appendix A Revised: April 23, 2013, by Board vote

Delegation and Appendix A Revised: January 26, 2012, by Board vote

Appendix A Revised: July 14, 2011, by Board vote

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**DELEGATION OF AUTHORITY  
BY THE  
WASHINGTON STATE BOARD OF ACCOUNTANCY**

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I, ~~KAREN R. SAUNDERS~~Mark Hugh, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a Board vote ~~of the Board~~, delegate to the Executive Director the ~~specific~~ authority to:

Issue Remedial Resolutions and execute voluntary settlements including monetary terms in accordance with the guidelines in Board Policy 2004-1.

This delegation is made ~~pursuant to~~under the authority of RCW 18.04.045, RCW 18.04.305, and RCW 18.04.295.

DATED this ~~18<sup>26</sup>~~th day of January 20198.

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~~Karen R. Saunders~~Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

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Effective: April 28, 2006

Revised: Delegation Revised: January 18, 2019 by Board vote

Delegation Revised: January 26, 2018 by Board vote

Delegation Revised and Appendix Removed: February 12, 2016 by Board vote

Delegation and Appendix A Revised: April 23, 2013, by Board vote

Delegation and Appendix A Revised: January 26, 2012, by Board vote

Appendix A Revised: July 14, 2011, by Board vote



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**DELEGATION OF AUTHORITY  
BY THE  
WASHINGTON STATE BOARD OF ACCOUNTANCY**

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I, KAREN R. SAUNDERS, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a vote of the Board, delegate to the Executive Director the specific authority to:

Issue Remedial Resolutions and execute voluntary settlements including monetary terms in accordance with the guidelines in Board Policy 2004-1.

This delegation is made pursuant to the authority of RCW 18.04.045, RCW 18.04.305, and RCW 18.04.295.

DATED this 26th day of January 2018.



**Karen R. Saunders, CPA**  
Chair, Washington State Board of Accountancy

Effective: April 28, 2006

Revised: Delegation Revised: January 26, 2018 by Board vote

Delegation Revised and Appendix Removed: February 12, 2016 by Board vote

Delegation and Appendix A Revised: April 23, 2013, by Board vote

Delegation and Appendix A Revised: January 26, 2012, by Board vote

Appendix A Revised: July 14, 2011, by Board vote

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, Mark Hugh, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a Board vote, delegate the following authority:

1. Continuing Professional Education (CPE) Extension Requests – To the Executive Director to approve or deny CPE extension requests where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a CPE deficiency of not more than 16 CPE credit hours under chapter 4-30 WAC.
2. Request Review Committee - To the Executive Director with concurrence of one member of the Request Review Committee to approve or deny:
  - a) **CPE Extension Requests** where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a CPE deficiency of more than 16 CPE credit hours under chapter 4-30 WAC.
  - b) **Firm Names** for compliance with the requirements of RCW 18.04.345 and chapter 4-30 WAC to ensure the Board that the firm name is not deceptive or misleading.
  - c) **Professional/Education Organizations Recognition Requests** for purposes of obtaining lists of individual CPA licensees, CPA-Inactive certificateholders, or nonlicensee firm owners under RCW 42.56.070(8) and chapter 4-30 WAC.
  - d) **Late Fee Waiver Requests** where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment is a factor under chapter 4-30 WAC.
  - e) **Domestic or foreign education credential evaluation services** applications for approval under chapter 4-30 WAC.
3. Appeal of Denials of Requests for Lists of Individuals – To one member of the Request Review Committee not involved in the original review of the request under delegation 2(c) of this delegation, to review and uphold or overturn denials of requests for lists of individuals under RCW 42.56.520. This Request Review Committee member shall complete the review by the end of the second business day following the denial. The Committee member’s decision is the final action the Board will take on the matter for purposes of judicial review.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

The Executive Director will report all actions taken under this delegation of authority at each quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

This delegation is made under the authority of RCW 18.04.045 and 42.56.070(8).

DATED this 18th day of January 2019.

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Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

Revised: January 18, 2019 by Board vote

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## DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, ~~KAREN R. SAUNDERS~~ Mark Hugh, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a Board vote ~~of the Board~~, delegate the following ~~specific~~ authority:

1. ~~Continuing Professional Education (CPE) Waiver~~ Extension Requests – To the Executive Director ~~the specific authority to review~~, approve or deny ~~Continuing Professional Education (CPE) waiver~~ extension requests where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a CPE deficiency of not more than 16 CPE credit hours ~~pursuant to applicable section(s) of under Title chapter 4-30~~ WAC.
2. Request Review Committee - To the Executive Director with concurrence of one member of the Request Review Committee, ~~the specific authority to review and to~~ approve or deny:
  - a) ~~Continuing Professional Education (CPE) Waiver~~ Extension Requests where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a ~~licensee~~ CPE deficiency of more than 16 CPE credit hours ~~pursuant to applicable section(s) of Title under chapter 4-30~~ WAC.
  - b) **Firm Names** ~~that do not comply for compliance~~ with the requirements of RCW 18.04.345 and ~~applicable section(s) of Title chapter 4-30~~ WAC to ensure the Board that the firm name is not deceptive or misleading.
  - c) **Professional/Education Organizations Recognition Requests** for purposes of obtaining lists of ~~individual applicants for a license of “Certified Public Accountant” (CPA)~~, individual CPA licensees, ~~individual~~ CPA-Inactive certificateholders, or ~~CPA firms nonlicensee firm owners pursuant to under~~ RCW 42.56.070(98) and ~~applicable section(s) of Title chapter 4-30~~ WAC.
  - d) **Late Fee Waiver Requests** where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment is a factor ~~pursuant to applicable section(s) of Title under chapter 4-30~~ WAC.
  - e) **Domestic or foreign education credential evaluation services** applications for approval ~~pursuant to applicable section(s) of Title under chapter 4-30~~ WAC.
3. Appeal of Denials of Requests for Lists of Individuals – To one member of the Request Review Committee not involved in the original review of the ~~original~~ request under delegation 2(c) of this delegation, ~~the specific authority~~ to review and uphold or overturn denials of requests for lists of individuals ~~pursuant to under~~ RCW 42.56.520. This Request Review Committee member shall complete the review by the end of the second

business day following the denial. The Committee member's decision is the final action the Board will take on the matter for purposes of judicial review.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

The Executive Director will report all actions taken ~~pursuant to~~under this delegation of authority at each ~~regular~~ quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

This delegation is made ~~pursuant to~~under the authority of RCW 18.04.045 and 42.56.070(98).

DATED this ~~26~~18th day of January 2019~~8~~.

~~Karen R. Saunders~~Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

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Revised: January 18, 2019 by Board vote

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, KAREN R. SAUNDERS, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a vote of the Board, delegate the following specific authority:


1. CPE Waiver Extension Requests – To the Executive Director the specific authority to review, approve or deny Continuing Professional Education (CPE) waiver extension requests where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a CPE deficiency of not more than 16 CPE credit hours pursuant to applicable section(s) of Title 4 WAC.
2. Request Review Committee - To the Executive Director with concurrence of one member of the Request Review Committee, the specific authority to review and approve or deny:
  - a) **Continuing Professional Education (CPE) Waiver Extension Requests** where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a licensee CPE deficiency of more than 16 CPE credit hours pursuant to applicable section(s) of Title 4 WAC.
  - b) **Firm Names** that do not comply with the requirements of RCW 18.04.345 and applicable section(s) of Title 4 WAC to ensure the Board that the firm name is not deceptive or misleading.
  - c) **Professional/Education Organizations Recognition Requests** for purposes of obtaining lists of individual applicants for a license of “Certified Public Accountant” (CPA), individual CPA licensees, individual CPA-Inactive certificateholders, or CPA firms pursuant to RCW 42.56.070(9) and applicable section(s) of Title 4 WAC.
  - d) **Late Fee Waiver Requests** where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment is a factor pursuant to applicable section(s) of Title 4 WAC.
  - e) **Domestic or foreign education credential evaluation services** applications for approval pursuant to applicable section(s) of Title 4 WAC.
3. Appeal of Denials of Requests for Lists of Individuals – To one member of the Request Review Committee not involved in the review of the original request under delegation 2(c) of this delegation, the specific authority to review and uphold or overturn denials of requests for list of individuals pursuant to RCW 42.56.520. This Request Review Committee member shall complete the review by the end of the second business day following the denial. The Committee member’s decision is the final action the Board will take on the matter for purposes of judicial review.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

The Executive Director will report all actions taken pursuant to this delegation of authority at each regular quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

This delegation is made pursuant to the authority of RCW 18.04.045 and 42.56.070(9).

DATED this 26th day of January 2018.

  
**Karen R. Saunders, CPA**  
Chair, Washington State Board of Accountancy

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, Mark Hugh, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a Board vote, delegate the following authority:

1. **Quality Assurance Oversight** - To the Executive Director, with concurrence of one member of the Board’s Compliance Assurance Oversight Committee, to take those actions deemed appropriate under chapter 4-30 WAC for any CPA firm:
  - That has unresolved matters relating to the peer review process or that has not complied with, or acted in disregard of the peer review requirements; and
  - When issues with a peer review may warrant further action.

To implement this delegation, the Executive Director may execute Respondent Agreements including one or any combination of the actions deemed appropriate after concurrence of one member of the Board’s Compliance Assurance Oversight Committee. These actions may include requiring the firm/practitioner to:

- Develop and implement quality control procedures to provide reasonable assurance that similar occurrences will not occur in the future.
- Engage a Board-approved licensee to conduct a Board-prescribed on-site field review of the firm’s work product and practices to provide a more in-depth review of the practitioner’s work, previously taken continuing professional education, library and other practice support tools, knowledge, abilities, and system of quality control.
- Submit all or specified categories of its compilation, audit, review, or other attest working papers and reports to a preapproved independent practitioner review prior to issuance.
- Obtain continuing education courses in specific areas.

Uncooperative CPA firms or CPA firms requiring more than one oversight will be subject to investigation and appropriate Board action.

This delegation does not include matters that require Board action such as acceptance of voluntary practice restriction.



2. **Review of Publicly Available Professional Work** – To the Executive Director to review publicly available professional work of licensees under RCW 18.04.045(8) and chapter 4-30 WAC.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

The Executive Director will report all actions taken under this delegation of authority at each quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

This delegation is made under the authority of RCW 18.04.045.

DATED this 18th day of January 2019.

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Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

Revised: January 18, 2019 by Board vote

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## DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, ~~KAREN R. SAUNDERS~~ Mark Hugh, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a Board vote ~~of the Board~~, delegate the following ~~specific~~ authority:

1. **Quality Assurance Oversight** - To the Executive Director, with concurrence of one member of the Board’s ~~Quality-Compliance~~ Assurance Oversight Committee, ~~the specific authority to~~ take those actions deemed appropriate ~~pursuant to under~~ the applicable section(s) of Title 4 chapter 4-30 WAC for any CPA firm:
  - That has unresolved matters relating to the peer review process or that has not complied with, or acted in disregard of the peer review requirements; and
  - When issues with a peer review may warrant further action.

To implement this delegation, the Executive Director may execute Respondent Agreements including one or any combination of the actions deemed appropriate after concurrence of ~~the~~ one member of the Board’s ~~Quality-Compliance~~ Assurance Oversight Committee. These actions may include requiring the firm/practitioner to:

- Develop and implement quality control procedures to provide reasonable assurance that similar occurrences will not occur in the future.;
- Engage a Board-approved licensee to conduct a Board-prescribed on-site field review of the firm’s work product and practices to provide a more in-depth review of the practitioner’s work, previously taken continuing professional education, library and other practice support tools, knowledge, abilities, and system of quality control.;
- Submit all or specified categories of its compilation, audit, review, or other attest working papers and reports to a preapproved independent practitioner review prior to issuance; ~~and/or.~~
- Obtain continuing education courses in specific areas.

Uncooperative CPA firms or CPA firms requiring more than one oversight will be subject to investigation and appropriate Board action.

This delegation does not include matters that require Board action such as acceptance of voluntary practice restriction.

