



ANNUAL BOARD MEETING AGENDA

Date, Time: Friday, October 27, 2017 – Annual Board Meeting – 9:00 a.m.

Location: University of Washington – Bothell
 Collaboratory in the Beardslee Building
 18807 Beardslee Blvd., UWBB205
 Bothell, WA 98011
 (425) 352-3556

Notices: None

Chair Introductions

ANNUAL MEETING AGENDA

Attachments at tab:

- 1. Minutes – July 28, 2017, Regular Board Meeting.....A
- 2. Chair’s Report
 - a. Election of Officers for Calendar Year 2018
 - b. 2018 Board Meeting Schedule and Locations
 - c. Committee Chair Appointments for Calendar Year 2018
 - d. NASBA CPE Task Force Update and Nano-learning ConversationB
 - e. Disciplinary Actions Post SEC or PCAOB Investigations
 - f. AICPA Rebranding
 - g. Familiarity Threat Update
- 3. Rules Review
 - a. Preproposal Statement of Inquiry – CR-101.....C
 - b. WAC 4-30-010 DefinitionsD
 - c. WAC 4-30-024 What public records are available?.....E
 - d. WAC 4-30-038 FeesF
 - e. WAC 4-30-050 What are the requirements concerning records and clients confidential information?.....G
 - f. WAC 4-30-051 What are the requirements concerning client records, including response to requests by clients and former clients for records?.....H
 - g. WAC 4-30-140 What are the authority, structure, and processes for investigations and sanctions?.....I

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: kirstend@cpaboard.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)

4. Proposed New Board Policy Discussion – 2017-2 Publication and Disclosure of Disciplinary Actions.....J
5. NASBA Update
6. Executive Director’s Report
 - a. Current Budget Report and Appropriation Request for Electronic Content ManagementK
 - b. Updated Strategic PlanL
 - c. Washington State Ethics & Regulations for CPA Applicants Test Revision
 - d. WAC 4-30-110, What are the allowable legal forms of organization and ownership requirements for a CPA firm?
 - e. Non Appropriated Agency Status
 - f. Revisit of the Board’s Marijuana Position Statement from July 2014M
 - g. Other Matters as Needed
7. Chartered Professional Accountant (CPA, Canada) Title Use
8. Peer Review and the Board’s Role in Oversight
9. Virtual Office Discussion
10. Committee/Task Force Reports
 - a. Executive – Thomas G. Neill, CPA, Chair – *Verbal Report*
 - b. Compliance Assurance Oversight – Karen R. Saunders, CPA, Chair – *No Report*
 - c. Legislative Review – Favian Valencia, Chair – *No Report*
 - d. Quality Assurance – Thomas G. Neill, CPA, Chair – *Verbal Report*.....N
 - e. Request Review – Elizabeth D. Masnari, CPA, Chair – *Verbal Report*.....O
 - f. State Ethics Compliance – James R. Ladd, CPA, Ethics Advisor – *Verbal Report*.....P
 - g. Qualifications – Emily R. Rollins, Member – *Verbal Report*
 - h. Performance Review and Succession – Emily R. Rollins, Member – *No Report*
 - i. Social Media – Favian Valencia, Chair – *Verbal Report*
 - j. WSCPA Education Fund – Elizabeth D. Masnari, CPA, Chair – *Verbal Report*.....Q
11. Legal Counsel’s Report
12. Enforcement ReportR
13. Executive and/or Closed Sessions with Legal Counsel
14. Public Input – 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.

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WASHINGTON STATE BOARD OF ACCOUNTANCY

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

Time and Place of Meeting	9:01 a.m. - 2:02 p.m. Friday, July 28, 2017 J.A. Cherberg Building, Capitol Campus Senate Hearing Room 3 304 15 th Ave SW Olympia, Washington 98501
Attendance	<u>Board Members</u> Thomas G. Neill, CPA, Chair, Board Member Elizabeth D. Masnari, CPA, Vice Chair, Board Member James R. Ladd, CPA, Secretary, Board Member Emily Rollins, CPA, Board Member Karen R. Saunders, CPA, Board Member Rajib Doogar, Public Member Mark Hugh, CPA, Board Member Joel Cambern, Public Member <u>Staff and Advisors</u> Charles E. Satterlund, CPA, Executive Director Bruce L. Turcott, Assistant Attorney General, Board Advisor Jennifer Sciba, Deputy Director Kirsten Donovan, Board Clerk Taylor Shahon, Lead Investigator
Call to Order	Board Chair, Tom Neill, called the regular meeting of the Board to order at 9:02 a.m.
Washington State Executive Ethics Board – Board Member Training	Dan Davis, Investigator, Washington State Executive Ethics Board, conducted Board Member ethics training including a question and answer session at the end.
Minutes – April 28, 2017, Regular Board Meeting	The Board approved the minutes of the April 28, 2017, Board meeting as presented.
NASBA	The Board Chair discussed the following NASBA activities from the Western Regional meeting: <ul style="list-style-type: none">• Status of the Non-Compliance with Laws and Regulations (NOCLAR) Rule NASBA's recommendation is that the issue should be moved to the Uniform Accountancy Act (UAA) committee for consideration.

- Update on the CPE Model Rules

The UAA task force is currently reviewing the comment letters received and considering possible revisions. An implementation letter may be forthcoming. More information will follow at the October 2017 Board meeting.

Gary Bowe advised that the Washington Association of Accountants and Tax Preparers (WAATP) submitted a comment letter which expressed concern regarding approved CPE providers.

Kevin Hettick asked if the Board has begun discussions on Board Rule revisions yet. The Board Chair advised that the Board is waiting for the CPE Model Rules to be finalized before taking action.

- Regional Breakout – California Firm Mobility Sunsets in 2018, Unless They Extend

No action has been taken yet to extend.

- Use of Title, AICPA Branding, and Name Addition – Association of International Certified Professional Accountants, and the Title “Chartered Professional Accountant”

The consensus among NASBA conference participants is that the use of the Certified Global Management Accountant (CGMA) title should not be permitted. NASBA and the AICPA are at odds over the issue with NASBA against its use and the AICPA for its use.

Mark and Jim will work on gathering information from Board Statute and Rules related to the title use of Chartered Professional Accountant (CPA, Canada) in Washington and present their findings at the October 2017 Board meeting.

- National Trends in Anti-regulation Legislative Activity

Mark reported that many national think tanks are promoting “rights to lawful employment” with less regulation.

- Peer Review

Mark reported that changes to the AICPA peer review program has upset many firms since they will have to find a new peer reviewer.

- Executive Director and Deputy Director trip to NASBA headquarters

Charles and Jennifer discussed NASBA International Evaluation Services (NIES) reports, CPA Exam Services (CPAES), natural disaster back-up, and social media during their recent visit to Nashville.

Rules Review

WAC 4-30-010 Definitions

The Executive Director presented a draft and led the discussion on possible revisions to the rule. The revisions include adding a definition for authorized person and deleting the numbering of the definitions.

The Board directed staff to file a CR-101 for the rule and add the rule as an agenda item for the next Board meeting.

WAC 4-30-024 What public records are available?

The Executive Director presented a draft and led the discussion on possible revisions to the rule. Rule changes are necessary related to the passage of EHB 1595 which amends the fee structure for public records. The changes went into effect July 23, 2017. The draft revision to the rule eliminates the charge for copies of public records. Additionally, the rule has been renamed.

The Board directed staff to file a CR-101 for the rule and add the rule as an agenda item for the next Board meeting.

WAC 4-30-038 Fees

The Executive Director presented a draft and led the discussion on possible revisions to the rule. Rule changes are necessary related to the passage of EHB 1595 which amends the fee structure for public records. The changes went into effect July 23, 2017. The draft revision to the rule eliminates the charge for copies of public records. Additionally, the rule has been renamed.

The Board directed staff to file a CR-101 for the rule and add the rule as an agenda item for the next Board meeting.

WAC 4-30-050 What are the requirements concerning records and clients confidential information?

