



**ANNUAL BOARD MEETING AGENDA**

**Date, Time:** Friday, October 18, 2019 – Annual Board Meeting – 9:00 a.m.  
**Location:** Capitol Event Center  
 Lewis and Mason Rooms  
 6005 Tye Dr SW  
 Tumwater, WA 98512  
 (360) 464-6700  
**Notices:** 9:00 a.m. Rules Hearing

Chair Introductions

**PUBLIC RULE- MAKING HEARING**

	Attachments at page(s):
1. Public Rule-Making Hearing Script .....	12-13
2. Rule Under Consideration	
a. CR-102, Proposed Rule Making .....	14-16
b. WAC 4-30-130 What are the quality assurance review (QAR) requirements for licensed CPE firms? .....	17-21
3. Written Stakeholder Comments	

**ANNUAL MEETING AGENDA**

4. Minutes – July 26, 2019, Regular Board Meeting .....	22-30
5. Rules Review	
a. Board’s deliberation on proposed rules considered at the public rule-making hearing. See listing above under Public Rule-Making Hearing – Item 2	
b. WAC 4-30-112 Must a firm holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state? .....	31-34
c. Expedited Rule Making – WAC 4-30-080, 4-30-122, and 4-30-124.....	35-40
6. Proposed New Board Policy – 2019-1 Peer Review .....	41-42

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  
 PO Box 9131, Olympia, WA 98507-9131  
 Phone: 360-664-9191 Email: kirsten.donovan@acb.wa.gov

7-1-1 or 1-800-833-6388 (TTY) - 1-800-833-6385 (Telebraille)  
 (TTY and Telebraille service nationwide by Washington Relay  
 www.washingtonrelay.com)

- 7. Chair’s Report
  - a. Election of Officers for Calendar Year 2020
  - b. Board Meeting Schedule and Locations for Calendar Year 2020
  - c. Committee Chair and Member Appointments for Calendar Year 2020 ..... 43-50
  - d. CPA Evolution Initiative – NASBA Comments ..... 51-52
  - e. AICPA Peer Review Conference Update
  
- 8. Legal Counsel’s Report
  
- 9. NASBA Update
  
- 10. CPA-Inactive Certificateholder Title Reform Presentation ..... 53-66
  
- 11. Committee/Task Force Reports
  - a. Executive – Mark Hugh, CPA, Chair - *Verbal Report*
  - b. Compliance Assurance Oversight – Thomas G. Neill, CPA, Chair – *Verbal Report* ..... 67
  - c. Request Review – Joel Cambern, Public Member, Chair – *Verbal Report* ..... 68
  - d. State Ethics Compliance – Brian R. Thomas, CPA, Ethics Advisor – *Verbal Report* ..... 69
  - e. Qualifications – Rajib Doogar, Public Member, Chair – *Verbal Report* ..... 70
  - f. Performance Review and Succession – Joel Cambern, Public Member, Chair – *No Report*
  - g. WSCPA Education Fund – Jacqueline Meucci, CPA, Chair – *Verbal Report* ..... 71-72
  - h. Peer Review Task Force – Thomas G. Neill, CPA, Chair – *Verbal Report*
  - i. Firm Rule Task Force – Thomas G. Neill, CPA, Chair – *Verbal Report*
  
- 12. Executive Director’s Report
  - a. Budget Status Report ..... 73-75
  - b. Legislative Planning for Title Reform
  - c. Outreach
  - d. IT Development
  - e. Stakeholder Feedback on CPE Rule Changes
  
- 13. Enforcement Report ..... 76-77
  
- 14. Executive and/or Closed Sessions with Legal Counsel
  
- 15. 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.



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**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](mailto:kirsten.donovan@acb.wa.gov) [www.washingtonrelay.com](http://www.washingtonrelay.com))

**WASHINGTON STATE  
BOARD OF ACCOUNTANCY  
ANNUAL BOARD MEETING – OCTOBER 18, 2019  
SUMMARY**

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

**Location:** Capitol Event Center  
Lewis and Mason Rooms  
6005 Tyee Dr SW  
Tumwater, WA 98512  
(360) 464-6700

**Notices:** 9:00 a.m. Rules Hearing

**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.

**October 18, 2019 - 9:00 a.m. – PUBLIC RULE-MAKING HEARING**

**Rules Hearing** - At 9:00 a.m. the Board will hold its scheduled rules hearing to obtain public input on the proposed changes to one Board rule. Individuals wishing to comment must sign the rule-making public input roster by the door.

1. **Public Rule-Making Hearing Outline** – The script the Chair will use as a guide during the hearing is at **pages 12-13** of the meeting materials.

2. **Rules Under Consideration** –

See **pages 14-16** for the CR-102, Proposed Rule Making Notice.

**WAC 4-30-130 What are the quality assurance review (QAR) requirements for licensed CPA firms?**

**Pages 17-21** contain the filing for the proposed changes to the rule. The changes: (1) Rename the rule; (2) Eliminate the thirty day notification requirement for peer review; (3) Require participation in the AICPA Facilitated State Board Access (FSBA) program; and (4) Correct reference numbers to various WAC sections and subsections where the numbers have changed or been eliminated.

The Executive Director will provide a summary of the proposed changes to the rule during the rules hearing.

### 3. Written Stakeholder Comments

No written stakeholder comments were received.

## October 18, 2019 – ANNUAL BOARD MEETING

### 4. Minutes – July 26, 2019, Regular Board Meeting

Board staff presents the draft minutes of the July 26, 2019, regular Board meeting at **pages 22-30** for the Board's consideration.

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

### 5. Rule Review

- a. **Board deliberation on the proposed rule considered at the public rule-making hearing.**

**WAC 4-30-130 What are the quality assurance review (QAR) requirements for licensed CPA firms? – Pages 17-21**

The Executive Director is prepared to summarize the proposed changes to the rule or answer any questions for the Board during deliberation.

**Does the Board wish to:**

- **Adopt the rule as proposed?; or**
- **Adopt the rule with minor changes that do not change the general subject matter of the proposed rule?; or**
- **Amend the rule proposal and set another rules hearing date?; or**
- **Withdraw the rule proposal?**

**Effective date:** If the Board decides to adopt the rule, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rule effective 31 days after filing.

**Does the Board wish to make the rule effective:**

- **31 days after filing; or**
- **January 1, 2020; or**
- **Another date?**

- b. **WAC 4-30-112 Must a firm holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state?**

**Pages 31-34** contain the draft of the proposed changes to the rule. The rule changes are needed due to the passage of HB 1208.

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

### **c. Expedited Rule Making**

This process allows for rule changes in limited circumstances without the requirement to hold a public rule making hearing -- provided that no public objections are received.

**Pages 35-40** contain the proposed CR-105, Expedited Rule Making, filing and drafts of the rules. Rule making is necessary to correct section and subsection numbering for the following rules due to recent changes in the CPE rules.

- **WAC 4-30-080 How do I apply for an initial individual CPA license?**
- **WAC 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or CPA-Inactive certificate out of retirement?**
- **WAC 4-30-124 How do I reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?**

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

- **File the CR-105 as written for this proposal?; or**
- **Amend the rule proposal and file the CR-105?; or**
- **Withdraw the rule proposal?**

## **6. Proposed New Board Policy – 2019-1 Peer Review**

**Pages 41-42** contain a draft of the proposed policy. The purpose of the policy is to clearly define the Board's process and procedures for interacting with licensed firms who are required under WAC 4-30-130 to undergo peer review and to report the results using the AICPA's Facilitated State Board Access (FSBA) database at the time of their firm license renewal. The Executive Director will lead the discussion.

**Does the Board wish to adopt as written, adopt with revisions, or withdraw this proposed policy?**

**7. Chair’s Report**

**a. Election of Officers for Calendar Year 2020**

The Board must vote in officers for calendar year 2020:

Chair \_\_\_\_\_

Vice Chair \_\_\_\_\_

Secretary \_\_\_\_\_

The newly elected officers will assume their duties on January 1, 2020.

**b. Board Meeting Schedule and Location for Calendar Year 2020** - Board meeting dates are set by Board rule as the last Friday of the month in the months of January, April, July, and October or as otherwise determined by the Board. Board staff with direction from the Board Chair has selected the following meeting dates and locations:

- January 31, 2020 – DoubleTree by Hilton Hotel Seattle Airport, Seattle
- April 24, 2020 – DoubleTree by Hilton Hotel Seattle Airport, Seattle
- July 31, 2020 – Hilton Garden Inn Spokane Airport, Spokane
- October 16, 2020 – Capitol Event Center, Tumwater

**Does the Board approve the selected dates and locations?**

**NASBA Meeting Schedule for Calendar Year 2020**

- June 2-4, 2020 – Western Regional Meeting, Colorado Springs, CO
- June 9-11, 2020 – Eastern Regional Meeting, White Sulphur Springs, WV
- November 1-4, 2020 – 113<sup>th</sup> Annual Meeting, San Diego, CA

**c. Committee Chair and Member Appointments for Calendar Year 2020**

The Board adopted a governance structure that includes the Executive Committee consisting of the Board officers and eight other committees. The Board needs to appoint chairs and members for each of the eight committees at its annual meeting. The current committees and committee members are listed.

**Pages 43-50** contain the 2020 Board committees and task force report. The Board Chair will lead the discussion on the proposed committee reorganization.