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2. **Review of Publicly Available Professional Work** – To the Executive Director ~~the specific authority~~ to review publicly available professional work of licensees ~~pursuant to~~ RCW 18.04.045(8) and ~~the applicable section of Title 4~~ chapter 4-30 WAC.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

~~The Executive Director will report all actions taken pursuant to~~ this delegation of authority at each ~~regular~~ quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

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This delegation is made ~~pursuant to~~ the authority of RCW 18.04.045.

DATED this ~~18926~~th day of January 20198.

~~Karen R. Saunders~~Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

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Revised: January 18, 2019 by Board vote

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# DELEGATION OF AUTHORITY BY THE WASHINGTON STATE BOARD OF ACCOUNTANCY

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I, KAREN R. SAUNDERS, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a vote of the Board, delegate the following specific authority:

1. **Quality Assurance Oversight** - To the Executive Director, with concurrence of one member of the Board’s Quality Assurance Committee, the specific authority to take those actions deemed appropriate pursuant to the applicable section(s) of Title 4 WAC for any CPA firm:
  - That has unresolved matters relating to the peer review process or that has not complied with, or acted in disregard of the peer review requirements; and
  - When issues with a peer review may warrant further action.

To implement this delegation, the Executive Director may execute Respondent Agreements including one or any combination of the actions deemed appropriate after concurrence of the member of the Board’s Quality Assurance Committee. These actions may include requiring the firm/practitioner to:

- Develop and implement quality control procedures to provide reasonable assurance that similar occurrences will not occur in the future;
- Engage a Board-approved licensee to conduct a Board-prescribed on-site field review of the firm’s work product and practices to provide a more in-depth review of the practitioner’s work, previously taken continuing professional education, library and other practice support tools, knowledge, abilities, and system of quality control;
- Submit all or specified categories of its compilation, audit, review, or other attest working papers and reports to a preapproved independent practitioner review prior to issuance; and/or
- Obtain continuing education courses in specific areas.

Uncooperative CPA firms or CPA firms requiring more than one oversight will be subject to investigation and appropriate Board action.

*This delegation does not include matters that require Board action such as acceptance of voluntary practice restriction.*

2. **Review of Publicly Available Professional Work** – To the Executive Director the specific authority to review publicly available professional work of licensees pursuant to RCW 18.04.045(8) and the applicable section of Title 4 WAC.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

*The Executive Director will report all actions taken pursuant to this delegation of authority at each regular quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.*

This delegation is made pursuant to the authority of RCW 18.04.045.

DATED this 26th day of January 2018.



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**Karen R. Saunders, CPA**  
Chair, Washington State Board of Accountancy

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**DELEGATION OF AUTHORITY  
BY THE  
WASHINGTON STATE BOARD OF ACCOUNTANCY**

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I, Mark Hugh, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a Board vote, delegate to the Executive Director the authority to:

File CR-101s with the Office of the Code Reviser to begin the rule-making process for revisions of current rules and proposed new rules.

This delegation is made under the authority of RCW 18.04.045 and RCW 18.04.055.

DATED this 18th day of January 2019.

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Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

Effective: July 28, 2017  
Revised: January 18, 2019 by Board vote

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**DELEGATION OF AUTHORITY  
BY THE  
WASHINGTON STATE BOARD OF ACCOUNTANCY**

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I, ~~KAREN R. SAUNDERS~~Mark Hugh, Chair of the State of Washington Board of Accountancy ("Board"), acting under authorization by a Board vote ~~of the Board~~, delegate to the Executive Director the ~~specific~~ authority to:

File CR-101s with the Office of the Code Reviser to begin the rule-making process for revisions of current rules and proposed new rules.

This delegation is made ~~pursuant to~~under the authority of RCW 18.04.045 and RCW 18.04.055.

DATED this ~~18<sup>26</sup>~~th day of January 20198.

~~Karen R. Saunders~~Mark Hugh, CPA  
Chair, Washington State Board of Accountancy

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Effective: July 28, 2017  
Revised: January 18, 2019 by Board vote

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**DELEGATION OF AUTHORITY  
BY THE  
WASHINGTON STATE BOARD OF ACCOUNTANCY**

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I, KAREN R. SAUNDERS, Chair of the State of Washington Board of Accountancy (“Board”), acting under authorization by a vote of the Board, delegate to the Executive Director the specific authority to:

File CR-101s with the Office of the Code Reviser to begin the rule-making process for revisions of current rules and proposed new rules.

This delegation is made pursuant to the authority of RCW 18.04.045 and RCW 18.04.055.

DATED this 26th day of January 2018.



**Karen R. Saunders, CPA**  
Chair, Washington State Board of Accountancy

Effective: July 28, 2017



## Request Review Committee Report January 2019

Elizabeth Masnari, CPA, Chair

During the fourth quarter 2018, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

Firm Names: *Approved:*

SEATTLE TAX AND ACCOUNTING CPA'S, PLLC  
JARBOE ACCOUNTING SOLUTIONS, PLLC  
NORTHWEST ACCOUNTING & CONSULTING LLC  
POULSBO CPA PLLC  
RASMUSSEN TAX & ACCOUNTING  
BRIAN PATRICK CPA TAX & ACCOUNTING SOLUTIONS PC  
RIGHTERY ACCOUNTING & TAX, PLLC  
FIAT PROFESSIONAL SERVICES CPA  
MILESTONE CPA LLC  
CBS TAX & ACCOUNTING, LLC

Professional/Educational Organization – Recognition Requests – During the fourth quarter 2018, the Board received and approved the following request for recognition of an educational organization for purposes of obtaining list requests.

- Kitsap Community Foundation

Domestic or International Education Credential Evaluation Services – Applications – During the fourth quarter 2018, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

To: Washington State Board of Accountancy  
From: CPE Task Force  
Re: Summary of proposed Washington CPE changes  
Date: January 18, 2019

As a result of meetings of the CPE Task Force, it was recommended to a) adopt several changes to Washington's CPE rules consistent with new national CPE standards, and b) rewrite Washington's CPE rules to be more consistent with revised Uniform Accountancy Act model rules, while still maintaining unique and longstanding Washington differences from the model rules.

The revisions created the need to rewrite most of Washington's CPE rules to make the rules more clearly divided into discrete subjects.

The major changes adopted from previous Washington CPE rules are:

- "Nano learning", web-based CPE in one fifth of an hour increments, will be an allowable CPE format, but total number of nano learning credits are limited to 10%, no more than 12 of the 120 hours in any three-year reporting cycle.
- No more than 60 hours of CPE credit in the aggregate will be allowed in any three-year cycle for service on the Board, Board committees, or peer review committees; first time instructor/developer of a CPE course; and authorship of published articles, books, and other publications relevant to maintaining or improving professional competence.
- A CPA must complete a minimum of 20 hours of CPE in each year of the three-year reporting cycle, however Board service, first time instructor developer, or authorship of published materials will not count towards the 20 hour minimum.
- Currently, non-technical CPE, subjects such as personal development and practice management, cannot exceed more than 24 hours in any three-year reporting cycle, but under the redrafted rules, non-technical CPE credits are limited to no more than 60 of the 120 hours in any three-year reporting cycle.
- The "prelapsed renewal" process will be eliminated and incorporated into the Remedial Resolution process for first time administrative violations. "Prelapsed renewal" has been a process for licensees who fail to obtain required CPE during their calendar year reporting period and who also did not request an extension before the December 31 end of their reporting period.
- CPE reciprocity will be allowed for Washington licensees who are residents of other states.

**Washington State Board of Accountancy**  
**Proposed Changes to Rules on Continuing Education**  
**Key Changes from the UAA Committee Related to CPE**

**Background**

In 2017 the joint AICPA/NASBA UAA Committee CPE Model Rules Task Force presented changes to the Model Rules to the NASBA Board of Directors for its approval. While proposed changes to the UAA Model Act required votes by the boards of both the AICPA and NASBA, the Model Rules are under the control of NASBA.

The goal of the UAA CPE Model Rules Task Force was to review the changes that had been made to the Statements on Standards for Continuing Education that had been modified in 2016 by the joint AICPA/NASBA CPE Standards Working Group. The Working Group proposed changes that primarily guide CPE course developers and sponsors on acceptable CPE. The CPE Model Rules Task Force was tasked with incorporating those changes into the Model Rules, particularly in areas that would affect licensees.

Some of the key items noted in the changes to the Model Rules, and how they are mapped to the proposed WACs are as follows:

- Completion of at least 20 CPE credit hours during each annual period (Rule 6-4(b)(1)). See **WAC 4-30-134(c)**
- Completion of a minimum of an average of no fewer than forty (40) CPE credits for each annual period included within the CPE reporting period (Rule 6-4(b)(2)). See **WAC 4-30-134(c)**.
- Completion of an average of two (2) ethics CPE credits for each annual period included within the CPE reporting period (Rule 6-4(b)(3)). See **WAC 4-30-134(c)**
- Completion of a minimum of 50 percent of the total CPE credits required for the CPE reporting period in technical fields of study (Rule 6-4(b)(4)). See **WAC 4-30-134(c)**.

CPE Reporting Period	Total CPE credits required per reporting period	Minimum CPE credits required in each annual period in the reporting period	Qualifying ethics credits required per CPE reporting period	Minimum CPE credits in reporting period in technical subject areas
Annual (1 year)	40	40	2	20
Biennial (2 years)	80	20	4	40
Triennial (3 years)	120	20	6	60

- The following learning activities shall qualify for CPE credit: (1) A learning activity that complies with the Statement on Standards for Continuing Professional Education (CPE) Programs, issued jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), and is coordinated and presented by a qualifying CPE program sponsor as set forth below in Rule 6-5 (b). The sources of qualifying learning activities include but are not limited to the following:

- Group Programs - A group learning activity that is coordinated and presented by a person, firm, association, corporation or group, other than a qualifying CPE program sponsor as defined in Rule 6-5 (b) below. These programs are generally related to topics of the specialized knowledge field of study by persons or organizations with expertise in these specialized industries. Rule 6-5(a)(4). **See WAC 4-30-132(2)(b) and 4-30-132(3)(a) – (k)**
  - Self-Study Programs - A minimum of one-half credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth or one-half increments. **See WAC 4-30-133(7)**
  - Blended Learning Programs - CPE credit must equal the sum of the CPE credit determination for the various completed components of the program.
  - Nano-Learning Programs – 1/5 credit hour of CPE for a 10 min. course. **See WAC 4-30-132(2)(a)**
  - Instructor/Developer of CPE programs – credit up to two times the number of credit hours of participants. Not more than 50% of total CPE credits required for reporting period can be claimed for this type of credit.
  - Technical Reviewer of CPE programs – credit hours up to the actual number of CPE credits for the learning activity. Not more than 50% of total CPE credits required for reporting period can be claimed for this type of credit.
  - Independent Study
- Completion of an average of two credits of qualifying ethics CPE for each annual period included in the CPE reporting period.
  - Not more than 25% of total qualifying CPE credits can be earned in the reporting period from CPE obtained by 1) group learning activity that is coordinated and presented by a person, firm, association, corporation or group, other than a qualifying CPE program sponsor or 2) participation and work on a technical committee of an international, national or state professional association, council or member organization, or a governmental entity that supports professional services or industries that require unique and specific knowledge in technical fields of study. **See WAC 4-30-133(2), (5) and (7)**

<b>Qualifying CPE Program</b>	<b>Minimum initial credit that must be earned</b>	<b>After first credit has been earned, credit may be earned in these increments</b>
<b>Group</b>	<b>One</b>	<b>One-fifth or one-half</b>
<b>Independent study</b>	<b>One</b>	<b>One-fifth or one-half</b>
<b>Blended learning</b>	<b>One</b>	<b>One-fifth or one-half</b>
<b>Self-study</b>	<b>One-half</b>	<b>One-fifth or one-half</b>
<b>Nano-learning</b>	<b>One-fifth</b>	<b>Not applicable (single nano-learning program is one-fifth credit)</b>

**Washington State Board of Accountancy**  
**Proposed Changes to Rules - Continuing Professional Education**  
**Comparison of Proposed WACs Related to CPE and UAA Model Rule 6-4 forward**