The Executive Director presented a draft and led the discussion on possible revisions to the rule. The revisions incorporate aspects of the AICPA Code of Professional Conduct into the rule and rename the rule.

The Board directed staff to file a CR-101 for the rule and add the rule as an agenda item for the next Board meeting.

WAC 4-30-051 What are the requirements concerning client records, including response to requests by clients and former clients for records?

The Executive Director presented a draft and led the discussion on possible revisions to the rule. The revisions incorporate aspects of the AICPA Code of Professional Conduct into the rule and rename the rule.

The Board directed staff to file a CR-101 for the rule and add the rule as an agenda item for the next Board meeting.

WAC 4-30-140 What are the authority, structure, and processes for investigations and sanctions?

The Executive Director presented a draft and led the discussion on possible revisions to the rule. The revisions clarify the delegation of authority to the Executive Director, simplify, and rename the rule. The revisions allow for establishing policies to define the responsibilities, process, and procedures for performing investigations and resolving disciplinary matters.

The Board directed staff to file a CR-101 for the rule and add the rule as an agenda item for the next Board meeting.

Board Policies

Board Policy 2004-1 Sanction and Penalty Guidelines

The Executive Director presented a draft and led the discussion on possible revisions to the policy. The revisions simplify and rename the

policy, which authorizes the Executive Director to resolve certain violations through administrative process.

The Board voted unanimously to revise the policy as written.

Proposed New Policy Discussion – 2017-1 Investigative and Disciplinary Processes

The Executive Director presented a draft and led the discussion on proposed new policy. The purpose of the policy is to define and make available the Board’s investigative and disciplinary process.

The Board voted unanimously to adopt the new policy with one revision.

Delegation of Authority – Discussion of Proposed New Delegation

The Executive Director presented a draft and led the discussion on the proposed new delegation of authority. The delegation would authorize the Executive Director to file CR-101s with the Office of the Code Reviser to begin the rule-making process for revisions to current rules and proposed new rules.

The Board voted unanimously to adopt the new delegation of authority as written.

Chair’s Report

Update of Canadian Cross Border Initiative

The Board Chair reported that Richard Rees, Chief Executive Officer, Chartered Professional Accountants British Columbia (CPABC) recently retired. Tom will keep everyone posted as we move forward.

Peer Review and Board’s Role in Oversight

The Board Chair led the discussion on firms that receive a pass with deficiency (PWD) or fail rating on their peer review. The concern is public safety and what disciplinary action should the Board take, if any, and at what point.

Tom, Karen, and Jennifer will work together on reviewing a process for disciplinary actions. The topic will be added to the October Board meeting agenda.

Marijuana Businesses and How to Respond to Questions

The Board Chair led the discussion on CPAs with clients in the marijuana industry. One of the key issues is client acceptance – know who you are dealing with when taking on a client in the industry. Additional concerns have arisen, as the new administration’s position is not yet clear and federal prosecution could cause Board enforcement action.

Cloud Storage and Client Records

The Board Chair advised that the recent Board newsletter article regarding third party record storage has caused some pushback. Some tax software has automatic Cloud storage. Several CPAs have emailed concerns regarding the Board Rules on this subject. The Board is currently in the Rule-making process for the Rules related to client records. See Rules Review above.

Executive Committee

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

Compliance Assurance Oversight Committee

Karen Saunders had nothing to report.

Legislative Review Committee

Tom Neill advised that the committee had nothing to report.

Quality Assurance Committee

Tom Neill had nothing to report.

Request Review Committee

Elizabeth Masnari reported:

Firm Names: *Approved:*

- JACKI A. FATH, CPA, MSA PLLC
- CASCADES CPA
- CADRE CPAS PLLC
- OPP ENTERPRISES, P.S
- M SQUARED TAX PLLC
- DENTAL ACCOUNTING PROFESSIONALS LLC
- ROBINSON, CPA TAX SERVICES, LLC
- APRIO, LLP
- SUNRISE BUSINESS SERVICES LLC
- ROBINSON, CPA & TAX SERVICES, LLC

ROMNEY FINANCIAL FORENSICS, LLC
THE FRANCIS GROUP, PLLC

Professional/Educational Organization – Recognition Requests

During the 2nd quarter 2017, the Board did not receive any requests for recognition of an educational organization for purposes of obtaining list requests.

Domestic or Foreign Education Credential Evaluation Services – Applications

During the 2nd quarter 2017, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

**State Ethics
Compliance
Committee**

Jim Ladd had nothing to report.

**Qualifications
Committee**

Emily Rollins had nothing to report.

**Performance Review
and Succession
Committee**

Emily Rollins had nothing to report.

**Social Media
Committee**

The Executive Director and Deputy Director led the discussion which included:

- NASBA support with a Board Facebook account
- Purpose for a Board Facebook account: inform and communicate with students and CPAs
- Potential drawbacks: public records issues and out-of-hand posts

The Board voted unanimously to work towards setting up a Board Facebook page.

**WSCPA Education
Fund Committee**

Elizabeth Masnari had nothing to report.

**Legal Counsel's
Report**

Bruce Turcott, the Board's legal counsel, reported that no lawsuit has been filed in relation to the recent Tort claim against the Board.

Executive Director's Report Budget Status

The Executive Director presented the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant's Account Fund Balance, and the CPA Scholarship Transfer Account Fund Balance for transactions run through July 3, 2017.

The Executive Director led a discussion on the Board becoming a non-appropriated agency, if possible. Staff will prepare a report of pluses and minuses for presentation at the October Board meeting.

Paul Bitar, Senior Financial Consultant, Department of Enterprise Services (DES), reported on agency accounting. He stated that the Board is in good standing financially. The 2017-2019 biennium appropriated budget is \$2.9 million with expected expenditures of \$2.6 million.

Board's Response to NASBA/AICPA Feedback Regarding CGMA

The Executive Director reported that WAC 4-30-058 allows for use of titles authorized by the AICPA, so the CGMA title is allowed by Board Rule. Charles will submit a response letter.

Virtual Offices

The Executive Director led a discussion on CPA firms with virtual offices in Washington attempting to get licensed. A virtual office has a mailing address in the state but the CPA does not work out of the office and no client interaction takes place there. WAC 4-30-110(4) states that a firm's main office located in this state must be under the direct supervision of a resident licensee.

Jim, Elizabeth, and Rajib will work with Board staff to define "Office" and review options for virtual offices. They will present the topic at the October Board meeting.

Posting of Disciplinary Decisions on the Website

The Executive Director led the discussion on website posting of disciplinary decisions. The consensus of the Board was that they are in favor of posting the decisions on the website. Charles will write a Board Policy to begin posting disciplinary decisions on the website. The policy will be added to the October Board meeting agenda.

Enforcement Report Taylor Shahon provided the following report to the Board:

- Enforcement Report – Quarter Report (Apr 01, 2017 through Jun 30, 2017)

Taylor Shahon reported on enforcement activities for the second quarter 2017:

- Current caseload stands at 14 cases
- CPE audit is upcoming
- Non-responsive respondents
- Enforcement for international respondents
- Peer review failures

Executive and/or Closed Session with Legal Counsel No executive or closed sessions with legal counsel held.

Public Input Members of the public provided input throughout the meeting.

Adjournment The Board meeting adjourned at 2:02 p.m.

Secretary

Chair

Vice-Chair

Member

Member

Member

Member

Member

Member

Draft Model Rules for Continuing Professional Education (CPE)

ARTICLE 3 – DEFINITIONS

Rule 3-4 – Continuing Professional Education (CPE).

Continuing Professional Education (CPE) is an integral part of the lifelong learning required to provide competent service to the public. It is the set of activities that enables CPAs to maintain or improve their professional competence.

Rule 3-5 - CPE reporting period.

A “CPE reporting period” is the period of time as to which a licensee in this State must report or attest to the completion of CPE requirements to the Board of Accountancy.

Rule 3-6 - Subject matter expert.

A “subject matter expert” is a person who is an authority in a particular area or topic. A subject matter expert is involved in developing CPE materials where knowledge expertise is needed.