**Compliance Assurance Oversight Committee**

Chair: \_\_\_\_\_

Members: \_\_\_\_\_

Current Members:

Thomas G. Neill, CPA, Committee Chair  
Joel Cambern, Public Member  
Jacqueline Meucci, CPA

**Request Review Committee**

Chair: \_\_\_\_\_

Member: \_\_\_\_\_

Current Members:

Joel Cambern, Public Member, Committee Chair  
Brian R. Thomas, CPA

**State Ethics Compliance Committee**

Ethics Advisor: \_\_\_\_\_

Current Member:

Brian R. Thomas, CPA, Ethics Advisor

**Qualifications Committee**

Chair: \_\_\_\_\_

Member: \_\_\_\_\_

Current Members:

Rajib Doogar, Public Member, Committee Chair  
Jacqueline Meucci, CPA  
Mark Hugh, CPA

**Performance Review and Succession Committee**

Chair: \_\_\_\_\_

Member: \_\_\_\_\_

Current Members:

Joel Cambern, Public Member, Committee Chair  
Brian R. Thomas, CPA

**WSCPA Education Fund Committee**

Chair: \_\_\_\_\_

Member: \_\_\_\_\_

Current Members:

Jacqueline Meucci, CPA, Committee Chair  
Thomas G. Neill, CPA

**Peer Review Task Force**

Chair: \_\_\_\_\_

Member: \_\_\_\_\_

Current Members:

Thomas G. Neill, CPA, Committee Chair  
Rajib Doogar, Public Member  
Jacqueline Meucci, CPA  
Charles E. Satterlund, Executive Director, CPA  
Jennifer Sciba, Deputy Director

**Firm Rule Task Force**

Chair: \_\_\_\_\_

Member: \_\_\_\_\_

Current Members:

Thomas G. Neill, CPA, Committee Chair  
Mark Hugh, CPA  
Thomas P. Sawatzki, CPA

**d. CPA Evolution Initiative – NASBA Comments**

**e. AICPA Peer Review Conference Update**

**8. 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.

**9. NASBA Update**



## 10. CPA-Inactive Certificateholder Title Reform Presentation

The Board Chair will present and lead the discussion on the PowerPoint – Washington Title Reform provided at **pages 53-66**.

## 11. 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:  
Joel Cambern, Public Member; Jacqueline Meucci, CPA

**Page 67** contains the 2019 Quality Assurance Review (QAR) Results report.

Tom will give a verbal report.

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

**Page 68** contains a report on the 3<sup>rd</sup> quarter approval and denials from the committee.

Joel will give a verbal report.

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

**Page 69** contains the State Ethics Compliance Committee report.

Brian will give a verbal report.

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

**Page 70** contains the Evaluation of Chartered Accountants through NIES report.

Rajib will give a verbal 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: Jacqueline Meucci, CPA; Member: Thomas G. Neill, CPA

**Pages 71-72** contain the Projected Fund Balance and Estimated Expenses for Administering the Washington State Certified Public Accounting Scholarship Program reports – for the Year Ending September 30, 2020.

Jackie will give a verbal report.

- h. Peer Review Task Force** – Chair: Thomas G. Neill, CPA; Members: Rajib Doogar, Public Member; Jacqueline Meucci, CPA; Charles E. Satterlund, CPA, Executive Director; Jennifer Sciba, Deputy Director

Tom will give a verbal report.

- i. Firm Rule Task Force** – Chair: Thomas G. Neill, CPA; Members: Mark Hugh, CPA; Thomas P. Sawatzki, CPA

Tom will give a verbal report.

## **12. Executive Director's Report**

### **a. Budget Status Report**

**Pages 73-75** contain 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 September 27, 2019.

### **b. Legislative Planning for Title Reform**

### **c. Outreach**

### **d. IT Development**

### **e. Stakeholder Feedback on CPE Rule Changes**

## **13. Enforcement Report**

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

**Pages 76-77** contain the Quarterly Enforcement Report for July 1, 2019 through September 30, 2019 and the Resolved Complaint Report for periods October 2018 to September 2019 and October 2017 to September 2018.

- 14. 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 the Board and legal counsel may enter into executive or closed session when determined appropriate.
  
- 15. 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  
RULES HEARING OUTLINE  
OCTOBER 18, 2019**

**Presiding officer read or paraphrase BOLD type entries**

*Italics are explanatory notes to presiding officer*

*Opening statement:*

**The Board of Accountancy rules hearing is now in session. The date is Friday, October 18, 2019. The time is \_\_\_\_\_. My name is Mark Hugh. I am Chair of the Board of Accountancy.**

**Copies of the rule proposals are available at the back of the room. If you have not already done so, please register your attendance at this hearing on the attendance roster at the back of the room. Please indicate on the roster whether you wish to testify.**

*Have Board Members, legal counsel, and staff in attendance introduce themselves.*

*Explain hearing sequence and ground rules as follows:*

**The hearing will be conducted as follows:**

- 1. I will identify the rule presented for testimony and present a brief statement for the proposal.**
- 2. I will use the attendance roster to invite testimony on the proposal. When you give testimony, please:**
  - Stand**
  - State your name and organization if you speak for a group**
  - Limit your testimony to the rule proposal currently before the Board.**
  - After you testify, please remain standing for questions, and**
  - If you are testifying from text, please provide a copy to Board staff.**

**Testimony is limited to 10 minutes for each speaker.**

- 3. When the testimony is complete the hearing will be closed. The Board will consider the proposed rule changes at its Board meeting later today.**

**The rule proposal concerns:**

- WAC 4-30-130 What are the quality assurance review (QAR) requirements for licensed CPA firms?**

**I will present a brief statement for the proposal. *Mark presents the statement.***

**The rule proposal has been identified. We will now move to the testimony.**

1. *TESTIMONY FROM ATTENDANCE ROSTER*

*Ask for testimony from the audience according to the order on the attendance roster. After testimony is complete you will invite questions from the Board members.*

**Will (name of individual) please come forward to present testimony?**

*When the testimony is complete you may ask questions of the individual.*

2. *OTHER TESTIMONY*

*After all persons on the attendance roster have testified, ask if others wish to testify. **Is there anyone who wishes to testify that has not had the opportunity?***

3. *CLOSING STATEMENT:*

**Thank you for your testimony.**

**The Board will deliberate on the oral and written testimony and the proposed rule later today during its annual Board meeting. All participants will be notified of the Board's decision regarding the proposed rule. Thank you all for your participation. The time is \_\_\_\_\_ and this hearing is now closed.**



# PROPOSED RULE MAKING

**CR-102 (December 2017)**  
**(Implements RCW 34.05.320)**  
Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: July 31, 2019

TIME: 1:34 PM

**WSR 19-16-075**

**Agency:** Board of Accountancy

- Original Notice
- Supplemental Notice to WSR \_\_\_\_\_
- Continuance of WSR \_\_\_\_\_
- Preproposal Statement of Inquiry was filed as WSR 19-11-133 ; or
- Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or
- Proposal is exempt under RCW \_\_\_\_\_.

**Title of rule and other identifying information:** (describe subject) WAC 4-30-130 What are the quality assurance review (QAR) requirements for licensed CPA firms?

**Hearing location(s):**

Date:	Time:	Location: (be specific)	Comment:
October 18, 2019	9:00 A.M.	Capitol Event Center Lewis and Mason Rooms 6005 Tye Drive SW Tumwater, WA 98512	

**Date of intended adoption:** October 18, 2019 (Note: This is **NOT** the effective date)

**Submit written comments to:**

Name: Kirsten Donovan, Rules Coordinator  
 Address: P.O. Box 9131  
 Olympia, WA 98507  
 Email: [Kirsten.donovan@acb.wa.gov](mailto:Kirsten.donovan@acb.wa.gov)  
 Fax: 360-664-9190  
 Other:  
 By (date) October 16, 2019

**Assistance for persons with disabilities:**

Contact Kirsten Donovan, Rules Coordinator  
 Phone: 360-664-9191  
 Fax: 360-664-9190  
 TTY: 771  
 Email: [Kirsten.donovan@acb.wa.gov](mailto:Kirsten.donovan@acb.wa.gov)  
 Other:  
 By (date) October 16, 2019

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The board of accountancy proposes amending :

WAC 4-30-130 to: (1) Rename the rule (2) Eliminate the thirty day notification requirement for peer review (3) Require participation in the AICPA Facilitated State Board Access (FSBA) program (4) Correct reference numbers to various WAC sections and subsections where the numbers have changed or been eliminated.

<b>Reasons supporting proposal:</b> See purposes above			
<b>Statutory authority for adoption:</b> RCW 18.04.055			
<b>Statute being implemented:</b> RCW 18.04.055			
<b>Is rule necessary because of a:</b>			
Federal Law?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, CITATION:			
<b>Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:</b>			
<b>Name of proponent:</b> (person or organization) Board of Accountancy			<input type="checkbox"/> Private <input type="checkbox"/> Public <input checked="" type="checkbox"/> Governmental
<b>Name of agency personnel responsible for:</b>			
	Name	Office Location	Phone
Drafting:	Charles E. Satterlund, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 586-0785
Implementation:	Charles E. Satterlund, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 586-0785
Enforcement:	Charles E. Satterlund, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 586-0785
<b>Is a school district fiscal impact statement required under RCW 28A.305.135?</b>			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, insert statement here:			
The public may obtain a copy of the school district fiscal impact statement by contacting:			
Name:			
Address:			
Phone:			
Fax:			
TTY:			
Email:			
Other:			
<b>Is a cost-benefit analysis required under RCW 34.05.328?</b>			
<input type="checkbox"/> Yes: A preliminary cost-benefit analysis may be obtained by contacting:			
Name:			
Address:			
Phone:			
Fax:			
TTY:			
Email:			
Other:			
<input checked="" type="checkbox"/> No: Please explain: The Board of Accountancy is not a listed agency in RCW 34.05.328(5)(a)(i).			

**Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:**

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- RCW 34.05.310 (4)(b) (Internal government operations)
- RCW 34.05.310 (4)(c) (Incorporation by reference)
- RCW 34.05.310 (4)(d) (Correct or clarify language)
- RCW 34.05.310 (4)(e) (Dictated by statute)
- RCW 34.05.310 (4)(f) (Set or adjust fees)
- RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_.