Model Rules	Proposed WAC's
<p><b>Rule 6-4</b> CPE requirements for renewal or reactivation of a certificate, license or registration. The following requirements of CPE apply to the renewal or reactivation of certificates, licenses and registrations pursuant to Section 6(d) of the Act.</p> <p>(a) A person who obtains a certificate, license or registration for the first time shall complete at least forty (40) credits of acceptable CPE during the first full annual period following the year in which the original certificate, license or registration was obtained. There is no provision for carry-over from an annual period in which CPE was not required.</p> <p>(b) An applicant seeking renewal of a certificate, license or registration from a Board shall assert in a manner acceptable to the Board, that the applicant for renewal meets all of the following CPE requirements:</p> <p>(1) Completion of a minimum of twenty (20) CPE credits during each annual period included in the CPE reporting period.</p> <p>(2) Completion of a minimum of an average of no fewer than forty (40) CPE credits for each annual period included within the CPE reporting period.</p> <p>(3) Completion of an average of two (2) ethics CPE credits for each annual period included within the CPE reporting period.</p> <p>(4) Completion of a minimum of fifty percent (50%) of the total CPE credits required for the CPE reporting period in technical fields of study. Qualifying subject areas for CPE are categorized as either technical or non-technical fields of study as set forth in Rules 3-9 and 3-10 above. Subjects other than technical and non-technical fields of study may be acceptable for CPE if the licensee can demonstrate to the satisfaction of the Board that such subjects or specific programs contribute to the maintenance and/or improvement of the licensee's professional competence.</p>	<p><b>4-30-134</b> Continuing professional education (CPE) requirements</p> <p>(a) CPE requirements for renewal are pursuant to RCW 18.04.215(5).</p> <p>(b) An individual seeking renewal shall assert in a manner acceptable to the board that they met all of the CPE requirements for renewal during their CPE reporting period ending December 31 of the year prior to their license expiration date.</p> <p>(c) CPA licensee (i) Completion of a minimum of one hundred twenty CPE hours within the three-year CPE reporting period; (ii) Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132; (iii) Completion of a minimum of twenty CPE credit hours during each calendar year included in the three-year CPE reporting period. Restrictions on the type of CPE credit hours qualifying to meet the twenty credit hour minimum are specified in WAC 4-30-133; and (iv) Completion of no more than sixty CPE credit hours in nontechnical subject areas as specified in WAC 4-30-132. Exception: If the licensee qualifies for CPE reciprocity, see the CPE requirements under the provisions of WAC 4-30-134(7).</p> <p>(d) CPA-Inactive certificate holder or nonlicensee firm owner. Completion of a four CPE credit hours Washington state board approved ethics course meeting the requirements of WAC 4-30-132.</p> <p>(2) First renewal cycle:</p> <p>(a) After license issuance: (i) CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW. (ii) Credit is not allowed for programs taken to prepare an applicant for the CPA examination or the AICPA ethics examination as a requirement for initial licensure.</p> <p>(b) After conversion of a CPA-Inactive to a CPA license: (i) If your license was issued during the first calendar year of your CPE reporting period, you must have completed eighty CPE credit hours which is limited to sixteen CPE credit hours in nontechnical subject areas and must include a four CPE credit hours Washington state board approved ethics course in ethics meeting the requirements of WAC 4-30-132 (ii) If your license was issued during the second calendar year of your CPE reporting period, you must have completed forty CPE credit hours which is limited to 8 eight CPE credit hours in nontechnical subject areas and must include a four CPE credit hours Washington state board approved in ethics course meeting the requirements of WAC 430-132. (iii) If your license was issued during the third calendar year of your CPE reporting period, you must have completed a four credit hour Washington state board approved in ethics course meeting the requirements of WAC 4-30-132.</p>

CPE Reporting Period	Total CPE credits required per reporting period	Minimum CPE credits required in each annual period in the reporting period	Qualifying ethics credits required per CPE reporting period	Minimum CPE credits in reporting period in technical subject areas
Annual (1 year)	40	40	2	20
Biennial (2 years)	80	20	4	40
Triennial (3 years)	120	20	6	60

An applicant whose certificate, license or registration has been lapsed, revoked or suspended for fewer than five (5) years may, at the Board's discretion, complete qualifying CPE that averages no fewer than forty (40) credits of qualified CPE, for each annual period included in the CPE reporting period preceding the date of reapplication, not to exceed a total of one hundred twenty (120) credits. An applicant whose certificate, license, or registration has lapsed or has been suspended or revoked may at the Board's discretion be required to identify and complete a program of learning designed to demonstrate the currency of the licensee's competencies directly related to his or her area of practice.

(d) Licensees granted inactive or retired status for fewer than five (5) years by the Board may discontinue use of the word "inactive" or "retired" in association with their license upon showing that they have completed qualifying CPE that averages no fewer than forty (40) credits of qualified CPE for each annual period included in the CPE reporting period preceding the request to discontinue use of the word "inactive" or "retired," not to exceed a total of one hundred twenty (120) credits.

(e) For a certificate, license or registration that has been lapsed, suspended, revoked, inactive or retired for a period of five (5) years or more, the Board has the discretion to determine the number and type of CPE credits as a requirement for reinstatement.

(f) Upon request by the Board, the applicant for renewal shall provide proof of completion or other evidence acceptable to the Board that supports the assertion by the applicant that the applicant has met the CPE renewal requirements. If the Board so requests, the applicant shall also submit an explanation of how any portion of CPE credits for renewal questioned by the Board relate to the applicant's continuing professional competence.

(3) Extension requests for renewal

(a) If an individual has failed to complete the required CPE as defined in WAC 4-30-134 by December 31 of the last year of their three-year CPE reporting period, the individual must notify the board prior to their expiration date to request an extension of time to complete their CPE requirement by their expiration date.

(b) Credits earned during the interim period between January 1 and June 30 of the individual's renewal year that are used to meet the prior reporting period's CPE requirement will be carried back to the CPE reporting period ended December 31. These credits cannot be counted towards the requirement for the individual's current CPE reporting period.

(c) An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six year period).

(4) Failure to obtain required CPE for renewal. Under the following circumstances an individual will lapse effective July 1 and will need to apply for reinstatement:

(a) An individual who failed to obtain the required CPE credit hours by December 31 of the last year of their CPE reporting period and failed to request an extension by their expiration date;

(b) An individual who failed to obtain the required CPE credit hours by December 31 for the second time in any two consecutive CPE reporting periods; or

(c) An individual who failed to obtain the necessary CPE credit hours by June 30 of their renewal year after submitting an extension request.

See Remainder of draft rule for specifics related to Applications other than renewal, individuals operating under mobility, CPE reciprocity,

**Rule 6-5** (4) Completion of a minimum of fifty percent (50%) of the total CPE credits required for the CPE reporting period in technical fields of study. Qualifying subject areas for CPE are categorized as either technical or non-technical fields of study as set forth in Rules 3-9 and 3-10 above. Subjects other than technical and non-technical fields of study may be acceptable for CPE if the licensee can demonstrate to the satisfaction of the Board that such subjects or specific programs contribute to the maintenance and/or improvement of the licensee's professional competence

(a)(1) The following learning activities shall qualify for CPE credit: (1) A learning activity that complies with the Statement on Standards for Continuing Professional Education (CPE) Programs, issued jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), and is coordinated and presented by a qualifying CPE program sponsor as set forth below in Rule 6-5 (b). The sources of qualifying learning activities include but are not limited to the following:

- (A) Group Programs;
- (B) Self-Study Programs;
- (C) Blended Learning Programs;
- (D) Nano-Learning Programs;

- (E) Instructor/Developer of CPE programs in (A) through (D) above or in (2) and (4) below;
- (F) Technical Reviewer of CPE programs in (A) through (D) above or in (2) and (4) below; and

(G) Independent Study.

**4-30-132** (1) CPE activities are learning opportunities that contribute directly to an individual's knowledge, ability, and/or competence to perform his or her 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 (.2 credit hours) but less than fifty minutes (1.0 credit hours) has been completed; or

(b) Formal learning format - defined herein, as a formal activity of learning that is: A minimum of fifty minutes in length with participants signing in to record attendance; If the program exceeds four credit hours, participants must also sign out during the last hour of the program; 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 taken after initial licensure: For both undergraduate and graduate courses one quarter credit equals 10 CPE credit hours and one semester credit equals 15 CPE credit hours.

(f) Interactive and non-interactive 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, and 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: Programs dealing with activities relating to the following general subjects areas are acceptable for all formats so long as they meet provided they follow the standards in subsection (1) of this section **Note - see proposed rule for listing of subject areas related to technical and nontechnical subject areas, incl. reference to WA state board approved ethics, and the areas that said ethics course must cover (7)(a) thru (e).**
- (6) Subjects other than those listed above may be acceptable provided you can demonstrate they contribute to your professional competence

*COMMENT: The sources of qualified learning activities, including independent study, are fully defined in the Statement on Standards for Continuing Professional Education (CPE) Programs.*

- (a)(2) A college or university course that is coordinated and presented by a qualifying university or college as set forth in Rule 6-5 (b)(2) below in a technical or nontechnical field of study; No CPE credit shall be permitted for attending or instructing college or university courses considered to be basic or introductory accounting courses or CPA exam preparation/review courses
- (a)(3) Authorship of published articles, books and other publications relevant to maintaining or improving professional competence.
- (a)(4) A group learning activity that is coordinated and presented by a person, firm, association, corporation or group, other than a qualifying CPE program sponsor as defined in Rule 6-5 (b) below. These programs are generally related to topics of the specialized knowledge field of study by persons or organizations with expertise in these specialized industries  
*COMMENT: The purpose of Rule 6-5(a)(4) is to permit a learning activity related to specialized industries to satisfy requirements for CPE. The focus is on conferences or learning events that are in specialized industries, such as oil and gas or gaming. The conference or learning event provides critical information and knowledge specific to the operations of specialized industries that is necessary for those providing professional services in those industries. However, these conferences and learning events may not be designed to adhere to the State's CPE program requirements. Therefore, the CPE credits earned from specialized industry learning activities are limited to no more than twenty-five percent (25%) of the total qualifying CPE credits for the CPE reporting period per Rule 6-6(a)(1)(l).*
- (a)(5) Participation and work on a technical committee of an international, national or state professional association, council or member organization, or a governmental entity that supports professional services or industries that require unique and specific knowledge in technical fields of study.
- (b) The following are deemed to be qualifying CPE program sponsors provided they offer activities which comply with the Statement on Standards for CPE Programs:



- (b)(1) Persons, firms, associations, corporations or other groups that are members of NASBA's National Registry of CPE Sponsors;
- (b)(2) Recognized national and state professional accounting associations and their local affiliates that are approved by the Board;
- (b)(3) Universities or colleges accredited at the time the CPE program was delivered by virtue of accreditation by an organization recognized by the Council for Higher Education Accreditation as a specialized, professional, or regional accrediting organization; and
- (b)(4) Persons, firms, associations, corporations or other groups that are approved by the Board.
- (c) Acceptable evidence for completion of qualifying learning activities shall include the following:
  - (c)(1) For programs or courses as set forth in Rule 6-5 (a) (1) and (2), acceptable evidence should include a certificate of completion or transcript issued by the qualifying CPE program sponsor.
  - (c)(2) For activities set forth in Rule 6-5 (a) (3), acceptable evidence may include a copy of the publication that names the licensee as author or contributor; a statement from the licensee supporting the number of CPE credits claimed; and the name and contact information of the independent reviewer(s) or publisher.
  - (c)(3) For programs or courses as set forth in Rule 6-5 (a) (4), acceptable evidence may include a certificate of attendance or other verification supplied by the program sponsor. If a certificate of attendance or other verification is not available, then acceptable evidence shall include copies of the course agenda, program materials, or other documents attributable to the learning activity.
  - (c)(4) For activities set forth in Rule 6-5 (a) (5), acceptable evidence shall include a written certificate of the licensee setting forth all of the following:
    - (A) The nature of the activity (e.g., topic or specific new competency acquired), the items discussed and the source/materials considered.
    - (B) The dates on which the learning activity occurred.
    - (C) The number of CPE credits attributed to the learning activity.
    - (D) Details of the relevance of the learning activity to the participant's current or future professional development.