Rule 3-7 - Technical committee.

A “technical committee” is a committee that serves as a resource to identify issues regarding the practice of accountancy and develop technical or policy recommendations on those issues.

Rule 3-8 - Technical fields of study.

“Technical fields of study” are technical subjects that contribute to the maintenance or improvement of the competence of a CPA in the profession of accountancy and that directly relate to the CPA’s field of business. These fields of study include, but are not limited to:

- (a) Accounting;
- (b) Accounting (Government);
- (c) Auditing;
- (d) Auditing (Government);
- (e) Business Law;
- (f) Economics;
- (g) Finance;
- (h) Information Technology;
- (i) Management Services;
- (j) Regulatory Ethics;
- (k) Specialized Knowledge;
- (l) Statistics; and
- (m) Taxes.

Commentary: The technical subjects are further defined in the “Fields of Study” document, as published on NASBA’s website, www.nasbaregistry.org, and included in the “Statement on Standards for Continuing Professional Education (CPE) Programs,” appended to the Uniform Accountancy Act. The “Fields of Study” document provides descriptions of each technical subject area and examples of the types of topics that might be included in each area.

Rule 3-9 - Non-technical fields of study.

“Non-technical fields of study” are subjects that contribute to the maintenance or improvement of the competence of a CPA in areas that indirectly relate to the CPA’s field of business. These fields of study include, but are not limited to:

- (a) Behavioral Ethics;
- (b) Business Management & Organization;
- (c) Communications and Marketing;
- (d) Computer Software & Applications;
- (e) Personal Development;
- (f) Personnel/Human Resources; and
- (g) Production.

Commentary: The non-technical subjects are further defined in the “Fields of Study” document, as published on NASBA’s website, www.nasbaregistry.org, and included in the “Statement on Standards for Continuing Professional Education (CPE) Programs,” appended to the Uniform Accountancy Act. The “Fields of Study” document provides descriptions of each non-technical subject area and examples of the types of topics that might be included in each area.

ARTICLE 6 – ISSUANCE OF CERTIFICATES AND RENEWAL OF CERTIFICATES AND REGISTRATIONS, CONTINUING PROFESSIONAL EDUCATION AND RECIPROCITY

Rule 6-1 - Applications.

No proposed change to current rule. Not within scope of project.

Rule 6-2 – Experience required for initial certificate.

No proposed change to current rule. Not within scope of project.

Rule 6-3 – Evidence of applicant’s experience.

No proposed change to current rule. Not within scope of project.

Rule 6-4 – CPE requirements for renewal or reactivation of a certificate, license or registration.

The following requirements of CPE apply to the renewal of certificates, licenses and registrations pursuant to Section 6(d) of the Act.

- (a) A person who obtains a certificate, license or registration for the first time shall complete at least forty (40) credits of acceptable CPE during the first full annual period following the year in which the original certificate, license or registration was obtained. There is no provision for carry-over from an annual period in which CPE was not required.
- (b) An applicant seeking renewal of a certificate, license or registration from a Board shall assert in a manner acceptable to the Board, that the applicant for renewal meets all of the following CPE requirements:
 - (1) Completion of a minimum of twenty (20) CPE credits during each annual period included in the CPE reporting period.

- (2) Completion of a minimum of an average of no fewer than forty (40) CPE credits for each annual period included within the CPE reporting period.
- (3) Completion of an average of two (2) ethics CPE credits for each annual period included within the CPE reporting period.
- (4) Completion of a minimum of fifty percent (50%) of the total CPE credits required for the CPE reporting period in technical fields of study. Qualifying subject areas for CPE are categorized as either technical or non-technical fields of study as set forth in Rules 3-8 and 3-9 above. Subjects other than technical and non-technical fields of study may be acceptable for CPE if the licensee can demonstrate to the satisfaction of the Board that such subjects or specific programs contribute to the maintenance or improvement of the licensee's professional competence.

Commentary: The following chart sets forth the CPE requirements detailed in Rule 6-4(b)(1)-(3) above.

CPE Reporting Period	Total CPE credits required per reporting period	Minimum CPE credits required in each annual period in the reporting period	Qualifying ethics credits required per CPE reporting period	50% of total CPE in reporting period in technical subject areas
Annual (1 year)	40	N/A	2	Yes
Biennial (2 years)	80	20	4	Yes
Triennial (3 years)	120	20	6	Yes

- (c) An applicant whose certificate, license or registration has been lapsed, revoked or suspended for fewer than five (5) years may, at the Board's discretion, complete qualifying CPE that averages no fewer than forty (40) credits of qualified CPE, for each annual period included in the CPE reporting period preceding the date of reapplication, not to exceed a total of one hundred twenty (120) credits. An applicant whose certificate, license, or registration has lapsed or has been suspended or revoked may at the Board's discretion be required to identify and complete a program of learning designed to demonstrate the currency of the licensee's competencies directly related to his or her area of practice.
- (d) Licensees granted inactive or retired status for fewer than five (5) years by the Board may discontinue use of the word "inactive" or "retired" in association with their license upon showing that they have completed qualifying CPE that averages no fewer than forty (40) credits of qualified CPE for each annual period included in the CPE reporting period preceding the request to discontinue use of the word "inactive" or "retired," not to exceed a total of one hundred twenty (120) credits.
- (e) For a certificate, license or registration that has been lapsed, revoked, suspended, inactive or retired for a period of five (5) years or more, the Board has the discretion to determine the number and type of CPE credits as a requirement for reinstatement.

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

Rule 6-5 –Activities qualifying for CPE credit.

CPE activities are learning opportunities that contribute directly to a licensee's knowledge, ability and/or competence to perform his or her professional responsibilities. CPE activities should address the licensee's current and future work environment, current knowledge and skills and desired or needed knowledge and skills to meet future opportunities and/or professional responsibilities.

- (a) The following learning activities shall qualify for CPE credit:

- (1) A learning activity that complies with the Statement on Standards for Continuing Professional Education (CPE) Programs, issued jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), and is coordinated and presented by a qualifying CPE program sponsor as set forth below in Rule 6-5 (b). The sources of qualifying learning activities include but are not limited to the following:
 - (A) Group Programs;
 - (B) Self-Study Programs;
 - (C) Blended Learning Programs;
 - (D) Nano-Learning Programs;
 - (E) Instructor/Developer of CPE programs in (A) through (D) above or in (2) and (4) below;
 - (F) Technical Reviewer of CPE programs in (A) through (D) above or in (2) and (4) below; and
 - (G) Independent Study.

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

- (2) A college or university course that is coordinated and presented by a qualifying university or college as set forth in Rule 6-5 (b)(2) below in a technical or nontechnical field of study; No CPE credit shall be permitted for attending or instructing college or university courses considered to be basic or introductory accounting courses or CPA exam preparation/review courses.
- (3) Authorship of published articles, books and other publications relevant to maintaining or improving professional competence.
- (4) A group learning activity that is coordinated and presented by a person, firm, association, corporation or group, other than a qualifying CPE program sponsor as defined in Rule 6-5 (b) below. These programs are generally related to topics of the specialized knowledge field of study by persons or organizations with expertise in these specialized industries.

Commentary: The purpose of Rule 6-5(a)(4) is to permit a learning activity related to specialized industries to satisfy requirements for CPE. The focus is on conferences or learning events that are in specialized industries, such as oil and gas or gaming. The conference or learning event provides critical information and knowledge specific to the operations of specialized industries that is necessary for those providing professional services in those industries. However, these conferences and learning events may not be designed to adhere to the State's CPE program requirements. Therefore, the CPE credits earned from specialized industry learning activities are limited to no more than twenty-five percent (25%) of the total qualifying CPE credits for the CPE reporting period per Rule 6-6(a)(I).

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

- (D) Details of the relevance of the learning activity to the participant's current or future professional development.

Rule 6-6 – Continuing professional education records.

(a) Computation of CPE credits.

Each approved CPE course, program, or activity shall be measured by program length, with one 50- minute period equal to one CPE credit.