Explanation of exemptions, if necessary:

**COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES**

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's analysis showing how costs were calculated. No additional costs are associated with a CPA firm's participation in the AICPA Facilitated State Board Access (FSBA) program.
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:  
 Address:  
 Phone:  
 Fax:  
 TTY:  
 Email:  
 Other:

**Date:** 7/31/2019

**Name:** Charles E. Satterlund, CPA

**Title:** Executive Director

**Signature:**





**WAC 4-30-130 ((What are the)) Quality assurance review (QAR) requirements for licensed CPA firms((?)).** (1) **Purpose.** The Washington state board of accountancy is charged with protection of the public interest and ensuring the dependability of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private or governmental. The purpose of the QAR program, such as peer review, is to monitor licensees' compliance with audit, compilation, review, and other attestation standards. If the board becomes aware that a firm's performance and/or reporting practices for audit, review, compilation, and other engagements covered by ((statements on standards for attestation engagements)) relevant recognized professional standards as delineated in WAC 4-30-048, may not be in accordance with ((applicable)) said professional standards, the board will take appropriate action to protect the public interest.

(2) **Peer review.** Generally, all firms licensed in Washington state offering and/or performing attest services ((as defined by WAC 4-30-010(5),)) or compilation services, as defined by WAC 4-30-010~~((+12))~~, or other professional services for which a report expressing assurance is prescribed by professional standards, are required to participate in a board-approved peer review program as a condition of renewing each CPA firm license under RCW 18.04.215 and WAC 4-30-114. However, certain exemptions are listed in subsection ~~((+11))~~ (10) of this section. Board-approved peer review programs include:

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

(b) Peer review programs administered by the American Institute of CPAs (AICPA) ~~((+7))~~

~~((c)) Peer review programs administered by the Washington Society of CPAs (WSCPAs); and~~

~~((d)) and/or their assigned administering entities (AE); and~~

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

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

(a) Compilation on historical financial statements;

(b) Review on historical financial statements;

(c) Audit report on financial statements, performance audit reports, or examination reports on internal controls for nonpublic enterprises;

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

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

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

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

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

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

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

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

(a) Certify whether the firm does or does not perform attest services or compilation services as defined by WAC 4-30-010 (~~((5), (12))~~), or other professional services for which a report expressing assurance is prescribed by professional standards in Washington state;

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

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

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

~~(6) ((A firm must notify the board within thirty days of the date the peer reviewer or a team captain advises the firm that a grade of pass with deficiencies or fail will be recommended. The notification must include the details of any required corrective action plan being recommended by the peer reviewer or team captain, and the planned date (or time period within which) the firm would intend to complete such remedial action or actions if the proposed corrective action plan is approved by the appropriate peer review acceptance committee.~~

~~Notwithstanding any extensions of time by the peer review program administrator, failure by the firm to meet its planned schedule for completing its specific corrective action plan required by the peer review program and/or timely pay for the peer review services can result in board action.~~

~~(7)) **Documents required.** ((A firm that has opted out of participating)) Any firm required to undergo peer review per subsection (2) of this section is required to participate in the AICPA Facilitated State Board Access (FSBA) ((program shall provide to the board copies of the following documents related to the peer review report:~~

~~(a) Peer review report issued;~~

~~(b) Firm's letter of response, if any;~~

~~(c) Letter of acceptance from peer review program;~~

~~(d) Recommended action letter from the peer review program, if any;~~

~~(e) A letter from the firm to the board describing corrective actions taken by the firm that relate to recommendations of the peer review program;~~

~~(f) Other information the firm deems important for the board's understanding of the information submitted; and~~

~~(g)). Other information the board deems important, may be requested for ((the)) understanding ((of)) the information submitted.~~

((+8)) (7) Document retention. RCW 18.04.390(4) and WAC 4-30-051((+10)) (11) require a firm to retain audit and review records and documentation for a period of seven years after the firm concludes an audit or review of a client's financial statements.

((+9)) (8) Extensions. The board may grant an extension of time for submission of the peer review report to the board. Extensions will be determined by the board on a case-by-case basis.

((+10)) (9) Verification. The board may verify the certifications of peer review reports that firms provide.

((+11)) (10) Exemption from peer review.

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

(b) Firms that do not perform attest services ((as defined by WAC 4-30-010(5)),) or compilation services, as defined by WAC 4-30-010((+12)), or other professional services for which a report expressing assurance is prescribed by professional standards are not required to participate in a peer review program, and shall request exemption on each firm license renewal application.

(c) Firms that prepare financial statements **which do not require reports** under Statements on Standards for Accounting and Review Services (management use only compilation reports) and that perform no other attest or compilation services, are not required to participate in a peer review program; however, any such engagements performed by a firm that is otherwise required to participate in a peer review program shall be included in the selection of engagements subject to peer review.

((+12)) (11) Quality assurance oversight.

(a) The board will:

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

(ii) Consider reports from the compliance assurance oversight committee;

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

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

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

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

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

(i) The compliance assurance oversight committee's oversight procedures may consist of, but are not limited to:

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

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

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

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

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

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

(b) Require any individual licensee who had responsibility for, or who substantially participated in the engagement(s), to successfully complete specific courses or types of continuing education as specified by the board;

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

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

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

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

((~~14~~)) (13) The board may solicit and review licensee reports and/or other information covered by the reports from clients, public agencies, banks, and other users of such information.

# WASHINGTON STATE BOARD OF ACCOUNTANCY

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

**Time and Place of Meeting** 9:00 a.m. – 12:45 p.m. Friday, July 26, 2019  
Hilton Garden Inn Spokane Airport  
Granite Room  
9015 West Highway 2  
Spokane, WA 99224

**Attendance** Board Members  
Mark Hugh, CPA, Chair, Board Member  
Thomas G. Neill, CPA, Vice Chair, Board Member  
Joel Cambern, Secretary, Public Member  
Rajib Doogar, Public Member  
Brian R. Thomas, CPA, Board Member  
Jacqueline Meucci, CPA, Board Member (left at 12:00 p.m.)  
Kate Dixon, Public Member (left at 12:30 p.m.)  
Carol A. Morgan, CPA, Board Member  
Thomas P. Sawatzki, CPA, Board Member

Staff and Advisors  
Charles E. Satterlund, CPA, Executive Director  
Bruce Turcott, Assistant Attorney General, Board Advisor (left at 12:00 p.m.)  
Jennifer Sciba, Deputy Director  
Taylor Shahon, CPA, Lead Investigator  
Kirsten Donovan, Board Clerk

**Public Rule-Making Hearing** The Board held a public rule-making hearing from 9:01 a.m. to 9:07 a.m. The Board Chair presided. The Board proposed to amend:

- WAC 4-30-010 Definitions

The proposed change adds a definition for nano learning to the rule.

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

The proposed changes 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 Reporting periods, carry-forward/back, and limitations on continuing professional education (CPE) credit.

The proposed new rule incorporates aspects of the Uniform Accountancy Act (UAA) CPE model rules and reorganizes 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 proposed changes 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 proposed changes 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 proposed changes simplify the rule language, remove the information and reference related to a retired board policy, and rename the rule.

The Executive Director presented a brief statement on each rule.

The Board did not receive any written comments regarding the proposed rule changes.

No public input was received during the hearing.

**Call to Order**

Board Chair, Mark Hugh, called the regular meeting of the Board to order at 9:07 a.m.

**Introduction of New Board Members**

The Board Chair reported that the Governor's Office appointed Carol A. Morgan, CPA and Thomas P. Sawatzki, CPA as the newest Board Members. The Board and staff welcomed Carol and Tom to the Board.

**Rules Review**

Board Deliberation on Proposed Rules Considered at the Public Rule-making Hearing

- WAC 4-30-010 Definitions

The Board voted unanimously to adopt the rule with minor changes that do not change the general subject matter of the proposed rule.

The Board changed “.2” to “0.2” in the nano learning definition to ensure that the decimal is not missed.

The Board voted for an implementation date of January 1, 2020.

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

The Board voted unanimously to adopt the rule with minor changes that do not change the general subject matter of the proposed rule.

The Board changed “.2” to “0.2” for nano learning credit in subsection (2)(a) to ensure that the decimal is not missed.

The Board voted for an implementation date of January 1, 2020.

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

The Board voted unanimously to adopt the rule with minor changes that do not change the general subject matter of the proposed rule.

The Board added “the sum of” and punctuation for clarity in subsection (6)(b).

The Board voted for an implementation date of January 1, 2020.

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

The Board voted unanimously to adopt the rule with minor changes that do not change the general subject matter of the proposed rule.

The Board adjusted the limitations on non-technical subject CPE hours a licensee can complete in their first CPE reporting period after conversion from a CPA-Inactive Certificateholder to a CPA license. The non-technical subject hours limit for an individual whose license is issued during the first calendar year of their CPE reporting period increased from 16 hours to 40 hours in subsection (2)(b)(i). For an individual who converted during the second year of their CPE reporting period the limit increased from 8 hours to 20 hours in subsection (2)(b)(ii). These changes reflect and retain the ratio of allowable non-technical subject hours to overall CPE hours authorized by the new rule changes.



The Board voted for an implementation date of January 1, 2020.

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

The Board voted unanimously to adopt the rule as proposed. The Board voted for an implementation date of January 1, 2020.

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

The Board voted unanimously to adopt the rule as proposed. The Board voted for an implementation date of January 1, 2020.

### Semi-annual Rules Development Agenda

The Executive Director presented the agenda for July through December 2019 filed with the Office of the Code Reviser.

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

### WAC 4-30-130 What are the quality assurance review (QAR) requirements for licensed CPA firms?

The Executive Director presented the Peer Review Task Force Report, the CR-101 filing, and a draft revision of the rule and led the discussion on the proposed changes. The changes will:

- Rename the rule
- Eliminate the thirty day notification requirement for peer review
- Require participation in the AICPA Facilitated State Board Access (FSBA) program
- Correct reference numbers to various WAC sections and subsections where the numbers have changed or been eliminated.