**Rule 6-6**

- (a) Computation of CPE credits. Each approved CPE course, program, or activity shall be measured by program length, with one 50- minute period equal to one CPE credit.
- (a)(1) Computation of CPE credits for qualifying CPE programs shall be as follows:
  - (A) Group programs, independent study and blended learning programs – A minimum of one credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth or one-half increments.
  - (B) Self-study – A minimum of one-half credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth or one-half increments.

**4-30-133** NEW SECTION Reporting periods, carry forward/back, and limitations on continuing professional education (CPE) credit

- (1) CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31 of the subsequent third calendar year.
- (2) CPE credit is given in half-hour increments only after the first full CPE credit hour has been earned except for Nano learning. A minimum of fifty minutes constitutes one CPE credit hour and after the first fifty-minute segment has been earned, twenty-five minutes constitutes one-half CPE credit hour.
- (3) Carry-forward: CPE credit hours you complete during one CPE reporting period cannot be carried forward to the next period.

(C) Nano-learning – The credit to be earned for a single nano-learning program is one fifth credit.

(D) For blended learning programs included in Rule 6-5 (a)(1)(C), CPE credit must equal the sum of the CPE credit determination for the various completed components of the program.

(E) An instructor/developer of qualifying CPE programs included in Rule 6-5 (a) (1) (A) through (D) may receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation. For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor/developer CPE credit.

(F) A technical reviewer of qualifying CPE programs included in Rule 6-5 (a) (1) (A) through (D) may receive CPE credit for actual review time up to the actual number of CPE credits for the learning activity. For repeat technical reviews, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for technical reviewer CPE credit.

(4) Carry-back: As specified in WAC 4-30-134, CPE credit hours you complete during one CPE reporting period cannot be carried back to the previous reporting period unless the board has approved a request for extension or has required the carry-back as part of sanctions for failure to complete required CPE.

(5) Preparation time for CPE attendance: Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time unless the attendee is the discussion leader for the particular CPE segment or program.

(6) Limitations on CPE Credit: In any given three year renewal cycle, licensees are limited to the following upper limits of CPE credit for the following formats: a) Nano learning, as defined in WAC 4-30-010, is limited to no more than 12 CPE credit hours out of the 120 CPE credit total as specified in WAC 4-30-134. b) No more than 60 hours of CPE can be awarded to any licensee during the three year reporting period for: i. Service on the Washington state board of accountancy or the board's committees or volunteer service on one of the board approved committees ii. First time instructor/developer of a college or university course iii. First time instructor/developer of a CPE course iv. Authorship of published articles, books, and other publications relevant to maintaining or improving professional competence c) Board service including participation on an approved peer review committee, first time instructor/developer, or authorship of published materials will not count towards the minimum twenty credit hours of CPE required per WAC 4-30-134 during each of the three years of the CPE reporting period.

(7) **Further Requirements and Clarifications:** a) **Self-study programs:** Credit for self-study programs is allowed for reporting purposes on the date you completed the program as established by the course completion certificate provided by the program sponsor. i) **Interactive self-study programs:** Interactive means electronic or other delivery formats of CPE in which feedback is provided during the study of the material in a manner to validate the individual's understanding of the material. The amount of credit allowed for interactive self-study is that which is recommended and documented by the program sponsor on the basis of the average completion time under appropriate "field tests." ii) **Non-interactive self-study programs:** The amount of credit allowed for non-interactive self-study is one-half the average completion time as determined and documented by the program sponsor on the basis of appropriate "field tests." b) **Instructor, discussion leader, or speaker:** If you serve as an instructor, discussion leader, or speaker at a program which meets the standards of WAC 4-30-132, the first time you present the program you may claim CPE credit hours for both preparation and presentation time. One hour of credit is allowed for each fifty minutes of instruction. Additionally, you may claim credit for actual preparation time up to two times the presentation hours. No credit is allowed for subsequent presentations of a course constituted of substantially the same material. c) **Undergraduate and graduate courses:** For both undergraduate and graduate courses one semester credit equals 15 CPE credit hours and one quarter credit equals 10 CPE credit hours.

(G) Authors of published articles, books and other publications may receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence. For the author to receive CPE credit, the article, book or CPE program must be formally reviewed by an independent subject matter expert. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for author CPE credit.

(H) (i) For courses that are part of the curriculum of a university, college or other educational institution, each semester hour credit shall equal fifteen (15) CPE credits, and each quarter hour shall equal ten (10) CPE credits. (ii) For non-credit courses, CPE credit shall equal actual time in class. (iii) CPE credit for instructing a college or university course shall be twice the credit that would have been granted participants for the first presentation of a specific course or program and none thereafter, except if the course content has been substantially revised. To the extent a course has been substantially revised, the revised portion shall be considered a first presentation. (iv) Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor CPE credit.

(I) Not more than twenty-five percent (25%) of the total qualifying CPE credits for a CPE reporting period may consist of a combination of the learning activities defined in Rule 6-5 (a) (4) and (5).

<b>Qualifying CPE Program</b>	<b>Minimum initial credit that must be earned</b>	<b>After first credit has been earned, credit may be earned in these increments</b>
<b>Group</b>	<b>One</b>	<b>One-fifth or one-half</b>
<b>Independent study</b>	<b>One</b>	<b>One-fifth or one-half</b>
<b>Blended learning</b>	<b>One</b>	<b>One-fifth or one-half</b>
<b>Self-study</b>	<b>One-half</b>	<b>One-fifth or one-half</b>
<b>Nano-learning</b>	<b>One-fifth</b>	<b>Not applicable (single nano-learning program is one-fifth credit)</b>

(b) CPE Records. An applicant seeking renewal of a certificate, registration or license from the Board shall, as a prerequisite for such renewal, certify in a manner acceptable to the Board, that the applicant for renewal meets all of the CPE requirements set forth in Rule 6-4 above. Responsibility for documenting the acceptability of the program and the validity of the credits rests with the applicant who should retain such documentation for the longer of a period of five years or two reporting periods following completion of each learning activity.

The Board will verify, on a test basis, information submitted by applicants for renewal of a certificate, registration or license. In cases where the Board determines that the requirement is not met, the Board may grant an additional period of time in which the deficiencies can be cured or seek disciplinary action, at the Board's discretion. Fraudulent reporting is a basis for disciplinary action.



STATE OF WASHINGTON  
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Semi-Annual Rules Development Agenda  
January 2019 through June 2019

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:

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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	CR-101 April 2019	CR-102 July 2019	CR-103 October 2019
WAC 4-30-062	How do I apply to take the CPA examination?	CR-101 filed August 2018	CR-102 April 2019	CR-103 July 2019
WAC 4-30-132	What are the program standards for CPE?	CR-101 April 2019	CR-102 July 2019	CR-103 October 2019
WAC 4-30-134	What are the continuing professional education (CPE) requirements for individuals?	CR-101 April 2019	CR-102 July 2019	CR-103 October 2019
WAC 4-30-136	How do I report my CPE to the board?	CR-101 April 2019	CR-102 July 2019	CR-103 October 2019
WAC 4-30-138	What documentation must I retain to support eligibility for CPE credits?	CR-101 April 2019	CR-102 July 2019	CR-103 October 2019

Charles Satterlund, CPA  
Executive Director

OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED  <b>DATE: December 19, 2018</b> <b>TIME: 9:18 AM</b> <b>WSR 19-01-115</b>
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**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.

**"Affiliated entity"** means any entity, entities or persons that directly or indirectly through one or more relationships influences or controls, is influenced or controlled by, or is under common influence or control with other entities or persons. This definition includes, but is not limited to, parents, subsidiaries, investors or investees, coinvestors, dual employment or management in joint ventures or brother-sister entities.

**"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-Inactive certificate, a CPA firm license, or registration as a resident nonlicensee firm owner;

(d) To reinstate an individual license, a CPA-Inactive certificate, registration as a resident nonlicensee firm owner, or practice privileges.

**"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.

**"Authorized person"** means a person who is designated or has held out as the client's representative, such as a general partner, tax matters partner, majority shareholder, spouse, agent, or apparent agent.

**"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"** means a certificate as a CPA-Inactive issued in the state of Washington prior to July 1, 2001, as authorized by the act, unless otherwise defined in rule.

**"Certificate holder"** means the holder of a valid CPA-Inactive certificate where the individual is not a licensee and is prohibited from practicing public accounting.

**"Client"** means the person or entity that retains a licensee, as defined in this section, a CPA-Inactive certificate holder, 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.

**"Commissions and referral fees"** are compensation arrangements where the primary contractual relationship for the product or service is not between the client and licensee, as defined in this section, CPA-Inactive certificate holder, nonlicensee firm owner of a licensed firm, or a person affiliated with a licensed firm; and

(a) Such persons are not primarily responsible to the client for the performance or reliability of the product or service; or

(b) Such persons add no significant value to the product or service; or

(c) A third party instead of the client pays the persons for the products or services.



**"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.

**"Contingent fees"** are fees 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.

**"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).

**"CPA-Inactive"** means an individual holding a CPA-Inactive certificate recognized in the state of Washington. An individual holding a CPA-Inactive certificate is prohibited from practicing public accounting and may only use the CPA-Inactive title if

they are not offering accounting, tax, tax consulting, management advisory, or similar services to the public.

**"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"** means a sole proprietorship, a corporation, or a partnership. "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)(iii)(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.

**"Inactive"** means the individual held a valid certificate on June 30, 2001, has not met the current requirements of licensure and has been granted CPA-Inactive certificate holder status through the renewal process established by the board. A CPA-Inactive may not practice public accounting nor may the individual use the CPA-Inactive title if they are offering accounting, tax, tax consulting, management advisory, or similar services to the public.

**"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 the act of another state.

**"Licensee"** means an individual or firm holding a valid license to practice public accounting issued under the act, including out-of-state individuals exercising practice privileges in this state 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 (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 ten minutes (.2 CPE credit hours) consisting of electronic self-study with a stated learning objective and 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.

**"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(10) 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.

**"Referral fees"** see definition of "commissions and referral fees" in this section.

**"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 (10) or (11) provided by persons not holding a license under this chapter as provided in RCW 18.04.350(14).

**"Representing oneself"** means having a license, practice privilege, certificate 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 CPA-Inactive certificate holders, 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)(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.

[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: 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 4-30-132 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 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 (.2 credit hours) but less than fifty minutes (1.0 credit hours) 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 taken after initial licensure: For both undergraduate and graduate courses one quarter credit equals 10 CPE credit hours and one semester credit equals 15 CPE credit hours.;

(f) Interactive and non-interactive 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 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 materials 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 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 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?

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

(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?

(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 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 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(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.]

What are the program standards for (CPE) activities? (

(1) 1) CPE activities are learning opportunities that contribute directly to an individual's knowledge, ability, and/or competence to perform his or her 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 (.2 credit hours)but less than fifty minutes (1.0 credit hours) has been completed; or

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

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~~Qualifying program: A program qualifies as acceptable CPE for purposes of RCW 18.04.215(5) if it is a formal program of learning which contributes to the CPA's professional knowledge and competence. A formal program means:~~

~~• The program is A minimum of at least fifty minutes of continuous instruction in length with participants signing in to record attendance;~~

~~• Attendance is recorded;~~

~~• Participants sign in to confirm attendance and, i If the program is greater than exceeds four credit hours, participants must also sign out during the last hour of the program; and~~

• Attendees are provided a certificate of completion.