- (1) Computation of CPE credits for qualifying CPE programs shall be as follows:
 - (A) Group programs, independent study and blended learning programs – A minimum of one credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth or one-half increments.
 - (B) Self-study – A minimum of one-half credit must be earned initially, but after the first credit has been earned, credits may be earned in one-fifth or one-half increments.
 - (C) Nano-learning – The credit to be earned for a single nano-learning program is one fifth credit.
 - (D) For blended learning programs included in Rule 6-5 (a)(1)(C), CPE credit must equal the sum of the CPE credit determination for the various completed components of the program.
 - (E) An instructor/developer of qualifying CPE programs included in Rule 6-5 (a) (1) (A) through (D) may receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation. For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor/developer CPE credit.
 - (F) A technical reviewer of qualifying CPE programs included in Rule 6-5 (a) (1) (A) through (D) may receive CPE credit for actual review time up to the actual number of CPE credits for the learning activity. For repeat technical reviews, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for technical reviewer CPE credit.
 - (G) Authors of published articles, books and other publications may receive CPE credit for their research and writing time to the extent it maintains or improves their professional competence. For the author to receive CPE credit, the article, book or CPE program must be formally reviewed by an independent subject matter expert. Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for author CPE credit.
 - (H)
 - (i) For courses that are part of the curriculum of a university, college or other educational institution, each semester hour credit shall equal fifteen (15) CPE credits, and each quarter hour shall equal ten (10) CPE credits.
 - (ii) For non-credit courses, CPE credit shall equal actual time in class.
 - (iii) CPE credit for instructing a college or university course shall be twice the credit that would have been granted participants for the first presentation of a specific

course or program and none thereafter, except if the course content has been substantially revised. To the extent a course has been substantially revised, the revised portion shall be considered a first presentation.

(iv) Not more than fifty percent (50%) of the total CPE credits required for the CPE reporting period can be claimed for instructor CPE credit.

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

Commentary: The following chart summarizes the CPE credit allocation standards set forth in Rule 6-6(a)(1)(A)-(C).

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

(b) CPE records.

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

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

Rule 6-7 –CPE Reciprocity.

A non-resident licensee seeking renewal of a certificate in this state shall be determined to have met the CPE requirement (including the requirements of Rule 6-4(a)) of this rule by meeting the CPE requirements for renewal of a certificate in the state in which the licensee’s principal place of business is located.

- (a) Non-resident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee’s principal place of business is located by signing a statement to that effect on the renewal application of this state.

- (b) If a non-resident licensee's principal place of business state has no CPE requirements for renewal of a certificate, the non-resident licensee must comply with all CPE requirements for renewal of a certificate in this state.

Rule 6-8 – Exceptions.

- (a) The Board may make an exception to the requirement set out in Rule 6-4(b) for a licensee who is inactive or who does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including the issuance of reports on financial statements or other compilation communication, or of one or more kinds of management advisory, financial advisory or consulting services, or the preparation of tax returns or the furnishing of advice on tax matters.
- (b) The Board may in particular cases make exceptions to the requirements set out in Rule 6-4(b) for reasons of individual hardship including health, military service, foreign residence, or other good cause.
- (c) Licensees granted an exception by the Board must place the word “inactive” adjacent to their CPA title or PA title on any business card, letterhead or any other document or device, with the exception of their CPA certificate or PA registration, on which their CPA or PA title appears.
- (d) Licensees granted an exception by the Board must comply with a re-entry competency requirement defined by the Board as set out in Rule 6-4(d) before they may discontinue use of the word “inactive” in association with their CPA or PA title.

Rule 6-9 – Interstate practice.

- (a) These regulations provide two distinct routes for an individual already licensed in another state to be authorized to practice in this state. The applicable route depends upon whether the individual will establish a principal place of business in this state. Individuals establishing a principal place of business in this state may qualify for a reciprocal license as described in Section 6(c)(2) of the Act (substantial equivalence) or as described in Section 6(c)(1) of the Act and Rule 6-9(b) below). Individuals with a principal place of business in another state may offer or render services in this state pursuant to substantial equivalence (see Section 23(a)(1) or (a)(2) of the Act).
- (b) Regarding an individual establishing a principal place of business in this State, if the substantial equivalency standard set out in Section 23 of the Act is not applicable, the Board shall issue a reciprocal certificate to the holder of a certificate issued by another state provided that the applicant meets each of the following requirements:
 - (1) Has successfully completed the CPA examination. Successful completion of the examination means that the applicant passed the examination in accordance with the rules of the other state at the time it granted the applicant's initial certificate.
 - (2) Has satisfied the 4-in-10 experience requirement set out in Section 6(c)(1)(B) of the Act.
 - (3) Has experience of the type required under the Act and these Rules for issuance of the initial certificate.
 - (4) Has met the CPE requirement pursuant to Section 6(c)(1)(C) of the Act, if applicable.

Rule 6-10 – International reciprocity.

- (a) The Board may designate a professional accounting credential or professional registration issued in a foreign country as substantially equivalent to a CPA license.
 - (1) The Board may rely on the International Qualifications Appraisal Board for evaluation of foreign credential equivalency and may presume that an applicant with a foreign accounting credential that is covered by a currently valid Mutual Recognition Agreement (MRA) is substantially equivalent (subject to other qualifying requirements as provided in the MRA).
 - (2) The Board may accept a foreign accounting credential in partial satisfaction of its domestic credentialing requirements if:
 - (i) the holder of the foreign accounting credential met the issuing body's education requirement and passed the issuing body's examination used to qualify its own domestic candidates; and
 - (ii) the foreign credential is valid and in good standing at the time of application for a domestic credential.
- (b) The Board may satisfy itself through qualifying examination(s) that the holder of a foreign credential deemed by the Board to be substantially equivalent to a CPA certificate possesses adequate knowledge of U.S. practice standards [and the Board's regulations]. The Board may rely on the National Association of State Boards of Accountancy, the American Institute of Certified Public Accountants, or other professional bodies to develop, administer, and grade such qualifying examination(s). The Board will specify the qualifying examination(s) and process by resolution.
- (c) An applicant for renewal of a CPA certificate originally issued in reliance on a foreign accounting credential shall:
 - (1) Make application for renewal at the time and in the manner prescribed by the Board for all other certificate renewals;
 - (2) Pay such fees as are prescribed for all other certificate renewals;
 - (3) If the applicant has a foreign credential in effect at the time of the application for renewal of the CPA certification, present documentation from the foreign accounting credential issuing body that the applicant's foreign credential has not been suspended or revoked and the applicant is not the subject of a current investigation. If the applicant for renewal no longer has a foreign credential, the applicant must present proof from the foreign credentialing body that the applicant for renewal was not the subject of any disciplinary proceedings or investigations at the time that the foreign credential lapsed; and
 - (4) Either show completion of continuing professional education substantially equivalent to that required under Rule 6-4 within the three year period preceding renewal application, or petition the Board for complete or partial waiver of the CPE requirement based on the ratio of foreign practice to practice in this State.
- (d) The holder of a license or practice privilege issued or granted by this Board in reliance on a foreign accounting credential or license shall report any investigations undertaken, or sanctions imposed, by a foreign credentialing or licensing body against the CPA's foreign credential or license, or any discipline ordered by any other regulatory authority having jurisdiction over the holder's conduct in the practice of accountancy.
- (e) Suspension or revocation of, or refusal to renew, the CPA's foreign accounting credential by the foreign credentialing body may be evidence of conduct reflecting adversely upon

the CPA's fitness to retain the certificate and may be a prima facie basis for Board action, subject to the following.

- (f) The Board may presume procedural due process and fairness if the foreign jurisdiction is a party to a current MRA that NASBA, the AICPA and this State have adopted.
- (g) Conviction of a felony or any crime involving dishonesty or fraud under the laws of a foreign country is evidence of conduct reflecting adversely on the CPA's fitness to retain the certificate and is a basis for Board action.
- (h) The Board shall notify the appropriate foreign credentialing authorities of any sanctions imposed against a CPA.
- (i) The Board may participate in joint investigations with foreign credentialing bodies and may rely on evidence supplied by such bodies in disciplinary hearings.