The Board directed staff to file the CR-102 with minor changes to the draft revision and schedule a public rule-making hearing in conjunction with the Board's October meeting.

### Firm Licensing Rule Changes Needed Due to the Passage of HB 1208

- WAC 4-30-056 What are the limitation regarding individual and firm names?
- WAC 4-30-110 What are the allowable legal forms of organization and ownership requirements for a CPA firm?

- WAC 4-30-112 Must a firm holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state?
- WAC 4-30-114 How do I apply for and maintain a firm license?

The Executive Director led the discussion on the proposed changes.

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

The Board established the Firm Rule Task Force with Tom Neill, Mark Hugh, and Tom Sawatzki as members.

**Minutes – April 26, 2019, Regular Board Meeting**

The Board approved the minutes of the April 26, 2019, Board meeting as presented.

**NASBA Update**

The Executive Director reported on the following topics from the NASBA Western Regional Meeting held June 18-20, 2019, in Salt Lake City, UT:

- CPA Evolution of the profession
- Peer review
- Experience requirements for attest
- Deregulation
- Mobility/substantial equivalence

The Board Chair encouraged everyone to attend the NASBA Annual Meeting in Boston, Massachusetts being held October 27-30, 2019. Mark stated that the NASBA meetings are a great, interesting experience with a lot of information sharing.

Tom Neill reported on the UAA committee meeting. A task force was created to look at the experience model. Whether attest experience should be required for everyone is being considered. The task force is expected to meet in the September timeframe. Tom also noted that NOCLAR is being discussed again.

**CPA Evolution Discussion and NASBA/AICPA Request for Comment**

The Board Chair presented and led the discussion on the PowerPoint – CPA Evolution: Trends in Education and Licensure.

The Board Chair presented the NASBA/AICPA CPA Evolution: Request for Input letter.

The Board members will submit comments to the Executive Director by email, and he will work with Mark Hugh and Tom Neill to create a response for submission before the August 2, 2019 deadline.

**Legal Counsel's Report**

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

**Chair's Report**

The Chair had nothing to report.

**Executive Committee**

The Chair reported that he and the other committee members had a teleconference to discuss the Board meeting agenda.

**Compliance Assurance Oversight Committee**

Tom Neill had nothing to report.

**Request Review Committee**

Joel Cambern reported:

Firm Names: *Approved:*

TERIE ELLIS CONSULTING PLLC  
TRAIL CPA CORPORATION  
NORTH PACIFIC TAX & ACCOUNTING  
SOLID CHOPS ACCOUNTING LLC  
LAKE STEVENS TAX SERVICE  
ASPEN FINANCIAL & TAX SERVICES, INC  
ALTUM LLP  
ENCOMPASS TAX SOLUTIONS PLLC

Professional/Educational Organization – Recognition Requests

During the second quarter of 2019, the Board received one request for recognition as an educational organization for purposes of obtaining list requests. The request from Accounting Broker Acquisition Group was denied.

Domestic or Foreign Education Credential Evaluation Services –

Applications: During the 2nd quarter 2019, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

Late Fee Waiver Requests

Late Fee Waiver Requests were received between May 1, 2019 and June 30, 2019. The Board received six requests – One was approved, and five were denied.

**State Ethics  
Compliance  
Committee**

Brian Thomas had nothing to report.

**Qualifications  
Committee**

Rajib Doogar reported that the committee took a preliminary look at Chartered Accountant education for possible acceptance towards the education requirement. The Board agreed to move forward with the review.

**Performance  
Review and  
Succession  
Committee**

Joel Cambern had nothing to report.

**WSCP  
Education Fund  
Committee**

Jacqueline Meucci had nothing to report.

**CPE Task Force**

Mark Hugh reported that the task force had completed its assigned activities and is disbanded.

**Peer Review Task  
Force**

Peer review was covered as a separate agenda item. Tom Neill had nothing further to report.

**Executive  
Director's Report**

Budget Status Report

The Executive Director presented the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant's Account Fund Balance, and the CPA Scholarship Transfer Account Fund Balance for transactions through June 2019.

CPA-Inactive Certificateholders – Consideration for Legislative Changes

The Executive Director reported that staff will make a legislative effort to eliminate the CPA-Inactive Certificateholder credential type. The credential causes confusion with the public and other state Boards who use the terms certificate and license interchangeably. The plan is to add an inactive status to the CPA license credential, which is more in line with other state Boards' practices.

Due to time constraints a special Board meeting may be called to obtain Board approval for the submission of legislation once it has been drafted.

Military Rule Discussion – WAC 4-30-088

The Executive Director briefly discussed possible changes to the rule. More discussion will come on the topic.

Board Member Recruitment and Retention

The Executive Director reported that he has received interest from possible CPA and Public Board Members for Board positions when positions become available.

**Enforcement Report**

Taylor Shahon provided the following reports to the Board:

- Quarterly Enforcement Report for April 1, 2019 through June 30, 2019
- Twelve-month Lookback Reports for July 1, 2018, through June 30, 2019

Taylor Shahon reported on enforcement activities for the second quarter 2019:

- Implementation of online complaint form
- Conflict of interest complaints
- Inquiries on records retention

**Public Input**

Kimberly Scott, WSCPA President and CEO, provided input throughout the meeting.

**Executive and/or Closed Session with Legal Counsel**

No executive or closed session with legal counsel held.

**Adjournment**

The Board meeting adjourned at 12:45 p.m.

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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

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

~~requirements. Must a firm holding a license from another state apply and obtain a Washington state license to hold out and practice in Washington state?~~ (1) A firm license must be

obtained from the board if ~~any of the following criteria apply:~~

~~(a) The firm has an office in this state and performs attest or compilation services for clients in this state; or~~

~~(b) The firm has an office in this state and, by any means, represents the firm to the public that the firm is a firm of certified public accountants.~~

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

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

(a) The firm performs such services through individuals with practice privileges under RCW 18.04.350(2) and WAC 4-30-090 or reciprocal license under RCW 18.04.180 and 18.04.183 and board rules;

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

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

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

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

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

(c) Cease offering or rendering professional services in this state through a specific individual or individuals if the



license(s) of the individual(s) through whom the services are offered or rendered becomes invalid;

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

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

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

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

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



# EXPEDITED RULE MAKING

## CR-105 (December 2017) (Implements RCW 34.05.353)

**Agency:** Board of Accountancy

**Title of rule and other identifying information:** (describe subject) WAC 4-30-080, How do I apply for an initial individual CPA license?; WAC 4-30-122, If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or CPA-Inactive certificate out of retirement?; WAC 4-30-124, How do I reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The board of accountancy proposes amending the rules to update various section and subsection references which have changed due to recently adopted changes in other rules.

**Reasons supporting proposal:** See purposes above.

**Statutory authority for adoption:** RCW 18.04.055

**Statute being implemented:** RCW 18.04.055, 34.05.353(1)(c)

**Is rule necessary because of a:**

- |                         |                              |  |
|-------------------------|------------------------------|--|
| Federal Law?            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If yes, CITATION:

**Name of proponent:** (person or organization) Board of Accountancy

Private  
 Public  
 Governmental

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586
Implementation:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586
Enforcement:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

**Expedited Adoption - Which of the following criteria was used by the agency to file this notice:**

- Relates only to internal governmental operations that are not subject to violation by a person;
- Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;
- Corrects typographical errors, make address or name changes, or clarify language of a rule without changing its effect;
- Content is explicitly and specifically dictated by statute;
- Have been the subject of negotiated rule making, pilot rule making, or some other process that involved substantial participation by interested parties before the development of the proposed rule; or
- Is being amended after a review under RCW 34.05.328.

**Expedited Repeal - Which of the following criteria was used by the agency to file notice:**

- The statute on which the rule is based has been repealed and has not been replaced by another statute providing statutory authority for the rule;
- The statute on which the rule is based has been declared unconstitutional by a court with jurisdiction, there is a final judgment, and no statute has been enacted to replace the unconstitutional statute;
- The rule is no longer necessary because of changed circumstances; or
- Other rules of the agency or of another agency govern the same activity as the rule, making the rule redundant.

**Explanation of the reason the agency believes the expedited rule-making process is appropriate pursuant to RCW 34.05.353(4):** The rule proposals are needed to correct section and subsection reference numbers.

**NOTICE**

**THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO**

Name: Kirsten Donovan, Rules Coordinator

Agency: Washington State Board of Accountancy

Address: PO Box 9131  
Olympia, WA 98507-9131  
Phone: 360-664-9191  
Fax: 360-664-9190

Email: Kirsten.Donovan@acb.wa.gov

Other:

**AND RECEIVED BY** (date) December 23, 2019

**Date:** October 22, 2019

**Name:** Charles E. Satterlund, CPA

**Title:** Executive Director

**Signature:**



**WAC 4-30-080 How do I apply for an initial individual CPA license?** (1) To qualify to apply for an initial license you must meet the following criteria and requirements:

(a) Good character requirements of RCW 18.04.105 (1)(a);  
(b) Education requirements of WAC 4-30-060;  
(c) Examination requirements of WAC 4-30-062;  
(d) Experience requirements of WAC 4-30-070;  
(e) Achieve and document a passing grade of ninety percent or better on a course covering the complete content of the AICPA Code of Professional Conduct;

(f) Achieve and document a passing grade of ninety percent or better on a board-approved initial course covering the Washington State Public Accountancy Act, related board rules, and board policies.

(2) If more than four years have lapsed since you passed the examination, you must meet the CPE requirements of WAC 4-30-134 (~~((2)(a))~~) (5) within the thirty-six month period immediately preceding submission of your license application. That CPE must include CPE hours in ethics and regulation meeting the requirements of WAC (~~(4-30-134(6))~~) 4-30-132(7). This regulatory ethics portion of the combined one hundred twenty-hour CPE requirement must be completed within the six month period immediately preceding submission of your license application.