~~(23) 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;~~

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

(e) Undergraduate and graduate courses taken after initial licensure: ~~A graduate or undergraduate course qualifies for CPE credit if it meets the standards in subsections (1) and (5) of this section.~~ For both undergraduate and graduate courses one quarter credit equals 10 CPE credit hours and one semester credit equals 15 CPE credit hours.;

(f) Interactive and non-interactive 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;

~~(3) **Committee meetings:** Generally, CPE credit is not allowed for attending committee meetings. A meeting qualifies for CPE credit only if it meets the standards in subsections (1) and (5) of this section.~~

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~~(4k) CPE credit hours for volunteer s~~Service on the Washington state board of accountancy, ~~and its~~the board's committees, ~~and or~~ volunteer service on one of the board approved peer review committees;

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~~;~~ ~~You may receive up to sixty four hours of technical CPE credit each calendar year for actual time spent on board, board committee, or board approved peer review committee activities including actual time you spend preparing for committee meetings.~~

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

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(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.

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(5) **Subject areas:** ~~Programs dealing with~~Activities relating to the following ~~general~~subject~~s~~ areas are acceptable for all



~~formats so long as they meet provided they follow~~ the standards  
~~in subsection (1)~~ 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 ~~(other than those programs used to satisfy the requirements of WAC 4-30-134(3))~~;
- (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. ~~You are solely responsible for demonstrating that a particular program contributes to your professional competency.~~

(67) Washington state board approved ethics

Courses must meet the following requirements:

(a) The content of the course 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 materials 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 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 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?

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

(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?

(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 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 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.

~~**Group programs:** You may claim CPE credit for group programs such as the following so long as the program meets the standards in subsections (1) and (5) of this section:~~

~~(a) Professional education and development programs of national, state, and local accounting organizations;~~

~~(b) Technical sessions at meetings of national, state, and local accounting organizations and their chapters;~~

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~~(c) Formal in firm education programs;~~

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

~~(e) Dinner, luncheon, and breakfast meetings which are structured as formal educational programs;~~

~~(f) Firm meetings for staff and/or management groups structured as formal education programs. Portions of such meetings devoted to communication and application of general professional policy or procedure may qualify, but portions devoted to firm administrative, financial and operating matters generally will not qualify.~~

~~(7) **CPE credit:** CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW. Credit is not allowed for programs taken to prepare an applicant for the ethics examination as a requirement for initial licensure. CPE credit is given in half hour increments only after the first full CPE credit hour has been earned. A minimum of fifty minutes constitutes one CPE credit hour and,~~

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~~after the first fifty minute segment has been earned, twenty-five minutes constitutes one-half CPE credit hour. For example:~~

- ~~• Twenty-five minutes of continuous instruction counts as zero CPE credit hour if that instruction is the first CPE course taken;~~

- ~~• Fifty minutes of continuous instruction counts as one CPE credit hour; and~~

- ~~• Seventy five minutes of continuous instruction counts as one and one half CPE credit hours.~~

~~Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time unless the attendee is the discussion leader for the particular CPE segment or program.~~

~~(8) **Self study programs:** Credit for self study programs is allowed for reporting purposes on the date you completed the program as established by the evidence of completion provided by the program sponsor.~~

~~(a) **Interactive self study programs:** Interactive means electronic or other delivery formats for delivery of CPE in which feedback is provided during the study of the material in a~~

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Commented [DK(13)]: Moved to new WAC 4-30-133

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Commented [DK(15)]: Moved up in this section and in new WAC 4-30-133

~~manner to validate the individual's understanding of the material. The amount of credit allowed for interactive self-study is that which is recommended by the program sponsor on the basis of the average completion time under appropriate "field tests." In order to claim CPE credit for interactive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor. Self-study CPE courses registered with the National Association of State Boards of Accountancy (NASBA) as a Quality Assurance Service (QAS) sponsor may be accepted as interactive.~~

~~(b) **Noninteractive self-study programs:** The amount of credit allowed for noninteractive self-study is one-half the average completion time as determined by the program sponsor on the basis of appropriate "field tests." To claim CPE credit for noninteractive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor.~~

~~(9) **Instructor, discussion leader, or speaker:** If you serve as an instructor, discussion leader or speaker at a program which meets the standards in subsections (1) and (5) of this section, the first time you present the program you may claim~~

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**Commented [DK(17):** Moved up in this section and to new WAC 4-30-133



~~CPE credit for both preparation and presentation time. One hour of credit is allowed for each fifty minutes of instruction. Additionally, you may claim credit for actual preparation time up to two times the presentation hours. No credit is allowed for subsequent presentations. A maximum of seventy two CPE credit hours are allowed for preparation and presentation during each CPE reporting period.~~

~~(10) **Published articles, books:** You may claim CPE credit for published articles and books, provided they contribute to your professional competence. Credit for preparation of such publications may be claimed on a self declaration basis for up to thirty hours in a CPE reporting period. In exceptional circumstances, you may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances that justify a greater credit. The amount of credit awarded for a given publication will be determined by the board.~~

**Commented [DK(18):** Moved up in this section and to new WAC 4-30-133

~~(11) **Carry forward:** CPE credit hours you complete during one CPE reporting period cannot be carried forward to the next period.~~

**Commented [DK(19):** Moved to new WAC 4-30-133

~~(12) **Carry back:** As specified in WAC 4-30-134(8), CPE credit hours you complete during one CPE reporting period can be carried back to the previous reporting period only after the board has approved your extension request or has required the carry back as part of sanctions for failure to complete required CPE.~~

**Commented [DK(20):** Moved to new WAC 4-30-133

~~(13) **Credential examination:** CPE credit may not be claimed for CPA examination review courses. 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. CPE credit may not be claimed for CPA examination review courses.~~

**Commented [DK(21):** Moved up in this section

[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.]

**WAC 4-30-132 What are the program standards for CPE? (1)**

**Qualifying program:** A program qualifies as acceptable CPE for purposes of RCW 18.04.215(5) if it is a formal program of learning which contributes to the CPA's professional knowledge and competence. A formal program means:

- The program is at least fifty minutes in length;
- Attendance is recorded;
- Participants sign in to confirm attendance and, if the program is greater than four credit hours, participants sign out during the last hour of the program; and
- Attendees are provided a certificate of completion.

(2) **Undergraduate and graduate courses:** A graduate or undergraduate course qualifies for CPE credit if it meets the standards in subsections (1) and (5) of this section. For both undergraduate and graduate courses one quarter credit equals 10 CPE credit hours and one semester credit equals 15 CPE credit hours.

(3) **Committee meetings:** Generally, CPE credit is not allowed for attending committee meetings. A meeting qualifies for CPE

credit only if it meets the standards in subsections (1) and (5) of this section.

(4) **CPE credit hours for volunteer service on the board and its committees and volunteer service on board approved peer review committees:** You may receive up to sixty-four hours of technical CPE credit each calendar year for actual time spent on board, board committee, or board approved peer review committee activities including actual time you spend preparing for committee meetings.

(5) **Subject areas:** Programs dealing with the following general subject areas are acceptable so long as they meet the standards in subsection (1) 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 (other than those programs used to satisfy the requirements of WAC 4-30-134(3));
  - (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.

Subjects other than those listed above may be acceptable provided you can demonstrate they contribute to your professional competence. You are solely responsible for demonstrating that a particular program contributes to your professional competency.

(6) **Group programs:** You may claim CPE credit for group programs such as the following so long as the program meets the standards in subsections (1) and (5) of this section:

(a) Professional education and development programs of national, state, and local accounting organizations;

(b) Technical sessions at meetings of national, state, and local accounting organizations and their chapters;

(c) Formal in-firm education programs;

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

(e) Dinner, luncheon, and breakfast meetings which are structured as formal educational programs;

(f) Firm meetings for staff and/or management groups structured as formal education programs. Portions of such meetings devoted to communication and application of general professional policy or procedure may qualify, but portions devoted to firm administrative, financial and operating matters generally will not qualify.

(7) **CPE credit:** CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW. Credit is not allowed for programs taken to prepare an applicant for the ethics examination as a requirement for initial licensure. CPE credit is given in half-hour increments only after the first full CPE credit hour has been earned. A minimum of fifty minutes constitutes one CPE credit hour and, after the first fifty-minute segment has been earned, twenty-five minutes constitutes one-half CPE credit hour. For example:

- Twenty-five minutes of continuous instruction counts as zero CPE credit hour if that instruction is the first CPE course taken;

- Fifty minutes of continuous instruction counts as one CPE credit hour; and

- Seventy-five minutes of continuous instruction counts as one and one-half CPE credit hours.

Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time unless the attendee is the discussion leader for the particular CPE segment or program.

(8) **Self-study programs:** Credit for self-study programs is allowed for reporting purposes on the date you completed the program as established by the evidence of completion provided by the program sponsor.

(a) **Interactive self-study programs:** Interactive means electronic or other delivery formats for delivery of CPE in which feedback is provided during the study of the material in a manner to validate the individual's understanding of the material. The amount of credit allowed for interactive self-



study is that which is recommended by the program sponsor on the basis of the average completion time under appropriate "field tests." In order to claim CPE credit for interactive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor. Self-study CPE courses registered with the National Association of State Boards of Accountancy (NASBA) as a Quality Assurance Service (QAS) sponsor may be accepted as interactive.

(b) **Noninteractive self-study programs:** The amount of credit allowed for noninteractive self-study is one-half the average completion time as determined by the program sponsor on the basis of appropriate "field tests." To claim CPE credit for noninteractive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor.

(9) **Instructor, discussion leader, or speaker:** If you serve as an instructor, discussion leader or speaker at a program which meets the standards in subsections (1) and (5) of this section, the first time you present the program you may claim CPE credit for both preparation and presentation time. One hour of credit is allowed for each fifty minutes of instruction.

Additionally, you may claim credit for actual preparation time up to two times the presentation hours. No credit is allowed for subsequent presentations. A maximum of seventy-two CPE credit hours are allowed for preparation and presentation during each CPE reporting period.

(10) **Published articles, books:** You may claim CPE credit for published articles and books, provided they contribute to your professional competence. Credit for preparation of such publications may be claimed on a self-declaration basis for up to thirty hours in a CPE reporting period. In exceptional circumstances, you may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances that justify a greater credit. The amount of credit awarded for a given publication will be determined by the board.

(11) **Carry-forward:** CPE credit hours you complete during one CPE reporting period cannot be carried forward to the next period.

(12) **Carry-back:** As specified in WAC 4-30-134(8), CPE credit hours you complete during one CPE reporting period can be

carried back to the previous reporting period only after the board has approved your extension request or has required the carry-back as part of sanctions for failure to complete required CPE.

(13) **Credential examination:** CPE credit may not be claimed for CPA examination review courses. 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. CPE credit may not be claimed for CPA examination review courses.

[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.]

## NEW SECTION

### **WAC 4-30-133 Reporting periods, carry forward/back, and limitations on continuing professional education (CPE) credit**

(1) **CPE reporting period** is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31 of the subsequent third calendar year.

(2) **CPE credit** is given in half-hour increments only after the first full CPE credit hour has been earned except for Nano learning.

A minimum of fifty minutes of continuous instruction constitutes one CPE credit hour and after the first fifty-minute segment has been earned, twenty-five minutes constitutes one-half CPE credit hour.

(3) **Carry-forward:** CPE credit hours you complete during one CPE reporting period cannot be carried forward to the next period.

(4) **Carry-back:** As specified in WAC 4-30-134, CPE credit hours you complete during one CPE reporting period cannot be carried back to the previous reporting period unless the board has approved a request for extension or has required the carry-back as part of sanctions for failure to complete required CPE.

(5) **Preparation time for CPE attendance:** Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time unless the attendee is the discussion leader for the particular CPE segment or program.

(6) **Limitations on CPE Credit:** In any given three year renewal cycle, licensees are limited to the following upper limits of CPE credit for the following formats:

a) Nano learning, as defined in WAC 4-30-010, is limited to no more than 12 CPE credit hours out of the 120 CPE credit total as specified in WAC 4-30-134.

b) No more than 60 hours of CPE can be awarded to any licensee during the three year reporting period for:

i. Service on the Washington state board of accountancy or the board's committees or volunteer service on one of the board approved peer review committees

ii. First time instructor/developer of a college or university course

iii. First time instructor/developer of a CPE course

iv. Authorship of published articles, books, and other publications relevant to maintaining or improving professional competence

c) Board service including participation on an approved peer review committee, first time instructor/developer, or authorship of published materials will not count towards the minimum twenty credit hours of CPE required per WAC 4-30-134 during each of the three years of the CPE reporting period.