Rule 6-11 – Peer review for certificate holders who do not practice in a licensed firm.

A certificate holder who issues compilation reports as defined in this Act other than through a CPA firm that holds a permit under Section 7 of this Act must undergo a peer review as required under Rules 7-3 and 7-4.



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (August 2017)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 07, 2017

TIME: 11:08 AM

WSR 17-17-014

Agency: Board of Accountancy

Subject of possible rule making: WAC 4-30-010 Definitions; WAC 4-30-024 What public records are available?; WAC 4-30-038 Fees; WAC 4-30-050 What are the requirements concerning records and clients confidential information?; WAC 4-30-051 What are the requirements concerning client records, including response to requests by clients and former clients for records?; WAC 4-30-140 What are the authority, structure, and processes for investigations and sanctions?

Statutes authorizing the agency to adopt rules on this subject: For each WAC is RCW 18.04.055

Reasons why rules on this subject may be needed and what they might accomplish: The board of accountancy proposes amending:
WAC 4-30-010 to add a definition for authorized person to the section.
WAC 4-30-024 and 4-30-038 to rename and better conform the sections to: (1) Recent changes in the law concerning public records; (2) model rules recommended by the attorney general's office (chapter 44-14 WAC); and (3) current agency practices.
WAC 4-30-050 and 4-30-051 to rename and incorporate aspects of the AICPA Code of Professional Conduct into the sections.
WAC 4-30-140 to rename, clarify, and simplify the section by allowing for the establishment of policies to define the responsibilities, process, and procedures for performing investigations and resolving disciplinary matters.

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

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

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


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

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Other:

(If necessary)

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

Additional comments:

Date: August 8, 2017	Signature: 
Name: Charles E. Satterlund, CPA, CIA	
Title: Executive Director	

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

~~(1)~~ **"Act"** means the Public Accountancy Act codified as chapter 18.04 RCW.

~~(2)~~ **"Active individual participant"** means an individual whose primary occupation is at the firm or affiliated entity's business. An individual whose primary source of income from the business entity is provided as a result of passive investment is not an active individual participant.

~~(3)~~ **"Affiliated entity"** means any entity, entities or persons that directly or indirectly through one or more relationships influences or controls, is influenced or controlled by, or is under common influence or control with other entities or persons. This definition includes, but is not limited to, parents, subsidiaries, investors or investees, coinvestors, dual employment or management in joint ventures or brother-sister entities.

~~(4)~~ **"Applicant"** means an individual who has applied:

- (a) To take the national uniform CPA examination;

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

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

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

~~(5)~~ **"Attest"** means providing the following services:

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

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

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

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

~~(6)~~ **"Audit," "review,"** and **"compilation"** are terms reserved for use by licensees, as defined in subsection (30) of this section.

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

~~(7)~~ **"Board"** means the board of accountancy created by RCW 18.04.035.

~~(8)~~ **"Breach of fiduciary responsibilities/duties"** means when a person who has a fiduciary responsibility or duty acts in a manner adverse or contrary to the interests of the person to whom they owe the fiduciary responsibility or duty. Such actions would include profiting from their relationship without the express informed consent of the beneficiary of the fiduciary relationship, or engaging in activities that represent a conflict of interest with the beneficiary of the fiduciary relationship.

~~(9)~~ **"Certificate"** means a certificate as a CPA-Inactive issued in the state of Washington prior to July 1, 2001, as authorized by the act, unless otherwise defined in rule.

~~(10)~~ **"Certificate holder"** means the holder of a valid CPA-Inactive certificate where the individual is not a licensee and is prohibited from practicing public accounting.

~~(11)~~ **"Client"** means the person or entity that retains a licensee, as defined in subsection (30) of this section, a CPA-Inactive certificate holder, a nonlicensee firm owner of a licensed firm, or an entity affiliated with a licensed firm to perform professional services through other than an employer/employee relationship.

~~(12)~~ **"Commissions and referral fees"** are compensation arrangements where the primary contractual relationship for the product or service is not between the client and licensee, as defined in subsection (30) of this section, CPA-Inactive certificate holder, nonlicensee firm owner of a licensed firm, or a person affiliated with a licensed firm; and

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

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

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

~~(13)~~ **"Compilation"** means providing a service to be performed in accordance with statements on standards for accounting and review services that is presenting in the form of financial statements, infor-

mation that is the representation of management (owners) without undertaking to express any assurance on the statements.

~~(14)~~ "**Contingent fees**" are fees established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service.

~~(15)~~ "**CPA**" or "**certified public accountant**" means an individual holding a license to practice public accounting under chapter 18.04 RCW or recognized by the board in the state of Washington, including an individual exercising practice privileges pursuant to RCW 18.04.350(2).

~~(16)~~ "**CPA-Inactive**" means an individual holding a CPA-Inactive certificate recognized in the state of Washington. An individual holding a CPA-Inactive certificate is prohibited from practicing public accounting and may only use the CPA-Inactive title if they are not offering accounting, tax, tax consulting, management advisory, or similar services to the public.

~~(17)~~ "**CPE**" means continuing professional education.

~~(18)~~ "**Fiduciary responsibility/duty**" means a relationship wherein one person agrees to act solely in another person's interests. Persons

having such a relationship are fiduciaries and the persons to whom they owe the responsibility are principals. A person acting in a fiduciary capacity is held to a high standard of honesty and disclosure in regard to a principal. Examples of fiduciary relationships include those between broker and client, trustee and beneficiary, executors or administrators and the heirs of a decedent's estate, and an officer or director and the owners of the entity.

~~(19)~~ **"Firm"** means a sole proprietorship, a corporation, or a partnership. "Firm" also means a limited liability company or partnership formed under chapters 25.15 and 18.100 RCW and a professional service corporation formed under chapters 23B.02 and 18.100 RCW.

~~(20)~~ **"Firm mobility"** means an out-of-state firm that is not licensed by the board and meets the requirements of RCW 18.04.195 (1)(a)(iii)(A) through (D) exercising practice privileges in this state.

~~(21)~~ **"Generally accepted accounting principles"** (GAAP) is an accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also detailed practices and procedures. Those conventions, rules, and pro-

cedures provide a standard by which to measure financial presentations.

~~(22)~~—"Generally accepted auditing standards" (GAAS) are guidelines and procedures, promulgated by the AICPA, for conducting individual audits of historical financial statements.

~~(23)~~—"Holding out" means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person that the person holds a license or practice privileges under the act and that the person offers to perform any professional services to the public. "Holding out" shall not affect or limit a person not required to hold a license under the act from engaging in practices identified in RCW 18.04.350.

~~(24)~~—"Inactive" means the individual held a valid certificate on June 30, 2001, has not met the current requirements of licensure and has been granted CPA-Inactive certificate holder status through the renewal process established by the board. A CPA-Inactive may not practice public accounting nor may the individual use the CPA-Inactive title if they are offering accounting, tax, tax consulting, management advisory, or similar services to the public.

~~(25)~~—"Individual" means a living, human being.

~~(26)~~ **"Independence"** means an absence of relationships that impair a licensee's impartiality and objectivity in rendering professional services for which a report expressing assurance is prescribed by professional standards.

~~(27)~~ **"Interactive self-study program"** means a CPE program that provides feedback throughout the course.

~~(28)~~ **"IRS"** means Internal Revenue Service.

~~(29)~~ **"License"** means a license to practice public accounting issued to an individual or a firm under the act or the act of another state.

~~(30)~~ **"Licensee"** means an individual or firm holding a valid license to practice public accounting issued under the act, including out-of-state individuals exercising practice privileges in this state under RCW 18.04.350(2) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1)(a) and (b).

~~(31)~~ **"Manager"** means a manager of a limited liability company licensed as a firm under the act.

~~(32)~~ **"NASBA"** means the National Association of State Boards of Accountancy.