(3) You must provide the required information, documents, and fees to the board either by making application through the board's on-line application system or on a form provided upon request. You must provide all requested information, documents and fees to the board before the application will be evaluated.

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

(5) Your initial license will expire on June 30 of the third calendar year following initial licensure.

(6) You may not use the title CPA until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.

**WAC 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or a CPA-Inactive certificate out of retirement?** If you notify the board that you wish to retire your license or CPA-Inactive certificate prior to the end of your renewal cycle, pursuant to RCW 18.04.215, you may renew your license or CPA-Inactive certificate out of retirement at a later date and are not subject to the requirements of reinstatement; however, you may not use the title CPA or CPA-Inactive or exercise the privileges related to those titles until you renew out of retirement.

If you previously held a license and requested that the license be retired, you are not eligible to apply for CPA-Inactive certificate holder status.

To apply to renew a license or a CPA-Inactive certificate out of retirement, you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

To apply to renew out of retirement, you must submit to the board:

(1) Complete application information including your certification that you have:

(a) Not used the title CPA or CPA-Inactive during the time in which your license or CPA-Inactive certificate was retired; and

(b) Met the CPE requirements to renew out of retirement in WAC 4-30-134(~~(+4)~~) (5); and

(2) All applicable fees.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

Your license or CPA-Inactive certificate will expire on June 30th of the third calendar year following the calendar year of the renewal out of retirement. The CPE reporting period for your next renewal begins on January 1<sup>st</sup> of the calendar year in which the renewal of your retired license or CPA-Inactive certificate was approved by the board and ends on December 31<sup>st</sup> of the second calendar year following approval of the renewal out of retirement. CPE credit hours utilized to qualify for renewal of a retired license or CPA-Inactive certificate cannot be utilized for subsequent renewal of your credential renewed out of retirement.

You may not use the title CPA or CPA-Inactive until your renewal out of retirement application has been approved.

**WAC 4-30-124 How do I reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?** If your individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner has lapsed, you may not use the restricted title(s) until your individual credential has been reinstated by the board.

Individuals who held a valid license on June 30, 2001, and individuals obtaining a license after June 30, 2001, are not eligible to reinstate as CPA-Inactive certificate holders.

To reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a nonlicensee firm owner you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information and documents, and fees have been submitted to the board.

To reinstate, you must submit to the board:

(1) Complete reinstatement information including your certification that you have:

(a) *For those who wish to reinstate a license or CPA-Inactive certificate:* Not used the title CPA or CPA-Inactive during the time in which your individual license or CPA-Inactive certificate was lapsed; or

(b) *For those who wish to reinstate a registration as a resident nonlicensee firm owner:* Not participated as an owner in a CPA firm during the time in which your registration as a resident nonlicensee firm owner was suspended or revoked; and

(c) Met the CPE requirements for reinstatement in WAC 4-30-134(~~(+6)~~) (5); and

(d) Met the CPE supporting documentation requirements in WAC 4-30-138;

(2) Source documents as evidence of eligibility for CPE credit for all courses claimed in order to meet CPE requirements as defined by WAC 4-30-138;

(3) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, certificate, or practice privileges;

(4) Other required documents; and

(5) All applicable fees.

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

Your license, CPA-Inactive certificate, or registration as a nonlicensee firm owner will expire on June 30th of the third calendar year following approval of the reinstatement. The CPE reporting period for your next renewal begins on January 1st of the calendar year in which the reinstatement of your license, CPA-Inactive certificate, or registration as a nonlicensee firm owner was approved by the board and ends on December 31st of the second calendar year following approval of the reinstatement. CPE credit hours utilized to qualify for reinstatement cannot be utilized for subsequent renewal of your reinstated credential.

You may not use the restricted title(s) until your reinstatement application has been approved and posted to the board's database.





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# Washington State Board of Accountancy

**Policy Number:** 2019-1

**Title:** Peer Review

**Adopted:** October 18, 2019

**Approved:** \_\_\_\_\_  
**Mark Hugh, CPA, Chair**

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## **Purpose:**

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

In addition, this policy is intended to inform the wider CPA firm community about the Board's approach to evaluating and responding to the results of peer reviews.

## **Guiding Principles:**

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

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

## **Process for Dropped or Terminated Firms:**

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

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

Firms that have been dropped or terminated from peer review, have not responded to a board inquiry per WAC 4-30-032, and remain out of compliance may be referred to the Board's disciplinary process.

**Board Evaluation of the Results of Peer Review:**

One member of the Board's Compliance Assurance Committee and the Executive Director (ED) will review reports for which the results are pass with deficiencies (PWD) or fail. Board staff will make all files available electronically for the Board member's review.

**PWD – or Sequential PWDs:**

The Board member and ED will review the peer review report for any unusual facts or troubling trends. Board staff will follow up to ensure that corrective action, as recommended by the EA/RAB, is completed by the firm.

Referral for discipline is unlikely for PWD results.

**Fails and/or Sequential Fails:**

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

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

If the two sequential fails have the same root cause, the Board will determine what action is appropriate under the circumstances. Options, beyond the corrective action, include but are not limited to the following:

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

Effective: October 18, 2019

To: Washington Accountancy Board  
From: Mark Hugh  
Re: 2020 Board committees and task forces  
Date: September 28, 2019

At the upcoming October 2019 Board meeting, we will discuss committees and task forces for the next year. The attached spreadsheet details 2020 committees and task forces and any members currently listed were a member of the committee or task force in the prior year.

The October Board meeting is an opportunity for existing members to express their interest in remaining on the committee or task force for 2020, as well as for other members to volunteer for 2020.

You will note fewer committees in 2020 than in the prior year and adjusted committee names. As part of 2020 assignments, we are paring down committees to just those required by statute or rule and will use task forces for other initiatives.

The goal in reducing committees is alignment with Board goals, flexibility, simplicity, and creating more opportunity for engagement among Board members by eliminating committees that do not have a clear stated purpose and do not meet during the year.

After the reorganization, there will be:

- The Executive Committee (required by good management practices).
- The Peer Review Oversight Committee (required by WAC 4-30-130).
- The Request Oversight Committee (required by WAC 4-30-056).
- The Scholarship Oversight Committee (required by SSB 5534, Ch. 215 (2015)).

And task forces.

At the meeting, we will briefly discuss the role of each committee and task force and anticipated 2020 activities.

In advance of the meeting, I thought I would provide you with any background on specific committee authority. WAC 4-30-130, the peer review rule is already in the Board packet in anticipation of the rule hearing at the meeting, but also attached is WAC 4-30-056 and SSB 5534, Ch. 215 (2015).

**"ACB" aka Washington Accountancy Board  
2020 Committees and Task Forces Before Additional Members**

Member	Term Expires	Executive Committee	Peer Review Oversight Committee	Request Oversight Committee	Scholarship Oversight Committee	Firm Rule Task Force	Title Reform Task Force
Mark Hugh, CPA	2022	Chair				Vice Chair	
Thomas G. Neill, CPA	2020		Chair		Member	Chair	
Joel Cambern	2022	Secretary	Member	Chair			
Rajib Doogar	2022	Vice Chair					
Brian R. Thomas, CPA	2021			Member			
Jacqueline Meucci, CPA	2021		Member		Chair		
Kate Dixon	2020						
Carol A. Morgan, CPA	2022						
Thomas P. Sawatzki, CPA	2022					Member	

**Nonboard Volunteers**

Robert Loe	N/A		Member				
Laura Lindal	N/A		Member				

**WAC 4-30-056****What are the limitations regarding individual and firm names?**

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

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

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

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

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

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

A licensee may not operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the board. A CPA or a CPA-Inactive certificate holder may not use the title in association with a name that is not registered with the board.

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

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5534**

Chapter 215, Laws of 2015

64th Legislature  
2015 Regular Session

HIGHER EDUCATION--ACCOUNTING SCHOLARSHIP PROGRAM

EFFECTIVE DATE: 7/24/2015

Passed by the Senate April 16, 2015  
Yeas 46 Nays 1

BRAD OWEN

**President of the Senate**

Passed by the House April 15, 2015  
Yeas 98 Nays 0

FRANK CHOPP

**Speaker of the House of Representatives**

Approved May 8, 2015 10:14 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5534** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

**Secretary**

FILED

May 8, 2015

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5534**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

**State of Washington                      64th Legislature                      2015 Regular Session**

**By Senate Higher Education (originally sponsored by Senators Bailey, Kohl-Welles, Hill, Conway, Rivers, Rolfes, Hargrove, and Chase)**

READ FIRST TIME 02/13/15.

1            AN ACT Relating to creating a certified public accounting  
2 scholarship program; amending RCW 18.04.065; and adding a new chapter  
3 to Title 28B RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.        **Sec. 1.**        (1) The certified public accounting  
6 scholarship program is established.

7            (2) The purpose of this scholarship program is to increase the  
8 number of students pursuing the certified public accounting license  
9 in Washington state.

10           (3) Scholarships shall be awarded to eligible students based on  
11 merit and without regard to age, gender, race, creed, religion,  
12 ethnic or national origin, or sexual orientation. In the selection  
13 process, the foundation is encouraged to consider the level of  
14 financial need demonstrated by applicants who otherwise meet merit-  
15 based scholarship criteria.

16           (4) Scholarships shall be awarded every year not to exceed the  
17 net balance of the foundation's scholarship award account.

18           (5) Scholarships shall be awarded to eligible students for one  
19 year. Qualified applicants may reapply in subsequent years.

1 (6) Scholarships awarded to program participants shall be paid  
2 directly to the Washington-based college or university where the  
3 program participant is enrolled.

4 (7) A scholarship award for any program participant shall not  
5 exceed the cost of tuition and fees assessed by the college or  
6 university on that individual program participant for the academic  
7 year of the award.