**(7) Further Requirements and Clarifications:**

a) **Self-study programs:** Credit for self-study programs is allowed for reporting purposes on the date you completed the program as established by the course completion certificate provided by the program sponsor.

i) **Interactive self-study programs:** Interactive means electronic or other delivery formats of CPE in which feedback is provided during the study of the material in a manner to validate the individual's understanding of the material. The amount of credit allowed for interactive self-study is that which is recommended and documented by the program sponsor on the basis of the average completion time under appropriate "field tests."

ii) **Non-interactive self-study programs:** The amount of credit allowed for non-interactive self-study is one-half the average completion time as determined and documented by the program sponsor on the basis of appropriate "field tests."

b) **Instructor, discussion leader, or speaker:** If you serve as an instructor, discussion leader, or speaker at a program which meets the standards of WAC 4-30-132, the first time you present the program you

may claim CPE credit hours for both preparation and presentation time. One hour of credit is allowed for each fifty minutes of instruction. Additionally, you may claim credit for actual preparation time up to two times the presentation hours. No credit is allowed for subsequent presentations of a course constituted of substantially the same material.

c) **Undergraduate and graduate courses**: For both undergraduate and graduate courses one semester credit equals 15 CPE credit hours and one quarter credit equals 10 CPE credit hours.

**WAC 4-30-134 Continuing professional education (CPE)**

**requirements**

**(1) Renewal**

(a) CPE requirements for renewal are pursuant to RCW 18.04.215(5).

(b) An individual seeking renewal shall assert in a manner acceptable to the board that they met all of the CPE requirements for renewal during their CPE reporting period ending December 31 of the year prior to their license expiration date.

**(c) CPA licensee**

(i) Completion of a minimum of one hundred twenty CPE credit hours within the three-year CPE reporting period;

(ii) Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132;

(iii) Completion of a minimum of twenty CPE credit hours during each calendar year included in the three-year CPE reporting period. Restrictions on the type of CPE credit hours qualifying to meet the twenty credit hour minimum are specified in WAC 4-30-133; and

(iv) Completion of no more than sixty CPE credit hours in nontechnical subject areas as specified in WAC 4-30-132.

Exception: If the licensee qualifies for CPE reciprocity, see the CPE requirements under the provisions of WAC 4-30-134(7).

(d) **CPA-Inactive certificate holder or nonlicensee firm owner**

Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(2) **First renewal cycle**

(a) After license issuance:

(i) CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW.

(ii) Credit is not allowed for programs taken to prepare an applicant for the CPA examination or the AICPA ethics examination as a requirement for initial licensure.

(b) After conversion of a CPA-Inactive to a CPA license

(i) If your license was issued during the **first calendar year** of your CPE reporting period, you must have completed



eighty CPE credit hours which is limited to sixteen CPE credit hours in nontechnical subject areas and must include a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(ii) If your license was issued during the **second calendar year** of your CPE reporting period, you must have completed forty CPE credit hours which is limited to eight CPE credit hours in nontechnical subject areas and must include a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(iii) If your license was issued during the **third calendar year** of your CPE reporting period, you must have completed a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

**(3) Extension requests for renewal**

(a) If an individual has failed to complete the required CPE as defined in WAC 4-30-134 by December 31 of the last year of their three-year CPE reporting period, the individual must notify the board prior to their expiration date to request an

extension of time to complete their CPE requirement by their expiration date.

(b) Credits earned during the interim period between January 1 and June 30 of the individual's renewal year that are used to meet the prior reporting period's CPE requirement will be carried back to the CPE reporting period ended December 31. These credits cannot be counted towards the requirement for the individual's current CPE reporting period.

(c) An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six year period).

**(4) Failure to obtain required CPE for renewal**

Under the following circumstances the board will serve notice that a license, CPA-Inactive certificate, or nonlicensee firm owner registration will lapse and the individual will have an opportunity to request a brief adjudicative proceeding:

(a) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31 of the last year of their CPE reporting period and failed to request an extension by their expiration date;

(b) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31 for the second time in any two consecutive CPE reporting periods; or

(c) An individual who applied for renewal and failed to obtain the necessary CPE credit hours by June 30 of their renewal year after submitting an extension request.

**(5) Applications other than renewal**

(a) For the following applications, you must have completed the requirements of this section within the thirty-six month period immediately preceding the date an application is submitted to the board; however, the completion of a four credit hour Washington state board approved ethics course must be within the six-month period immediately preceding the date your application and the CPE documentation are submitted to the board:

(i) You are applying to renew a license out of retirement;

(ii) You are a CPA-Inactive certificate holder applying for a license; or

(iii) You are applying for reinstatement of a lapsed, suspended, or revoked license.

(b) For the following applications, you must have completed a four credit hour Washington state board approved ethics course within the six-month period immediately preceding the date your application and the CPE documentation are submitted to the board:

(i) You are applying to renew a CPA-Inactive certificate out of retirement;

(ii) You are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate; or

(iii) You are applying to reinstate a lapsed, suspended, or revoked registration as a resident nonlicensee firm owner.

**(6) Individuals operating under mobility**

Licensees from other substantially equivalent US states or jurisdictions, eligible to exercise practice privileges under RCW 18.04.195, are exempt from the CPE requirements of this section provided that they have met the CPE requirements of the state in which they are licensed.

**(7) CPE Reciprocity**

(a) A nonresident licensee seeking renewal of a license in this state shall be determined to have met the CPE requirements

of this rule by meeting the CPE requirements for renewal of a license in the state in which the licensee's principal place of business is located.

(b) Nonresident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal place of business is located by signing a statement on the renewal application of this state.

(c) If the state of residence has no CPE requirements for renewal, the nonresident licensee must comply with all CPE requirements for this state.

[Statutory Authority: RCW 18.04.065 and 18.04.215(5). WSR 14-04-086, § 4-30-134, filed 2/3/14, effective 3/6/14. Statutory Authority: RCW 18.04.055 (7), (14), 18.04.215(5). WSR 13-17-094, § 4-30-134, filed 8/20/13, effective 1/1/14. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 11-07-070, § 4-30-134, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-134, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. WSR 09-17-044, § 4-25-830, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 08-18-016, § 4-25-830, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-830, filed 12/16/04, effective 1/31/05; WSR 02-04-

064, § 4-25-830, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(7), 18.04.104(8), 18.04.215(4). WSR 00-11-077, § 4-25-830, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(7), 18.04.215(4) and 18.04.105(8). WSR 99-23-045, § 4-25-830, filed 11/15/99, effective 1/1/00.]

WAC 4-30-134 ~~What are the e~~Continuing professional

education (CPE) requirements ~~for individuals?~~ (1) ~~Qualifying~~

Commented [DK(1)]: Moved to WAC 4-30-132

~~continuing professional education (CPE) must:~~

~~(a) Contribute to the professional competency in the individual's area(s) of professional practice or relative to the individual's current work place job functions;~~

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

~~(c) Be completed by individuals during any board specified CPE reporting period. A CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31st of the subsequent third calendar year; for example, if your license was issued any time during calendar year one (2013), the CPE reporting period ends on December 31st of calendar year three (2015).~~

Commented [DK(2)]: Moved to new WAC 4-30-133

(2) ~~General CPE requirements for r~~Renewal of valid credentials:

(a) CPE requirements for renewal are pursuant to RCW

18.04.215(5).

(b) An individual seeking renewal shall assert in a manner

acceptable to the board that they met all of the CPE requirements for renewal during their CPE reporting period ending December 31 of the year prior to their license expiration date.

(c) CPA licensee

(i) ~~must complete~~ Completion of a minimum~~a total~~ of ~~120~~one hundred twenty CPE ~~hours~~credit hours within the three-year CPE reporting period~~;~~~~including~~

(ii) Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132~~;CPE credit hours in ethics meeting the requirements of subsection (6) of this section. The total 120 CPE hour requirement is limited to~~

(iii) Completion of a minimum of twenty CPE credit hours during each calendar year included in the three-year CPE reporting period. Restrictions on the type of CPE credit hours

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qualifying to meet the twenty credit hour minimum are specified in WAC 4-30-133; and

(iv) Completion of no more than ~~24~~sixty CPE credit hours in nontechnical subject areas as specified in WAC 4-30-132.

Exception: If the licensee qualifies for CPE reciprocity, see the CPE requirements under the provisions of WAC 4-30-134(7).

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~~(d)~~ **A CPA-Inactive certificate holder or a resident nonlicensee firm owner** ~~must complete~~ Completion of a ~~four CPE~~ credit hours Washington state board approved ethics course meeting the requirements of WAC 4-30-132. in ethics meeting the requirements of subsection (6) of this section.

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~~(c) Individuals eligible to exercise practice privileges are exempt from the CPE requirements of this section.~~

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~~(3) First renewal cycle~~ **Exceptions to the general CPE requirements:**

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(a) After license issuance:

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(i) CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW.

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(ii) Credit is not allowed for programs taken to prepare an applicant for the CPA examination or the AICPA ethics examination as a requirement for initial licensure.

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~~(b) CPE requirements for the initial CPE renewal period~~  
~~After conversion of a CPA-Inactive certificate to a Washington state CPA license.~~

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(ia) If your license was issued during the **first calendar year** of your CPE reporting period, you must have completed ~~80~~ **eighty** CPE credit hours which is limited to ~~16~~ **sixteen** CPE credit hours in nontechnical subject areas and must include a ~~four CPE credit hours~~ Washington state board approved ethics course in ethics meeting the requirements of WAC 4-30-132. ~~subsection (6) of this section prior to December 31st of the calendar year following the calendar year in which your license was initially issued.~~

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(iib) If your license was issued during the **second calendar year** of your CPE reporting period, you must have completed ~~40~~

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forty CPE credit hours which is limited to ~~8~~ eight CPE credit hours in nontechnical subject areas and must include a ~~four~~ CPE credit hours ~~Washington state board approved~~ in ethics course meeting the requirements of ~~subsection (6) of this section~~ WAC 4-30-132.

(iiie) If your license was issued during the third calendar year of your CPE reporting period, you must have completed a four ~~CPE~~ credit hours ~~Washington state board approved~~ in ethics course meeting the requirements of WAC 4-30-132. ~~subsection (6) of this section.~~

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(3) Extension requests for renewal

Commented [DK(8)]: Incorporates both self-reported deficiencies and extension requests

(a) If an individual has failed to complete the required CPE as defined in WAC 4-30-134 by December 31 of the last year of their three-year CPE reporting period, the individual must notify the board prior to their expiration date to request an extension of time to complete their CPE requirement by their expiration date.

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(b) Credits earned during the interim period between January 1 and June 30 of the individual's renewal year that are used to meet the prior reporting period's CPE requirement will be

carried back to the CPE reporting period ended December 31.

These credits cannot be counted towards the requirement for the individual's current CPE reporting period.

(c) An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six year period).

**(4) Failure to obtain required CPE for renewal**

Under the following circumstances the board will serve notice that a license, CPA-Inactive certificate, or nonlicensee firm owner registration will lapse and the individual will have an opportunity to request a brief adjudicative proceeding:

(a) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31 of the last year of their CPE reporting period and failed to request an extension by their expiration date;

(b) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31 for the second time in any two consecutive CPE reporting periods; or

(c) An individual who applied for renewal and failed to obtain the necessary CPE credit hours by June 30 of their renewal year after submitting an extension request.

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**(5) Applications other than renewal**

(a) For the following ~~application circumstances~~, you must have completed the requirements of ~~subsection (2)(a) of this section~~ within the thirty-six-month period immediately preceding the date an application is submitted to the board; however, the completion of a four credit CPE hours Washington state board approved in ethics course meeting the requirements of subsection (6) of this section must be completed within the six-month period immediately preceding the date your application and the CPE documentation ~~is~~are submitted to the board:

(~~a~~i) You are applying to ~~reactivate~~ renew a license out of retirement; ~~or~~

(~~b~~ii) You are a CPA-Inactive certificate holder applying for a license; or

~~(c) You want to return to your previously held status as a licensee; or~~

(~~d~~iii) You are applying for reinstatement of a lapsed, suspended, or revoked license.