~~(33)~~ **"Nonlicensee firm owner"** means an individual, not licensed in any state to practice public accounting, who holds an ownership interest in a firm permitted to practice public accounting in this state.

~~(34)~~ **"PCAOB"** means Public Company Accounting Oversight Board.

~~(35)~~ **"Peer review"** means a study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including the "quality assurance review" under subsection (38) of this section.

~~(36)~~ **"Person"** means any individual, nongovernmental organization, or business entity regardless of legal form, including a sole proprietorship, firm, partnership, corporation, limited liability company, association, or not-for-profit organization, and including the sole proprietor, partners, members, and, as applied to corporations, the officers.

~~(37)~~ **"Practice privileges"** are the rights granted by chapter 18.04 RCW to a person who:

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

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

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

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

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

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

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

~~(38)~~ **"Principal place of business"** means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

~~(39)~~—"Public practice" or the "practice of public accounting" means performing or offering to perform by a person or firm holding itself out to the public as a licensee, or as an individual exercising practice privileges, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. The "practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.350(10) by persons or firms not required to be licensed under the act.

~~(40)~~—"Quality assurance review or QAR" is the process, established by and conducted at the direction of the board, to study, appraise, or review one or more aspects of the audit, compilation, review, and other professional services for which a report expressing assurance is prescribed by professional standards of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed.

~~(41)~~—"Reciprocity" means board recognition of licenses, permits, certificates or other public accounting credentials of another juris-

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

~~(42)~~ **"Referral fees"** see definition of "commissions and referral fees" in subsection (12) of this section.

~~(43)~~ **"Report,"** when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to and/or special competence of the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence. "Report"

does not include services referenced in RCW 18.04.350 (10) or (11) provided by persons not holding a license under this chapter as provided in RCW 18.04.350(14).

~~(44)~~—"Representing oneself" means having a license, practice privilege, certificate or registration that entitles the holder to use the title "CPA," "CPA-Inactive," or be a nonlicensee firm owner.

~~(45)~~—"Rules of professional conduct" means rules adopted by the board to govern the conduct of licensees, as defined in subsection (30) of this section, while representing themselves to others as licensees. These rules also govern the conduct of CPA-Inactive certificate holders, nonlicensee firm owners, and persons exercising practice privileges pursuant to RCW 18.04.350(2).

~~(46)~~—"SEC" means the Securities and Exchange Commission.

~~(47)~~—"Sole proprietorship" means a legal form of organization owned by one person meeting the requirements of RCW 18.04.195.

~~(48)~~—"State" includes the states and territories of the United States, including the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands at such time as the board determines that the Commonwealth of the Northern Mariana Islands is issuing licenses under the substantially equivalent standards of RCW 18.04.350 (2)(a).

~~(49)~~ "**Statements on auditing standards (SAS)**" are interpretations of the generally accepted auditing standards and are issued by the Auditing Standards Board of the AICPA. Licensees are required to adhere to these standards in the performance of audits of financial statements.

~~(50)~~ "**Statements on standards for accounting and review services (SSARS)**" are standards, promulgated by the AICPA, to give guidance to licensees who are associated with the financial statements of nonpublic companies and issue compilation or review reports.

~~(51)~~ "**Statements on standards for attestation engagements (SSAE)**" are guidelines, promulgated by the AICPA, for use by licensees in attesting to assertions involving matters other than historical financial statements and for which no other standards exist.

[Statutory Authority: RCW 18.04.055. WSR 16-17-036, § 4-30-010, filed 8/9/16, effective 9/9/16. Statutory Authority: 18.04.055, 18.04.025, 18.04.350. WSR 10-24-009, amended and recodified as § 4-30-010, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055, 18.04.025. WSR 08-18-016, § 4-25-410, filed 8/25/08, effective 9/25/08. Statutory Authority: RCW 18.04.055. WSR 05-01-137, § 4-25-410, filed 12/16/04, effective 1/31/05; WSR 03-24-033, § 4-25-410, filed 11/25/03, effective 12/31/03. Statutory Authority: RCW

18.04.055(16). WSR 02-04-064, § 4-25-410, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(11). WSR 01-11-124, § 4-25-410, filed 5/22/01, effective 6/30/01; WSR 98-12-020, § 4-25-410, filed 5/27/98, effective 6/27/98; WSR 94-23-071, § 4-25-410, filed 11/15/94, effective 12/16/94.]

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

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

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

(3) **Organization of records.** The agency maintains its records in a reasonably organized manner. The agency will take reasonable actions to protect records from damage and disorganization. A requestor shall not take original records from the agency's office. A variety of records are also available on the agency's web site at

www.cpaboard.wa.gov. Requestors are encouraged to view the documents available on the web site prior to submitting a public records request.

(4) Making a request for public records.

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

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

(b) The public records officer may also accept requests for public records by telephone or in person. If the public records officer or designee accepts an oral or telephone request, he or she will confirm receipt of the request and the details of the records requested, in writing, to the requestor.

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

(d) If the requestor wishes to have copies of the records made instead of simply inspecting them, he or she should make that preference clear in the request. ~~and make arrangements to make payment for the copies of the records prior to delivery or provide a deposit of the estimated copy costs provided by the agency upon request prior to the copies being made.~~ Copies will be made by the agency's public records officer or designee. ~~Costs for copying are fifteen cents per page, except that there is no charge for the first fifty pages of records included in any request by one requestor.~~

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

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

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

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

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

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

In order to obtain a list of individuals under the provisions of RCW 42.56.070(9), educational organizations and professional associa-

tions must apply for and receive recognition by the board before re-quests will be honored. The requesting organization must provide sufficient information to satisfy the approving authority that the requested list of individuals is primarily for educational and professionally related uses. ~~Fees must be paid in advance before approved requests will be honored.~~

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

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

WAC 4-30-038 Fees. RCW 18.04.065 provides that the board shall set fees related to licensure at a level adequate to pay the costs of administering chapter 18.04 RCW. The board has established the following fee schedule:

- | | | |
|-----------------|---|-------------------|
| (1) | Initial application for individual license, individual license through reciprocity, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner | \$330 |
| (2) | Renewal of individual license, CPA-Inactive certificate, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner | \$230 |
| (3) | Application for CPA-Inactive certificate holder to convert to a license | \$0 |
| (4) | Application for reinstatement of license, CPA-Inactive certificate, or registration as a resident nonlicensee owner | \$480 |
| (5) | Quality assurance review (QAR) program fee (includes monitoring reviews for up to two years) | |
| | Firm submits reports for review | \$400 |
| | Firm submits a peer review report for review | \$60 |
| | Firm is exempted from the QAR program because the firm did not issue attest reports | \$0 |
| (6) | Late fee * | \$100 |
| (7) | Amendment to firm license except for a change of firm address (there is no fee for filing a change of address) | \$35 |
| (8) | Copies of records, per page exceeding fifty pages | \$0.15 |
| (9) | Listing of licensees, CPA Inactive certificate holders, or registered resident nonlicensee firm owners | \$75 |
| (10) | Replacement CPA wall document | \$50 |
| (11) | Dishonored check fee (including, but not limited to, insufficient funds or closed accounts) | \$35 |
| (12) | CPA examination. Exam fees are comprised of section fees plus administrative fees. The total fee is contingent upon which section(s) is/are being applied for and the number of sections being applied for at the same time. The total fee is the section fee(s) for each section(s) applied for added to the administrative fee for the number of section(s) applied for. | |

- (a) Section fees: Section fees for the computerized uniform CPA examination are set by third-party providers for the development and delivery of the exam. These fees are collected and retained by the third-party provider.
- (b) Administrative fees: Administrative fees for the qualification and application processes are set by a third-party provider. These fees are collected and retained by the third-party provider.