8 NEW SECTION. **Sec. 2.** The definitions in this section apply  
9 throughout this chapter unless the context clearly requires  
10 otherwise.

11 (1) "Board" means the board of accountancy created in RCW  
12 18.04.035.

13 (2) "Eligible student" means a student enrolled at an accredited  
14 Washington-based college or university with a declared major in  
15 accounting, entering his or her junior year or higher. "Eligible  
16 student" includes community college transfer students, residents of  
17 Washington pursuing an online degree in accounting, and students  
18 pursuing a masters in tax, masters in accounting, or a PhD in  
19 accounting.

20 (3) "Foundation" means the Washington CPA foundation.

21 (4) "Program" means the certificated public accounting  
22 scholarship program created in this chapter.

23 (5) "Program participant" means an eligible student who is  
24 awarded a scholarship under the program.

25 (6) "Resident student" has the definition in RCW 28B.15.012.

26 NEW SECTION. **Sec. 3.** The board must contract with a foundation  
27 to develop and administer the program. The board shall provide  
28 oversight and guidance for the program in light of established  
29 legislative priorities and to fulfill the duties and responsibilities  
30 under this chapter and chapter 18.04 RCW, including determining  
31 eligible education programs for purposes of the program. The board  
32 shall negotiate a reasonable administrative fee for the services  
33 provided by the foundation. In addition to its contractual  
34 obligations with the board, the foundation has the duties and  
35 responsibilities to:

36 (1) Establish a separate scholarship award account to receive  
37 state funds and from which to disburse scholarship awards;



1 (2) Manage and invest funds in the separate scholarship award  
2 account to maximize returns at a prudent level of risk and to  
3 maintain books and records of the account for examination by the  
4 board as it deems necessary or appropriate;

5 (3) In consultation with the board, make an assessment of the  
6 reasonable annual eligible expenses associated with eligible  
7 education programs identified by the board;

8 (4) Work with board, institutions of higher education, the  
9 student achievement council, and other organizations to promote and  
10 publicize the program to obtain a wide and diverse group of  
11 applicants;

12 (5) Develop and implement an application, selection, and  
13 notification process for awarding certified public accounting  
14 scholarships;

15 (6) Determine the annual amount of the certified public  
16 accounting scholarship for each program participant;

17 (7) Distribute scholarship awards to colleges and universities  
18 for program participants; and

19 (8) Notify the student achievement council and colleges and  
20 universities of enrolled program participants and inform them of the  
21 terms and conditions of the scholarship award.

22 NEW SECTION. **Sec. 4.** By January 1, 2016, and annually each  
23 January 1st thereafter, the foundation contracted with under section  
24 3 of this act shall report to the board regarding the program,  
25 including:

26 (1) An accounting of receipts and disbursements of the  
27 foundation's separate scholarship award account including any  
28 realized or unrealized gains or losses and the resulting change in  
29 account balance;

30 (2) A list of the program participants and the scholarship amount  
31 awarded, by year; and

32 (3) Other outcome measures necessary for the board to assess the  
33 impacts of the program.

34 NEW SECTION. **Sec. 5.** (1) The certified public accounting  
35 scholarship transfer account is created in the custody of the state  
36 treasurer. Expenditures from the account may be used solely for  
37 scholarships and the administration of the program created in section  
38 1 of this act.

1 (2) Revenues to the account shall consist of appropriations by  
2 the legislature and any gifts, grants, or donations received by the  
3 board for this purpose.

4 (3) Only the director of the board or the director's designee  
5 may authorize expenditures from the certified public accounting  
6 scholarship transfer account. The account is not subject to the  
7 allotment procedures under chapter 43.88 RCW and an appropriation is  
8 not required for expenditures.

9 **Sec. 6.** RCW 18.04.065 and 2001 c 294 s 6 are each amended to  
10 read as follows:

11 The board shall set its fees at a level adequate to pay the costs  
12 of administering this chapter. All fees for licenses, registrations  
13 of nonlicensee partners, shareholders, and managers of licensed  
14 firms, renewals of licenses, renewals of registrations of nonlicensee  
15 partners, shareholders, and managers of licensed firms, renewals of  
16 certificates, reinstatements of lapsed licenses, reinstatements of  
17 lapsed certificates, reinstatements of lapsed registrations of  
18 nonlicensee partners, shareholders, and managers of licensed firms,  
19 practice privileges under RCW 18.04.350, and delinquent filings  
20 received under the authority of this chapter shall be deposited in  
21 the certified public accountants' account created by RCW 18.04.105.  
22 Appropriation from such account shall be made only for the cost of  
23 administering the provisions of this chapter or for the purpose of  
24 administering the certified public accounting scholarship program  
25 created in chapter 28B.--- RCW (the new chapter created in section 7  
26 of this act).

27 NEW SECTION. **Sec. 7.** Sections 1 through 5 of this act  
28 constitute a new chapter in Title 28B RCW.

Passed by the Senate April 16, 2015.  
Passed by the House April 15, 2015.  
Approved by the Governor May 8, 2015.  
Filed in Office of Secretary of State May 8, 2015.

To: Washington State Board of Accountancy  
From: Mark Hugh, Charles Satterlund, Jennifer Sciba  
Re: NASBA response to WSBOA CPA Evolution Comments  
Date: August 14, 2019

On Wednesday, August 7, Charles forwarded our summarized comments to Laurie Tish, incoming NASBA Chair and Dan Dustin, NASBA's Vice President of State Board relations. Laurie is a partner in the Seattle office of Moss Adams and former member and chair of the WSBOA.

On Thursday, Laurie responded and wanted to schedule a call to discuss our comments. That call occurred on Tuesday, August 13, and included Laurie, Dan, Mark, Charles, and Jennifer.

Laurie repeated her statements from the NASBA regional meeting that she believed the data technologists working at large CPA firms did indeed want to be partner, as "that's where the money is". We noted that may not be the case, as data technologists and developers can earn far more money outside the profession, with less education, less testing, and no experience requirements. And, we expressed our concerns that adding additional technology curriculum may discourage, not encourage, students to enter the CPA profession.

For the NASBA CPA Evolution Task Force, Laurie noted this is about protecting the attest function, and keeping that function with the scope of licensed CPA firms. As Laurie noted, losing the exclusivity of attest work would be the "beginning of the end" for the CPA profession. However, the task force specifically decided to not include that goal within the principles, as in a few years, the threat to CPA firms may come from a different area other than the attest function.

We noted that many professionals entering the profession are not interested in the attest function, such as those that go into industry or public tax practice.

We discussed the inability of regulators in red states (currently two-thirds of all states have red state legislative control) to amend laws or rules, which would create a barrier to any changes. Dan said NASBA was trying to put together that information, but generally it appeared that educational requirements, which differ from state to state, are housed in rules.

After the call with Laurie and Dan, Jennifer noted that state boards do not have any control over the content of the CPA exam. However, state boards do control the educational requirements, and those vary greatly by state.

NASBA response to CPA Evolution comments

August 14, 2019

Page 2

While Washington's rules are less specific than other states (causing some other states to view our rules as not substantially equivalent), red state regulators opening their rules for amendment may end up with substantially different results than NASBA or the AICPA expects, such as returning to the 120 hour rather than the 150 hour education requirement for licensure, which would be very detrimental to CPA mobility and the ability of individuals and firms to practice over state lines.

Dan noted that the AICPA is currently in the process of rewriting the exam, with the goal of having a draft out by the end of the year. This is consistent with comments from Sue Coffey, the AICPA's Executive Vice President, at the AICPA Peer Review Conference in August.

# Washington title reform

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WASHINGTON STATE BOARD OF ACCOUNTANCY

1

## Table of contents

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- ▶ Washington titles and the experience requirement
- ▶ Resigning a license or certificate
- ▶ Current data on the Washington credentialed population
- ▶ CPA mobility and examples of titles in other states
- ▶ The CPA Retired designation
- ▶ Proposals for Washington title reform
- ▶ Board considerations

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## Washington titles

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- ▶ "Certified public accountant" or "CPA" means a person holding a certified public accountant license
- ▶ "CPA-Inactive Certificate Holder" means the holder of a CPA certificate who has not become a licensee and has maintained specific CPE requirements
- ▶ CPAs are "licensees" and CPA-Inactive Certificate Holders are "certificate holders"

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## A CPA license

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- ▶ A CPA license has three requirements: education, examination, and experience
- ▶ After qualifying education, a candidate sits for the uniform CPA exam
- ▶ After passing the exam, the candidate is issued a congratulatory letter acknowledging the candidate passed the exam
- ▶ To obtain a license, a candidate must then obtain 2,000 hours of qualifying experience over at least a 12-month period in public accounting or industry
- ▶ Experience obtained up to eight years prior to license application qualifies

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4

## CPA-Inactive Certificate Holders

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- ▶ Until 2001, Washington issued both licenses and certificates
- ▶ With changes to the Public Accountancy Act in 2001, active certificate holders were allowed to continue to hold a certificate
- ▶ CPA-Inactive Certificate Holders were issued a certificate but were not required to meet experience requirements
- ▶ No further CPA-Inactive Certificate Holders have been created since 2001

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## CPA-Inactive Certificate Holder

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- ▶ No practice of public accounting
- ▶ No use of the title CPA, only CPA-Inactive Certificate Holder
- ▶ Only triennial CPE requirement is 4 hours of Board approved ethics
- ▶ May lapse or retire and may reapply for reinstatement or renewal out of retirement
- ▶ May pursue a CPA license through meeting experience requirements

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## Resigning a license or certificate

- ▶ There are two methods to resign in Washington, either lapsing or retirement
- ▶ With lapsing, the licensee or certificate holder does not notify the Board and does not renew their license or certificate
- ▶ With retirement, the licensee or certificate holder notifies the Board they are retiring their license or certificate
- ▶ Retirement is preferred over lapsing in case the licensee or certificate holder wants to renew their license or certificate in the future, as no reinstatement fee is due