(~~5~~b) For the following ~~circumstances~~ applications, you must have completed ~~the a four CPE credit hours Washington state~~

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~~board approved in ethics course meeting the requirements of subsection (6) of this section~~ within the six-month period immediately preceding the date your application and the CPE documentation ~~is~~ are submitted to the board:

(~~a~~i) You are applying to ~~reactivate~~ renew a CPA-Inactive certificate out of retirement; ~~or~~

(~~b~~ii) You are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate; ~~or~~

~~(iii) You are applying to reinstate a lapsed, suspended, or revoked~~ registration as a resident nonlicensee firm owner.

**(6) Individuals operating under mobility**

Licensees from other substantially equivalent US states or jurisdictions, eligible to exercise practice privileges under RCW 18.04.195, are exempt from the CPE requirements of this section provided that they have met the CPE requirements of the state in which they are licensed.

**(7) CPE Reciprocity**

(a) A nonresident licensee seeking renewal of a license in this state shall be determined to have met the CPE requirements of this rule by meeting the CPE requirements for renewal of a

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license in the state in which the licensee's principal place of business is located.

(b) Nonresident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal place of business is located by signing a statement on the renewal application of this state.

(c) If the state of residence has no CPE requirements for renewal, the nonresident licensee must comply with all CPE requirements for this state.

~~(6) CPE in ethics and regulation.~~

Commented [DK(10): Moved to WAC 4-30-132

~~(a) During each CPE reporting period after initial licensing all individuals licensed in this state, including nonresident and individuals from foreign countries who received initial Washington state licenses by reciprocity, CPA Inactive certificate holders, and individuals initially recognized as resident nonlicensee firm owners are required to complete four qualifying CPE credit hours in approved ethics and regulations in Washington state.~~

~~(b) The content of the course 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.~~

~~(c) 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.~~

~~(d) The ethics and regulations course materials 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 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 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?~~



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

~~(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?~~

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

~~(e) The course must also include case study scenarios demonstrating how to comply with the relevant provisions of the AICPA Code of 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.~~

~~(f) 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 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.~~

~~(7) **CPE extension requests:**~~

~~(a) In order to renew your license, CPA Inactive certificate, or registration as a resident nonlicensee firm owner, you must complete the required CPE by December 31st of the calendar year preceding the calendar year of your renewal unless you can demonstrate your failure to meet the CPE requirements was due to reasonable cause.~~

~~(b) The board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment. You must request such an extension in writing by December 31st of the calendar year preceding the calendar year of your renewal. The request must include~~

Commented [DK(11): Moved to subsection (3)]

~~justification for the request and identify the specific CPE you plan to obtain to correct your CPE deficiency.~~

~~(c) A form useful for this purpose is available from the board's web site or will be provided to you upon request.~~

~~(8) **Self-reported deficiencies:**~~

~~(a) If you fail to file a timely request for extension but you self-report a CPE deficiency to the board during the renewal period January 1st through June 30th of the renewal year, you will be permitted to continue to use the restricted title during the renewal period provided you:~~

~~(i) Submit to the board, in writing, the specific CPE plan to obtain to correct the CPE deficiency on or before June 30th of the renewal year;~~

~~(ii) Timely complete the CPE sufficient to correct the deficiency;~~

~~(iii) Timely submit certificates of completion for the subject CPE taken to the board; and~~

~~(iv) Pay the fee for reinstatement of a lapsed credential on or before June 30th of the renewal year.~~

Commented [DK(12): Moved to subsection (3)]

~~(b) CPE deficiencies taken by June 30th of the renewal year under this subsection will be carried back to the reporting period ending on December 31st of the preceding calendar year and be subject to CPE audit in the next renewal period to ensure that inadvertent double counting does not occur.~~

[Statutory Authority: RCW 18.04.065 and 18.04.215(5). WSR 14-04-086, § 4-30-134, filed 2/3/14, effective 3/6/14. Statutory Authority: RCW 18.04.055 (7), (14), 18.04.215(5). WSR 13-17-094, § 4-30-134, filed 8/20/13, effective 1/1/14. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 11-07-070, § 4-30-134, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-134, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. WSR 09-17-044, § 4-25-830, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 08-18-016, § 4-25-830, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-830, filed 12/16/04, effective 1/31/05; WSR 02-04-064, § 4-25-830, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(7), 18.04.104(8), 18.04.215(4). WSR 00-11-077, § 4-25-830, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(7), 18.04.215(4) and 18.04.105(8). WSR 99-23-045, § 4-25-830, filed 11/15/99, effective 1/1/00.]

**WAC 4-30-134 What are the continuing professional education (CPE) requirements for individuals?** (1) Qualifying continuing professional education (CPE) must:

(a) Contribute to the professional competency in the individual's area(s) of professional practice or relative to the individual's current work place job functions;

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

(c) Be completed by individuals during any board specified CPE reporting period. A CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31st of the subsequent third calendar year; for example, if your license was issued any time during calendar year one (2013), the CPE reporting period ends on December 31st of calendar year three (2015).

**(2) General CPE requirements for renewal of valid credentials:**

(a) A licensee must complete a total of 120 CPE hours, including four CPE credit hours in ethics meeting the

requirements of subsection (6) of this section. The total 120 CPE hour requirement is limited to no more than 24 CPE credit hours in nontechnical subject areas.

(b) A CPA-Inactive certificate holder or a resident nonlicensee firm owner must complete four CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(c) Individuals eligible to exercise practice privileges are exempt from the CPE requirements of this section.

(3) **Exceptions to the general CPE requirements:** CPE requirements for the initial CPE renewal period **after conversion of a CPA-Inactive certificate to a Washington state license:**

(a) If your license was issued during the first calendar year of your CPE reporting period, you must have completed 80 CPE credit hours which is limited to 16 CPE credit hours in nontechnical subject areas and must include four CPE credit hours in ethics meeting the requirements of subsection (6) of this section prior to December 31st of the calendar year following the calendar year in which your license was initially issued.

(b) If your license was issued during the second calendar year of your CPE reporting period, you must have completed 40 CPE credit hours which is limited to 8 CPE credit hours in nontechnical subject areas and must include four CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(c) If your license was issued during the third calendar year of your CPE reporting period, you must have completed four CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(4) For the following circumstances, you must have completed the requirements of subsection (2)(a) of this section within the thirty-six-month period immediately preceding the date an application is submitted to the board; however, the four CPE hours in ethics meeting the requirements of subsection (6) of this section must be completed within the six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

(a) You are applying to reactivate a license out of retirement; or

(b) You are a CPA-Inactive certificate holder applying for a license; or

(c) You want to return to your previously held status as a licensee; or

(d) You are applying for reinstatement of a lapsed, suspended, or revoked license.

(5) For the following circumstances, you must have completed the four CPE hours in ethics meeting the requirements of subsection (6) of this section within the six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

(a) You are applying to reactivate a CPA-Inactive certificate out of retirement; or

(b) You are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate, or registration as a resident nonlicensee firm owner.

**(6) CPE in ethics and regulation:**

(a) During each CPE reporting period **after initial licensing** all individuals licensed in this state, including nonresident and individuals from foreign countries who received initial



Washington state licenses by reciprocity, CPA-Inactive certificate holders, and individuals initially recognized as resident nonlicensee firm owners are required to complete four qualifying CPE credit hours in approved ethics and regulations in Washington state.

(b) The content of the course 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.

(c) 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.

(d) The ethics and regulations course materials 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 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 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?

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

(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?

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

(e) The course must also include case study scenarios demonstrating how to comply with the relevant provisions of the AICPA Code of 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.

(f) 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 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.

**(7) CPE extension requests:**

(a) In order to renew your license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner, you must complete the required CPE by December 31st of the calendar year preceding the calendar year of your renewal unless you can demonstrate your failure to meet the CPE requirements was due to reasonable cause.

(b) The board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment. You must request such an extension in writing by December 31st of the calendar year preceding the calendar year of your renewal. The request must include justification for the request and identify the specific CPE you plan to obtain to correct your CPE deficiency.

(c) A form useful for this purpose is available from the board's web site or will be provided to you upon request.

**(8) Self-reported deficiencies:**

(a) If you fail to file a timely request for extension but you self-report a CPE deficiency to the board during the renewal period January 1st through June 30th of the renewal year, you will be permitted to continue to use the restricted title during the renewal period provided you:

(i) Submit to the board, in writing, the specific CPE plan to obtain to correct the CPE deficiency on or before June 30th of the renewal year;

(ii) Timely complete the CPE sufficient to correct the deficiency;

(iii) Timely submit certificates of completion for the subject CPE taken to the board; and

(iv) Pay the fee for reinstatement of a lapsed credential on or before June 30th of the renewal year.

(b) CPE deficiencies taken by June 30th of the renewal year under this subsection will be carried back to the reporting period ending on December 31st of the preceding calendar year and be subject to CPE audit in the next renewal period to ensure that inadvertent double counting does not occur.

[Statutory Authority: RCW 18.04.065 and 18.04.215(5). WSR 14-04-086, § 4-30-134, filed 2/3/14, effective 3/6/14. Statutory Authority: RCW 18.04.055 (7), (14), 18.04.215(5). WSR 13-17-094, § 4-30-134, filed 8/20/13, effective 1/1/14. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 11-07-070, § 4-30-134, filed 3/22/11, effective 4/22/11; WSR 10-24-009, amended and recodified as § 4-30-134, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. WSR 09-17-044, § 4-25-830, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 08-18-016, § 4-25-830, filed 8/25/08, effective 9/25/08; WSR 05-01-137, § 4-25-830, filed 12/16/04, effective 1/31/05; WSR 02-04-

064, § 4-25-830, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(7), 18.04.104(8), 18.04.215(4). WSR 00-11-077, § 4-25-830, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(7), 18.04.215(4) and 18.04.105(8). WSR 99-23-045, § 4-25-830, filed 11/15/99, effective 1/1/00.]

WAC 4-30-136 ~~How do I r~~Reporting my continuing professional education (CPE) to the board? In order to apply for renewal of your license, certificate, or registration as a resident non-licensee firm owner, you must satisfy the board's CPE and supporting documentation requirements.

The reporting of compliance with CPE requirements is concurrent with filing your renewal application. When you complete your application for renewal, you are required to certify that you complied with the board's CPE requirements as defined in WAC 4-30-134 and supporting documentation requirements as defined in WAC 4-30-138.

The board may verify through audits, ~~on a test basis,~~ compliance with CPE and supporting documentation requirements as certified during the renewal application process. As part of this audit the board may require additional information to demonstrate your compliance with the board's rules.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 10-24-009, amended and recodified as § 4-30-136, filed 11/18/10, effective 12/19/10; WSR 01-22-036, § 4-25-832, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and

18.04.105(8). WSR 99-23-047, § 4-25-832, filed 11/15/99,  
effective 1/1/00.]



WAC 4-30-138 ~~What~~ Continuing professional education (CPE)

documentation requirements ~~must I retain to support my~~

~~eligibility for CPE credits?~~ (1) For each program for which you claim CPE credit you must retain documentation to support all of the following required information:

- (a) Program sponsor;
- (b) Title of program or description of content;
- (c) Date(s) attended;
- (d) Number of CPE credit hour(s);
- (e) Attendee name; and
- (f) Acceptable evidence of completion.

(2) Acceptable evidence supporting the requirements of subsection (1) of this section includes:

(a) For group programs, a certificate of course completion, ~~or other acceptable verification as defined by board policy~~, that is supplied by the program sponsor;

(b) For self-study programs, a certificate of course completion ~~completion~~ supplied by the program sponsor after satisfactory completion of a workbook or examination;

(c) For a university or college course taken after initial licensure, a ~~record of the grade you received~~ transcript indicating the completion of the course;

(d) For instruction credit, evidence obtained from the program sponsor of your having been the instructor or discussion leader at the program; or

(e) For published articles or books, evidence of publication.