* The board may waive late filing fees for individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

[Statutory Authority: RCW 18.04.065 and 18.04.215(5). WSR 14-04-086, § 4-30-038, filed 2/3/14, effective 3/6/14. Statutory Authority: RCW 18.04.055, 18.04.065, 18.04.105 (1)(e), (3), and (4)(e), 18.04.195(10), 18.04.205(4), 18.04.215 (3), (4), and (8), 42.56.120. WSR 10-24-009, recodified as § 4-30-038, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.065, 18.04.105 (2) and (3). WSR 09-24-055, § 4-25-530, filed 11/24/09, effective 12/25/09. Statutory Authority: RCW 18.04.065, 18.04.105(3). WSR 09-10-019, § 4-25-530, filed 4/27/09, effective 8/1/09; WSR 08-14-152 and 08-15-018, § 4-25-530, filed 7/1/08 and 7/8/08, effective 8/1/08 and 8/8/08; WSR 07-14-035, § 4-25-530, filed 6/26/07, effective 8/1/07; WSR 06-14-030, § 4-25-530, filed 6/27/06, effective 8/1/06; WSR 05-10-046, § 4-25-530, filed 4/29/05, effective 6/2/05. Statutory Authority: RCW 18.04.065, 18.04.105(3), 18.04.205. WSR 05-01-136, § 4-25-530, filed 12/16/04, effective 1/31/05. Statutory Authority: RCW 18.04.065, [18.04.]105(3), [18.04.]195(7), [18.04.]205(4), [18.04.]215(8),

[18.04.]350 (2)(a), and 42.17.260(8). WSR 04-01-076, § 4-25-530, filed 12/15/03, effective 1/15/04. Statutory Authority: RCW 18.04.055, [18.04].065, [18.04].105 (1)(e) and (3). WSR 02-22-083, § 4-25-530, filed 11/5/02, effective 12/31/02. Statutory Authority: RCW 18.04.055, 18.04.065, 18.04.105(3), 18.04.195(7), 18.04.205(4), 18.04.215(8), and 18.04.350(2). WSR 01-22-036, § 4-25-530, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055, 18.04.065, 18.04.105(7), 18.04.195(6) and 18.04.205(4). WSR 99-18-112, § 4-25-530, filed 9/1/99, effective 1/1/00. Statutory Authority: RCW 18.04.055, 18.04.065 and 18.04.195(b). WSR 99-02-009, § 4-25-530, filed 12/24/98, effective 5/7/99. Statutory Authority: RCW 18.04.055, 18.04.065 and 18.04.195(6). WSR 96-12-060, § 4-25-530, filed 5/31/96, effective 7/1/96. Statutory Authority: RCW 18.04.055. WSR 93-12-075, § 4-25-530, filed 5/27/93, effective 7/1/93.]

WAC 4-30-050 ~~What are the requirements concerning R~~records and clients confidential information?

(1) **Client:** The term "client" as used throughout WAC 4-30-050 and 4-30-051 includes former and current clients. For purposes of this section, a client relationship has been formed when confidential information has been disclosed by a prospective client or another authorized person in an initial interview to obtain or provide professional services.

(2) **Sale or transfer of client records:** No statement, record, schedule, working paper, or memorandum, including electronic records, may be sold, transferred, or bequeathed without the consent of the client or another authorized person. ~~his or her personal representative or assignee, to anyone other than one or more surviving partners, shareholders, or new partners or new shareholders of the licensee, partnership, limited liability company, or corporation, or any combined or merged partnership, limited liability company, or corporation, or successor in interest.~~

(3) Disclosure of client confidential records and client relationships:

~~_(a3)~~ Confidential client communication or information: Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons must not without the specific consent of the client or another authorized person ~~or the heirs, successors, or authorized representatives of the client~~ disclose any confidential communication or information pertaining to the client obtained in the course of performing professional services.

(b) Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and employees of such persons who have provided records to a client or another authorized person are not obligated to provide such records to other individuals associated with the client.

(c) When a licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee is engaged to prepare a married couple's joint tax return, both spouses are considered to be clients, even if the licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee was engaged by one spouse and deals exclusively with that spouse.

(i) Accordingly, if the married couple is undergoing a divorce and one spouse directs the licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee to withhold joint tax information from the other spouse, the licensee, CPA-Inactive certifi-

cate holder, nonlicensee firm owner, or employee may provide the information to both spouses, in compliance with this rule. The licensee, CPA-Inactive certificate holder, nonlicensee firm owner, or employee should consider reviewing the legal implications of such disclosure with an attorney and any responsibilities under any applicable tax performance standards promulgated by the United States Department of Treasury, Internal Revenue Service.

This rule also applies to confidential communications and information obtained in the course of professional tax compliance services unless state or federal tax laws or regulations require or permit use or disclosure of such information.

Consents may include those requirements of Treasury Circular 230 and IRC Sec. 7216 for purposes of this rule, provided the intended recipients are specifically and fully identified by full name, address, and other unique identifiers.

(4) Disclosing information to third party service providers: Licensees, CPA-Inactive certificate holders, or nonlicensee firm owners must do one of the following before disclosing confidential client information to third party service providers:

(a) Enter into a contractual agreement with the third party service provider to assist in providing the professional services to

maintain the confidentiality of the information and provide a reasonable assurance that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others. The nature and extent of procedures necessary to obtain reasonable assurance depends on the facts and circumstances, including the extent of publicly available information on the third party service provider's controls and procedures to safeguard confidential client information; or

(b) Obtain specific consent from the client before disclosing confidential client information to the third party service provider.

(5) Disclosure of client records in the course of a firm sale, or transfer upon death of a licensee, CPA-Inactive certificate holder, or nonlicensee firm owner.

(a) A licensee, CPA-Inactive certificate holder, or nonlicensee firm owner, or the successor in interest of a deceased licensee, CPA-Inactive certificate holder, or nonlicensee firm owner, that sells or transfers all or part of a practice to another person, firm, or entity (successor firm) and will no longer retain ownership in the practice must do all of the following:

(i) Submit a written request to each client subject to the sale or transfer, requesting the client's consent to transfer its

files to the successor firm or other entity and notify the client that its consent may be presumed if it does not respond to the licensee, CPA-Inactive certificate holder, or nonlicensee firm owner's request within a period of not less than 90 days, unless prohibited by law. The licensee, CPA-Inactive certificate holder, or nonlicensee firm owner, or successors in interest of a deceased firm owner, should not transfer any client files to the successor firm until either the client's consent is obtained or the 90 days has lapsed, whichever is shorter. The licensee, CPA-Inactive certificate holder, or nonlicensee firm owner must retain evidence of consent, whether obtained from the client or presumed after 90 days.

(ii) It is permissible for the successor in interest of a deceased licensee, CPA-Inactive certificate holder, or nonlicensee firm owner to contract with a responsible custodian to securely store client records until such time as consent or transfer has been obtained.

(64) This rule does not:

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

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

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

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

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

WAC 4-30-051 ~~What are the requirements concerning eClient
Records, including response to requests by clients and former clients
for records?~~

(1) The following terms are defined below solely for use with this section:

(a) **Client provided records** are accounting or other records belonging to the client that were provided to the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons by or on behalf of the client.

(b) **Client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner** are accounting or other records (for example, tax returns, general ledgers, subsidiary journals, and supporting schedules such as detailed employee payroll records and depreciation schedules) that the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons was engaged to prepare for the client.

(c) **Supporting records** are information not reflected in the client's books and records that are otherwise not available to the client with the result that the client's financial information is incomplete.

For example, supporting records include adjusting, closing, combining or consolidating journal entries (including computations supporting such entries), that are produced by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons during an engagement.

(d) **Licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner working papers** include, but are not limited to, audit programs, analytical review schedules, statistical sampling results, analyses, and schedules prepared by the client at the request of the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons.

(2) When a client or former client (client) makes a request for client-provided records, client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner, or supporting records that are in the custody or control of the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner that have not previously been provided to the client, the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner should respond to the client's request as follows:

(a) Client provided records in the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner custody or control must be returned to the client.

(b) Client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner must be provided to the client, except that client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner may be withheld if the preparation of such records is not complete.