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## Current population as of August 2019

CPAs or Licensees	19,220
CPA-Inactive Certificate Holders	860
Lapsed Licensees	8,700
Lapsed CPA-Inactive Certificate Holders	4,450
Retired Licensees	3,180
Retired CPA-Inactive Certificate Holders	1,840
Non-CPA firm owners	70
<b>Total</b>	<b>38,320</b>
<i>Excludes the revoked, suspended, and the deceased</i>	

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## Credentialed population worldwide

United States	15,680
Japan	1,970
China (Hong Kong)	640
China	520
South Korea	510
Canada	360
Europe	130
Other	240
<b>Total</b>	<b>20,150</b>
<i>Only includes licensees, CPA-Inactive Certificate Holders, and Non-CPA firm owners</i>	

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## Credentialed population by U.S. State

Washington	13,110
California	600
Oregon	320
Texas	220
New York	130
Idaho	130
Arizona	100
Other	1,070
<b>Total</b>	<b>15,680</b>

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## CPA mobility

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- ▶ Mobility is the ability of a licensee from a substantially equivalent state to gain practice privileges outside of a home state without getting an additional license in the state where they will be serving a client or an employer
- ▶ “Substantial equivalency” means comparable education, examination, and experience requirements for individual licensing between states
- ▶ “Practice privileges,” allow a licensee to temporarily enter a state to practice public accounting without any required state board notification or fees

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## Benefits of CPA mobility to the public

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- ▶ Removing state boundaries creates more consumer choices to choose a CPA or firm to serve their individual and business needs
- ▶ Removing local boundaries creates more price competition among providers
- ▶ A state board’s ability to discipline is based on the consumer location, whether contact is physical or electronic, rather than where a license is issued
- ▶ Washington has adopted uniform standards for individual and firm mobility

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## Benefits of CPA mobility to licensees

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- ▶ Licensees are free to serve clients or employers in other states physically, electronically, or otherwise, which expands markets for services
- ▶ As an ethical violation in the state in which the consumer of professional services is based, whether client or employer, is also considered a violation in the state which issued the CPA license, uniform individual or firm mobility creates less risk of a chance of an inadvertent administrative violation in the state in which the consumer is based

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## Washington title confusion

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- ▶ Of 55 state boards throughout the U.S. few have the Washington distinctions between licensees and certificate holders
- ▶ In most states these are interchangeable and synonymous terms
- ▶ “Inactive” typically means a licensee who has complied with education, examination, and experience requirements and has placed their license in an inactive status for a renewal period

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## California CPA Inactive status

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- ▶ CPA Inactive is a licensee who does not intend to perform public accounting services but wishes to maintain a licensed status
- ▶ These licensees elect to renew with an inactive status
- ▶ A person with an inactive status may not perform public accounting services
- ▶ Inactive licensees are not required to obtain CPE
- ▶ A CPA Inactive may renew as a CPA with CPE
- ▶ Title use is limited to CPA Inactive

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## Oregon CPA Inactive status

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- ▶ CPA Inactive is a licensee who does not intend to perform public accounting services but wishes to maintain a licensed status
- ▶ These licensees elect to renew with an inactive status
- ▶ A person with an inactive status may not perform public accounting services and cannot work for more than a single employer in industry
- ▶ Inactive licensees are required to obtain 32 hours of CPE for renewal
- ▶ A CPA Inactive may renew as a CPA with additional CPE
- ▶ Title use is limited to CPA Inactive

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## Idaho CPA Inactive status

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- ▶ CPA Inactive is a licensee who does not intend to perform public accounting services but wishes to maintain a licensed status
- ▶ These licensees elect to renew with an inactive status
- ▶ A person with an inactive status may not perform public accounting services
- ▶ Inactive licensees are not required to obtain CPE
- ▶ A CPA Inactive may renew as a CPA with CPE
- ▶ Title use is limited to CPA Inactive

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## Examples of other states

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- ▶ Texas does not recognize a CPA Inactive status, licensees can either maintain their license, surrender it to the state, or voluntarily retire their license
- ▶ New York recognizes a CPA Inactive status for licensees who do not perform public accounting services and requires no continuing professional education for renewal of inactive status, and allows renewal as a CPA with CPE
- ▶ Florida recognizes a CPA Inactive status for licensees who do not perform public accounting services and requires no continuing professional education for renewal of inactive status, and allows renewal as a CPA with CPE

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## More Washington title confusion

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- ▶ A Washington individual may retire their license or certificate
- ▶ With retirement, the licensee or certificate holder notifies the Board they are retiring their license or certificate
- ▶ Retirement is preferred over lapsing in case the licensee or certificate holder wants to renew their license or certificate at a future point, no reinstatement fee is due
- ▶ No time limitation on meeting CPE requirements and reinstatement of a CPA license or certificate

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## Washington CPA Retired

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- ▶ A licensee, not a certificate holder, who has retired his or her license may in limited instances be allowed to use the designation CPA Retired
- ▶ CPA Retired means an individual who, upon notice to the Board to retire a license, has either reached 60 years of age and holds an active license in good standing; or at any age, has held an active license in good standing to practice public accounting in any state for a combined period of not less than 20 years
- ▶ CPA Retired is a designation authorized by the Board

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## The overall issues

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- ▶ Confusion regarding how the title CPA-Inactive is perceived by the public and how the title is perceived and used by certificate holders
- ▶ Confusion perceived nationally about Washington titles and substantial equivalency versus national mobility standards
- ▶ Inadvertent administrative violations within the U.S. over title use by CPA-Inactive Certificate Holders from Washington and CPA Inactives who are inactive in other states
- ▶ Public confusion about use of the CPA Retired designation

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## Washington title reform proposals

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- ▶ Elimination of certificate holders
- ▶ Creation of an inactive status similar to other states for licensees that desire to put their license in an inactive state
- ▶ The result is four types of CPA licensee statuses: active, inactive, lapsed, and retired
- ▶ The CPA Retired designation would still exist for those that met the current rule for use of this designation, and the designation would appear in the Board's database, but "retired" would not be used in other circumstances

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## The transition of certificate holders

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- ▶ A current certificate holder would be transitioned, if possible, to a licensee using the new statuses of active, inactive, lapsed, or retired
- ▶ Current active certificate holders with documented experience on file with the Board would be able to convert to any of the new statuses
- ▶ Certificate holders without documented experience on file with the Board would be provided an unlimited lookback for qualifying experience beyond the current eight-year lookback to qualify for the new classifications

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## Other certificate holders

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- ▶ Lapsed or retired certificate holders would be given a future deadline to convert to the new statuses
- ▶ Those without documented experience on file with the Board would still be required to document or obtain qualifying experience before the future deadline to convert to the new statuses

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## Impacted Certificate Holders

CPA-Inactive Certificate Holders with experience on file	260
CPA-Inactive Certificate Holders with no experience on file	600
Lapsed CPA-Inactive Certificate Holders with experience on file	970
Lapsed CPA-Inactive Certificate Holders with no experience on file	1,600
Retired CPA-Inactive Certificate Holders with experience on file	1,070
Retired CPA-Inactive Certificate Holders with no experience on file	770
<b>Total</b>	<b>5,270</b>

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## Board considerations

- ▶ “CPA-Inactive Certificate Holder” is deeply interwoven throughout the law and rules, requiring comprehensive revisions and legislation in 2021 and substantial rule revisions afterward
- ▶ Not an emergency that needs to occur in 2021 or thereafter but timing is favorable in Washington for modest regulatory reform
- ▶ Benefits the public and the credentialed population by eliminating confusion and increasing mobility by aligning Washington titles with other states

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## And more considerations

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- ▶ A positive response to other state's criticisms about Washington and substantial equivalency
- ▶ More consistent with Washington licensing philosophy as a "world title" open to nonresidents and 35% of the current titled population as nonresidents

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# Quality Assurance Review Results

<b>Year</b>	<b>Peer Review</b>	<b>Pass</b>	<b>Pass W/ Deficiencies</b>	<b>Fail</b>	<b>Peer Review Extension Request</b>	<b>Sub Total</b>	<b>Enforcement</b>	<b>Limited Scope Exemption</b>	<b>Limited Scope Exemption</b>	<b>Total Participation</b>
<b>2013</b>		36	7	5	0	<b>48</b>	<b>0</b>	<b>Limited</b>	91	<b>139</b>
<b>2014</b>		9	5	0	0	<b>14</b>	<b>0</b>		8	<b>22</b>
<b>2015</b>		289	33	15	0	<b>337</b>	<b>1</b>		399	<b>737</b>
<b>2016</b>		212	20	20	0	<b>252</b>	<b>4</b>		371	<b>627</b>
<b>2017</b>		73	7	5	0	<b>85</b>	<b>0</b>		250	<b>335</b>
<b>2018</b>		234	26	21	6	<b>287</b>	<b>3</b>		415	<b>705</b>
<b>2019</b>		135	19	12	29	<b>195</b>			375	<b>570</b>
<b>2020</b>						<b>0</b>				<b>0</b>

## Request Review Committee Report October 2019

Joel Cambern, Chair

During the third quarter 2019, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

Firm Names: *Approved:*

ACCOUNTING WITH PURPOSE, LLC  
AFFINITY GROUP CPAS & CONSULTANTS, PLLC  
C1 ADVISORS PLLC  
PNW CPA  
TJH CPA, LLC  
NUMBERS DON'T LIE, CPA LLC  
SKJ & COMPANY, P.S

Professional/Educational Organization – Recognition Requests – During the 3rd quarter in 2019, the Board did not receive any requests for recognition of an educational organization for purposes of obtaining list requests.