(3) You are responsible for documenting your entitlement to the CPE credit you claim on your renewal form.

(4) You must retain the supporting documentation for CPE credit claimed for three years after the end of the CPE reporting period in which the credit was claimed.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 10-24-009, recodified as § 4-30-138, filed 11/18/10, effective 12/19/10; WSR 01-22-036, § 4-25-833, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.105(8). WSR 99-23-048, § 4-25-833, filed 11/15/99, effective 1/1/00.]



# 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: August 22, 2018

TIME: 2:47 PM

WSR 18-18-002

**Agency:** Board of Accountancy

**Subject of possible rule making:** WAC 4-30-062 How do I apply to take the CPA examination?

**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 WAC 4-30-062 to: (1) Rename the rule (2) ACB works with its partner organizations including the National Association of State Boards of Accountancy (NASBA) and the AICPA to administer the CPA examination. The intent of this rule change is to accommodate the development of a continuously available examination process. Continuous testing will provide more flexibility and convenience for those individuals who seek licensure as CPAs in the state of Washington.

**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:**

Name: Charles E. Satterlund, CPA, Executive Director	(If necessary)
Address: Washington State Board of Accountancy PO Box 9131 Olympia, WA 98507-9131	Name:
Phone: (360) 586-0785	Address:
Fax: (360) 664-9190	Phone:
TTY: 7-1-1	Fax:
Email: customerservice@acb.wa.gov	TTY:
Web site: www.acb.wa.gov	Email:
Other:	Web site:
	Other:

Additional comments:

<b>Date:</b> August 22, 2018	<b>Signature:</b> 
<b>Name:</b> Charles E. Satterlund, CPA	
<b>Title:</b> Executive Director	

**examination?**

(1) **Application process and due dates:** Your application to take the CPA examination must be submitted to the board's examination administrator. Applicants must submit all required information, documents, and fees to complete their application within sixty days of the date their application is submitted to the board's examination administrator. Your application is not considered complete until all of the following are provided:

- Complete application information and requested documents;
- Fee(s).

(2) **Fee refund and forfeiture:** Upon submission of your application to the examination administrator, no portion of the board's administrative fee is refundable. Upon the examination administrator's authorization to test, no portion of the total exam fee (both administrative fee and section fee(s)) is refundable. If you fail to meet the board's scheduling or admission requirements, you forfeit all of the exam fee(s) and you must reapply to take the section(s) of the exam.

(3) **Notice of admittance to the examination or denial of your application:** You must contact the approved test provider to schedule the time and location for your examination. The notice of eligibility to take the examination is called a Notice to Schedule (NTS), the NTS will be valid for one taking of the examination within the six months following the date of the NTS.

Notice of a denial of your application, or notice of your eligibility to take the examination will be sent to you by the examination administrator.

(4) **Examination content and grading:** The CPA examination shall test the knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the board may require. The examination will consist of the following four sections: Auditing and attestation; financial, accounting and reporting; regulation; and business environment and concepts. The board may accept the advisory grading services of the American Institute of Certified Public Accountants.

(5) **Examination process:**

(a) **Conditions for examinations held prior to January 1, 2004:** Contact a customer service representative at customerservice@acb.wa.gov or by phone at 360-753-2586.

(b) **For examinations taken after December 31, 2003:** The board uses all parts of the uniform CPA examination and the advisory grading services of the American Institute of Certified Public Accountants.

(i) To satisfy the examination requirement for a license you must have achieved a score of seventy-five on all four sections of the examination within a rolling eighteen-month period.

(ii) You may take the required four sections individually and in any order. Credit for any section(s) taken and passed after December 31, 2003, will be valid for eighteen months from the actual date you successfully passed any particular section of the examination.

(iii) You must pass all four sections of the examination within a rolling eighteen-month period, which begins on the date that the first section(s) is passed. A section is considered

passed on the date that you took the exam section and not the date that your grade is released.

(iv) You may not retake a failed section(s) in the same examination window. An examination window refers to a three-month period in which candidates have an opportunity to take the examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the examination is refreshed).

(v) If the Board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, subsection (iv) of this section will no longer be effective, and a candidate can retake a test section once their grade for any previous attempt of that same section has been released.

(vi) In the event you do not pass all four sections of the examination within the rolling eighteen-month period, credit for any section(s) passed prior to the eighteen-month period will expire and you must retake any expired section.



[Statutory Authority: RCW 18.04.055. WSR 18-21-034, § 4-30-062, filed 10/8/18, effective 11/8/18. Statutory Authority: RCW 18.04.055, 18.04.105. WSR 16-10-019, § 4-30-062, filed 4/22/16, effective 5/23/16. Statutory Authority: RCW 18.04.105(2). WSR 10-24-009, amended and recodified as § 4-30-062, filed 11/18/10, effective 12/19/10; WSR 05-01-137, § 4-25-720, filed 12/16/04, effective 1/31/05; WSR 03-17-041, § 4-25-720, filed 8/15/03, effective 9/30/03. Statutory Authority: RCW 18.04.055(5) and 18.04.105(2). WSR 02-04-064, § 4-25-720, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055. WSR 93-12-070, § 4-25-720, filed 5/27/93, effective 7/1/93.]

1650 - State Board of Accountancy

Allotment Expenditure/Revenue BTD Flexible

Report Number: AEF04

Biennium: 2019

As of Fiscal Month: Dec FY2

Date Run: Dec 31, 2018 9:52AM

Account: 021

Allotment Content: Approved & Adjusted

Estimated Revenue Content: Approved & Adjusted

Transactions Through: Dec 28, 2018 8:00PM

Revenue Content: Cash, Acct(All)

Expenditure Content: Cash, Acct(All)

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

By Account/Expenditure Authority	Allotment		Disbursement		Accrual		Encumbrance		Variance		Biennium Remaining
	BTD	BTD	BTD	BTD	BTD	BTD	BTD	BTD	BTD		
021 - Certified Public Accountants' Acct											
030 - Salaries and Expenses	2,312,692	1,890,449.34	116.00	0.00	422,126.66	1,221,434.66					
<b>Total for Agency</b>	<b>2,312,692</b>	<b>1,890,449.34</b>	<b>116.00</b>	<b>0.00</b>	<b>422,126.66</b>	<b>1,221,434.66</b>					
<b>By Account/Expenditure Authority</b>											
<b>By Object</b>											
A - Salaries and Wages	967,916	956,981.67	0.00	0.00	10,934.33	352,980.33					
B - Employee Benefits	361,592	355,351.62	0.00	0.00	6,240.38	132,730.38					
C - Professional Service Contracts	7,502	19,482.50	0.00	0.00	(11,980.50)	(9,482.50)					
E - Goods and Services	913,428	503,082.15	116.00	0.00	410,229.85	717,757.85					
G - Travel	54,752	43,234.34	0.00	0.00	11,517.66	29,765.66					
J - Capital Outlays	7,502	12,317.06	0.00	0.00	(4,815.06)	(2,317.06)					
<b>Total for Agency</b>	<b>2,312,692</b>	<b>1,890,449.34</b>	<b>116.00</b>	<b>0.00</b>	<b>422,126.66</b>	<b>1,221,434.66</b>					
<b>By Object</b>											

**Fund**

Balance As Of:	12/31/2018	Show Balances As Of:	12/31/2018
Book Balance:	3,210,709.67	<input type="button" value="Retrieve"/>	
Outstanding Warrants:	2,441.59		
Cash Balance:	3,213,151.26		

Fund Code:	02J
Fund Name:	CERTIFIED PUBLIC ACCOUNTANTS' ACCT
Fund Type:	SPECIAL REVENUE FUNDS (BA)
Treasury Type:	Treasury (1)
Budget Type:	Appropriated (A)
Roll-Up Fund:	CENTRAL ADMIN AND REGULATORY FUND (FBD)
Agency:	STATE BOARD OF ACCOUNTANCY (1650)
Statute:	18.04.105
GAAP Fund Type:	SPECIAL REVENUE FUNDS (B)
Active:	Active
DOT Fund:	No

Fund

Balance As Of:	12/31/2018	Show Balances As Of:	12/31/2018
Book Balance:	225,000.00	<input type="button" value="Retrieve"/>	
Outstanding Warrants:	0.00		
Cash Balance:	225,000.00		

Fund Code:	20D
Fund Name:	CPA SCHOLARSHIP TRANSFER ACCOUNT
Fund Type:	SPECIAL REVENUE FUNDS (BA)
Treasury Type:	Treasury Trust (2)
Budget Type:	Nonappropriated/Nonallotted (N)
Roll-Up Fund:	HIGHER EDUCATION FUND (FBG)
Agency:	STATE BOARD OF ACCOUNTANCY (1650)
Statute:	28B.123.050
GAAP Fund Type:	SPECIAL REVENUE FUNDS (B)
Active:	Active
DOT Fund:	No



November 8, 2018

Laura G. Lindal  
Laura Lindal CPA  
5509 Canvasback Rd  
Blaine, WA 98230

Dear Laura:

State Board Peer Review Oversight Committee (PROC) participation provides you with an opportunity to serve the accounting profession and the public in various interesting and worthwhile assignments. By accepting appointment to the PROC, you have a responsibility to exert your efforts towards achieving the PROC's objectives through various oversight procedures and reporting to the Washington State Board of Accountancy (Board).

In fulfilling your responsibilities as a PROC member, you have an obligation to adhere to the confidentiality requirements described in the AICPA *Standards for Performing and Reporting on Peer Reviews*. Thus, you agree not divulge any information, except as allowable by law, to the Board that would identify any firm, licensee, peer reviewer/reviewing firm or other information obtained from the oversight of the administering entity. You agree not to discuss or disclose such information to anyone not involved in carrying out the review or administering the program or use it in any way not related to meeting the oversight objectives of the program and the Board.

In addition, as a condition of being a member of the PROC, you may not participate in any enforcement related work such as, but not limited to, serving as a member, employee, consultant, volunteer (or other similar arrangement) of the AICPA or state CPA society ethics committee, AICPA Joint Trial Board, State Board of Accountancy or other regulatory agency or any committee or subgroup of an agency.

As a PROC member, you must recuse yourself and not participate in any discussion related to your own firm's peer review, if applicable, or have a conflict of interest with the reviewing firm, reviewer, or the reviewed firm.

Please confirm your acceptance of the responsibilities and obligations of the PROC by signing this letter in the space provided and return it to me. If you have any questions, please feel free to contact Julie Phipps at (425) 586-1132.

Sincerely,

Susan L. Paulsen, CPA  
Chair, WSCPA Peer Review Executive Committee

I accept the responsibilities and obligations this participation entails and agree to maintain the confidentiality of information received through the oversight objectives.

Signature: \_\_\_\_\_

Date: 11/19/18

# Board of Accountancy Washington State Enforcement Report

<b>Quarterly Report (Oct 01, 2018 through Dec 31, 2018)</b>			
<b>Complaint Workload</b>			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	18	26	44
Closed with No Action	(7)	(6)	(13)
Closed with Action Taken	(7)	(11)	(18)
<b>Complaints at End of Period</b>	<b>4</b>	<b>9</b>	<b>13</b>
<b>Details of Complaint Closures</b>			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	0	13	13
Revocation, Suspension, Restriction	0	3	3
Fines, costs, and other sanctions	0	2	2
Remedial Resolution (Policy 2004-1)	13	0	13
<b>Total Closed</b>	<b>13</b>	<b>18</b>	<b>31</b>

<b>Twelve-Month Lookback (Jan 01, 2018 through Dec 31, 2018)</b>			
<b>Complaint Workload</b>			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	17	83	100
Closed with No Action	(14)	(38)	(52)
Closed with Action Taken	(3)	(32)	(35)
<b>Complaints at End of Period</b>	<b>0</b>	<b>13</b>	<b>13</b>
<b>Details of Complaint Closures</b>			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	0	52	52
Revocation, Suspension, Restriction	1	5	6
Fines, costs, and other sanctions	1	9	10
Remedial Resolution (Policy 2004-1)	19	0	19
<b>Total Closed</b>	<b>21</b>	<b>66</b>	<b>87</b>