Domestic or International Education Credential Evaluation Services – During the 3rd quarter in 2019, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

September 23, 2019

As the Ethics Advisor of the Board's State Ethics Compliance Committee, I have reviewed the 2019 State Ethics Compliance Checklists completed by each staff member of the Board regarding activities that are prohibited or require pre-approval from the Executive Director or the Ethics Advisor. Two disclosures referenced engagement in outside activities for compensation; recommendation was made to the ED to either cross-reference with approval documentation, or add his counter-signature to the ethics checklist. (Cross-documentation of ED approval for provision of voluntary services to two unrelated non-profits were not deemed necessary.) No other matters were reported that require further attention or action.

A handwritten signature in cursive script that reads "Brian R Thomas".

Brian R Thomas  
Ethics Advisor

## **Evaluation of Chartered Accountants through NIES**

There are 11 state boards who allow NASBA International Evaluation Services (NIES) to evaluate and determine the academic pathway of Chartered Accountants and accept those credits deemed equivalent to education obtained in the United States to sit for the exam. The state boards include Alaska, Arizona, California, Guam, Montana, New Hampshire, Ohio, Illinois, Iowa, Virginia, and Colorado. Of those listed, three accept these credits on a case by case basis.

After contacting several of these state boards, the consensus was that the academic pathway of Chartered Accountants was deemed equivalent to the education obtained at a college or university in the United States. The boards relied solely on the expertise of NIES. However, if any questions arose during the evaluation, the boards were contacted before acceptance.

The boards were not aware of any issues that these individuals faced when transferring their license to another state board.

Based on the information gathered and WAC 4-30-060(3), the recommendation is to allow NIES to evaluate and accept the academic pathway for Chartered Accountants.

**Projected Fund Balance**  
**Washington State Certified Public Accounting Scholarship Program**  
**For the Year Ending September 30, 2020**

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Beginning Fund Balance (as of July 31, 2019)	\$	2,673,747
Revenues:		
Passive Earnings from Investments (Assumes a 3% return)	\$	80,212
Expenditures:		
WBOA Certified Public Accounting Scholarships (25 \$5,000 scholarships will be awarded)	\$	(125,000)
(30 \$8,000 masters scholarships will be awarded)	\$	(240,000)
<hr/>		
Projected Fund Balance For the Year Ended 9/30/2019	\$	<u>2,388,959</u>

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Washington Society of CPAs (WSCPAs) Annual Administration Fee** to be reimbursed by the Washington State Board of Accountancy Annually	\$	25,000
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** Annual WSCPAs Estimated Expense to Administer WA CPA Scholarship Program	\$	27,846
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**Estimated Expenses for Administering the WA Certified Public Accounting Scholarship Program  
For the Year Ending September 30, 2020**

**Program Employee Expenses**

Shown in hours worked***	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Total</u>
Advocacy and Foundation Coordinator	40	47	32	38	46	42	43	51	6	1	0	23	369
CEO, Director of the Foundation	3	6	2	3	3	4	4	6	2	1	1.5	3	39
Director of Communications	1	4	6	2	6	0	0	0	0	3	1.5	1	25
Digital Marketing Coordinator	3	2	4.5	3	0	0	0	0	0	7.5	2.75	3	26
CFO	1	1	1	1	1	1	1	1	1	1	1	0.5	12
Communications Coordinator	0.75	1	0	0.5	1	1	1	1	1	1	0	0	8
Staff Accountant	0	1	0.5	0.5	0	0	0.5	0.5	1	0.5	1	1.5	7
Comm. Design.Social Media Coordinator	11	0.5	0	0	0	0	0	0	3	1	6	11	33
<b>TOTAL - In Dollars</b>	<b>\$ 3,158</b>	<b>\$ 1,452</b>	<b>\$ 812</b>	<b>\$ 952</b>	<b>\$ 1,748</b>	<b>\$ 2,819</b>	<b>\$ 1,657</b>	<b>\$ 653</b>	<b>\$ 1,852</b>	<b>\$ 1,053</b>	<b>\$ 2,167</b>	<b>\$ 3,623</b>	<b>\$ 21,946</b>

\*\*\* This table shows the number of hours worked per position and totals those hours in terms of dollars.

**Program Marketing Expenses**

	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Total</u>
Banners											\$ 400	\$ -	\$ 400
Social Media (Facebook and LinkedIn)	\$ 250	\$ 300	\$ 300	\$ 300	\$ 200		\$ 200					\$ 250	\$ 1,800
Brochures and Posters		\$ 500	\$ -	\$ -							\$ 750		\$ 1,250
Promotional Materials			\$ 500								\$ 250		\$ 750
Scholarship Networking Event								\$ 1,300					
Gift cards and Prizes			\$ 200									\$ 200	\$ 400
<b>TOTAL</b>	<b>\$ 250</b>	<b>\$ 800</b>	<b>\$ 1,000</b>	<b>\$ 300</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ 1,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,400</b>	<b>\$ 450</b>	<b>\$ 5,900</b>
<b>Total Estimated Program Expenses</b>													<b>\$ 27,846</b>



1650 - State Board of Accountancy

Allotment Expenditure/Revenue RTD Flexible

Report Number: AEF04  
 Biennium: 2021  
 As of Fiscal Month: Sep FY1  
 Estimated Revenue Content: Approved & Adjusted  
 Transactions Through: Sep 27, 2019 8:00PM  
 Date Run: Sep 30, 2019 12:38PM



Account: 02J  
 Revenue Content: Cash, Accr(all)  
 Allotment Content: Approved & Adjusted  
 Expenditure Content: Cash, Accr(all)  
 (For a complete listing of all input parameter values, please see the last page of the report)

	RTD Allotment	RTD Disbursement	RTD Accrual	RTD Encumbrance	RTD Variance	Biennium Remaining
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<b>By Account/Expenditure Authority</b>						
021 - Certified Public Accountants' Acct	441,695	342,757.10	0.00	0.00	98,937.90	3,261,223.90
030 - Salaries and Expenses	441,695	342,757.10	0.00	0.00	98,937.90	3,261,223.90
<b>Total for Agency</b>	441,695	342,757.10	0.00	0.00	98,937.90	3,261,223.90
<b>By Account/Expenditure Authority</b>						

<b>By Object</b>	RTD Allotment	RTD Disbursement	RTD Accrual	RTD Encumbrance	RTD Variance	Biennium Remaining
A - Salaries and Wages	188,557	156,432.48	0.00	0.00	32,124.52	1,392,608.52
B - Employee Benefits	67,747	61,098.81	0.00	0.00	6,648.19	493,650.19
C - Professional Service Contracts	28,926	30,361.34	0.00	0.00	(1,435.34)	201,046.66
E - Goods and Services	144,381	85,027.01	0.00	0.00	59,353.99	1,087,083.99
G - Travel	8,334	9,857.46	0.00	0.00	(1,503.46)	56,834.54
J - Capital Outlays	3,750	0.00	0.00	0.00	3,750.00	30,000.00
<b>Total for Agency</b>	441,695	342,757.10	0.00	0.00	98,937.90	3,261,223.90
<b>By Object</b>						

Fund

Balance As Of:	9/30/2019	Show Balances As Of:	09/30/2019 
Book Balance:	2,698,483.17		
Outstanding Warrants:	1,600.00		
Cash Balance:	2,700,083.17		

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:	9/30/2019	Show Balances As Of:	09/30/2019
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

# Board of Accountancy

## Washington State

### Enforcement Report

<b>Quarterly Report (Jul 01, 2019 through Sep 30, 2019)</b>			
<b>Complaint Workload</b>			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	7	19	26
Closed with No Action	(2)	(5)	(7)
Closed with Action Taken	(1)	(3)	(4)
<b>Complaints at End of Period</b>	<b>4</b>	<b>11</b>	<b>15</b>
<b>Details of Complaint Closures</b>			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	1	6	7
Revocation, Suspension, Restriction	0	0	0
Fines, costs, and other sanctions	1	0	1
Remedial Resolution (Policy 2004-1)	3	0	3
<b>Total Closed</b>	<b>5</b>	<b>6</b>	<b>11</b>

<b>Twelve-Month Lookback (Oct 01, 2018 through Sep 30, 2019)</b>			
<b>Complaint Workload</b>			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	20	79	99
Closed with No Action	(10)	(34)	(44)
Closed with Action Taken	(9)	(31)	(40)
<b>Complaints at End of Period</b>	<b>1</b>	<b>14</b>	<b>15</b>
<b>Details of Complaint Closures</b>			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	6	38	44
Revocation, Suspension, Restriction	1	4	5
Fines, costs, and other sanctions	5	4	9
Remedial Resolution (Policy 2004-1)	25	1	26
<b>Total Closed</b>	<b>37</b>	<b>47</b>	<b>84</b>

## Board of Accountancy Washington State

### All complaints - resolved with and without discipline

	<u>Oct 2018 to Sep 2019</u>		<u>Oct 2017 to Sep 2018</u>	
	<i>All</i>	<i>Action Only</i>	<i>All</i>	<i>Action Only</i>
<b>Public Harm</b>				
Negligence - Attest related	2	0	3	1
Negligence, Disregard of standards	31	4	38	8
Use of Restricted Titles	10	3	4	0
Embezzlement, Theft, Breach of Fid. Duty	2	2	2	0
Breach of Confidentiality	0	0	1	0
Records Retention Causing Harm	2	0	7	0
<u>Subtotal</u>	47	9	55	9
<b>Administrative</b>				
Peer Review	1	0	1	1
CPE - Deficient 16 hours or less	10	7	9	9
CPE - Deficient 17 hours or more	6	4	4	4
CPE - Deficient eligible WA ethics	20	20	6	5
CPE - Failure to respond to CPE audit	0	0	0	0
<u>Subtotal</u>	37	31	20	19
<b>Total</b>	<b>84</b>	<b>40</b>	<b>75</b>	<b>28</b>