(c) Supporting records relating to a completed and issued work product must be provided to the client.

(d) Persons subject to this subsection developing and maintaining such records, or schedules should make a reasonable effort to provide the required information and data to the client in a format useable by the client to avoid the cost to the client of duplicate reentry of individual transaction or other information into the client's or successor custodian's recordkeeping system.

(3) The licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner is not required to convert records that are not in electronic format to electronic format. However, if the client requests records in a specific format and the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner was engaged to pre-

pare the records in that format, the client's request should be honored.

(4) In responding to a records request, it is not permissible for a licensee, CPA-Inactive certificate holder, or nonlicensee firm owner to supplant a client record originally created in an electronic format with one converted to a non-electronic format, such as a hard copy or a dissimilar electronic format unusable to the client.

(45) Licensees, CPA-Inactive certificate holders, nonlicensee firm owners, and/or employees of such persons must not refuse to return or provide records indicated in subsection (1)(a), (b), and (c) of this section including electronic documents, pending client payment of outstanding fees.

(56) Once the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons has complied with the requirements in subsection (2) of this section, he or she is under no ethical obligation to comply with any subsequent requests to again provide such records or copies of such records. However, if subsequent to complying with a request, a client experiences a loss of records due to a natural disaster or an act of war, the licensee, CPA-Inactive

certificate holder, and/or nonlicensee firm owner should comply with an additional request to provide such records.

(~~67~~) Licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner working papers are the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner property and need not be provided to the client under provisions of this section; however, such requirements may be imposed by state and federal statutes and regulations, and contractual agreements.

(~~78~~) In connection with any request for client-provided records, client records prepared by the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner and employees of such persons, or supporting records, the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner may:

(a) Charge the client a reasonable fee for the time and expense incurred to retrieve and copy such records and require that such fee be paid prior to the time such records are provided to the client;

(b) Provide the requested records in any format usable by the client;

(c) Make and retain copies of any records returned or provided to the client.

(~~89~~) Where a licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner is required to return or provide records to the client, the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner should comply with the client's request as soon as practicable but, absent extenuating circumstances, no later than forty-five days after the request is made. The fact that the statutes of the state in which the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner practices grants the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner a lien on certain records in his or her custody or control does not relieve the licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner of his or her obligation to comply with this section.

(~~910~~) A licensee, CPA-Inactive certificate holder, and/or nonlicensee firm owner is under no obligation to retain records for periods that exceed applicable professional standards, state and federal statutes and regulations, and contractual agreements relating to the service(s) performed.

(~~1011~~) Audit and review record retention requirements: For a period of seven years after a licensee concludes an audit or review such persons must retain the following records and documents, including electronic records unless hard copies of such exist:

(a) Records forming the basis of the audit or review;

(b) Records documenting audit or review procedures applied;

(c) Records documenting evidence obtained including financial data, analyses, conclusions, and opinions related to the audit or review engagement; and

(d) Records documenting conclusions reached by the licensee in the audit or review engagement.

[Statutory Authority: RCW 18.04.055(2), 18.04.390 (4)(b), and 18.04.405(1). WSR 11-06-062, § 4-30-051, filed 3/2/11, effective 4/2/11.]

WAC 4-30-140 ~~What are the authority, structure, and processes for~~

~~investigations and sanctions?~~ Disciplinary authority and process

~~Authority:~~

(1) Investigations are responsive to formal complaints received
or indications of a potential violation of the Public Accountancy Act,
chapter 18.04 RCW and in all proceedings under RCW 18.04.295 or Admin-
istrative Procedure Act, chapter 34.05 RCW.

(2) The board chair may has delegated investigative authority and
responsibility for processing complaints, initiating and directing in-
vestigations, resolving certain cases and issuing charging documents
to ~~a designee including~~ the executive director of the board ~~(RCW~~
18.04.045(7)~~).~~

(3) The board has established policies and administrative rules
to define the responsibilities, process, and procedures for performing
the disciplinary process.

(4) The board's investigative team reviews all complaints re-
ceived to determine if the allegations are within the board's authori-
ty. If the complaint is not within the board's jurisdiction, then the
executive director may close the complaint without action.

(5) If an investigation produces sufficient evidence for the executive director to conclude that a respondent has violated chapter 18.04 RCW, the executive director will work with a consulting board member (CBM) to review the case and recommend a resolution strategy.

(6) If at any time, the executive director and CBM determines there is not sufficient evidence of a violation, then the executive director may close the complaint without action.

(7) In most cases, the first step in the resolution strategy is to enter into a settlement negotiation. Settlement may be reached at any time.

(8) At any time, the executive director may issue a Statement of Charges which begins the formal disciplinary process. The executive director may also issue a Temporary Cease and Desist Order when deemed necessary to protect public safety and welfare.

(9) The respondent has the opportunity to answer the Statement of Charges and request administrative review. The board may hold a formal administrative hearing, in accordance with chapter 34.05 RCW. The board may impose a final order as a result of an administrative review.

(10) Any final order issued by the board may be appealed as described in chapter 34.05 RCW.

(11) The disciplinary process shall proceed in a timely manner in keeping with the circumstances of the individual case. There is no specific or absolute timeline for the disciplinary process of a case.

(12) The board has the power and authority to recover investigative and legal costs whether through consent order or final administrative order.

Structure:

~~Investigations must be directed and conducted by individuals sufficiently qualified and knowledgeable of the subject matter of an investigation.~~

~~The general responsibilities when directing an investigation are:~~

~~(1) Determine whether the complaint or other source of information is within the authority of the board;~~

~~(2) Determine the most likely sanction the board might impose if the alleged violation is proven;~~

~~(3) Determine the scope and type of evidence needed to reach a conclusion whether a violation occurred;~~

~~(4) Monitor communications to the person(s) affected by the investigative process;~~

~~(5) Monitor the progress of the evidentiary gathering process to ensure that the scope of inquiry and request for records is limited to that necessary to reach a conclusion whether the violation occurred;~~

~~(6) Upon completion of the investigation, evaluate the sufficiency of the evidence to support a conclusion as to whether a violation occurred;~~

~~(7) Develop a recommendation for dismissal or sanction for consideration by a consulting board member based upon the accumulated evidence and the board's "fair and equitable" standard for sanctioning.~~

~~Processes:~~

~~By board delegation, the executive director directs the complaint processes, investigative activities, and case resolution negotiations. The gathering of appropriate evidence should be assigned to staff or contract investigators who have no current or former close relationship to (or with) the complainant or the respondent.~~

~~Upon receiving a complaint or otherwise becoming aware of a situation or condition that might constitute a violation of the Public Accountancy Act (act) or board rules, the executive director will make a preliminary assessment.~~

~~If the executive director determines:~~

~~• The situation or condition is not within the board's authority, the executive director may dismiss the matter, but a record of the event will be documented and maintained in the board office in accordance with the agency's approved retention schedule. A summary of dismissals will be reported regularly to the board.~~

~~• The situation or condition requires further evaluation, the executive director assigns the case to a staff or contract investigator.~~

~~Details of the additional evidence gathered and the resulting conclusion by the executive director will be documented. If the executive director determines that:~~

~~• Sufficient evidence does not exist to merit board action, the executive director may dismiss the case, but a record of the event will be documented and maintained in the board office in accordance with the agency's approved record retention schedule. A summary of dismissals will be reported regularly to the board.~~

~~• Sufficient evidence exists to merit board action and it is the first time an individual or firm is notified of a violation of the Public Accountancy Act or board rule, the executive director may impose administrative sanctions approved by the board for a first time offense.~~

~~• Sufficient evidence exists to merit board consideration but the situation or condition, if proven, is not eligible for administrative sanctions, the executive director will discuss a resolution strategy and settlement parameters with a consulting board member. Once the executive director and consulting board member agree on those matters, the executive director and assigned staff or contract investigator will initiate a discussion for resolution with the respondent consistent with that agreed upon strategy and those settlement parameters.~~

~~The executive director may request guidance from a consulting board member and/or the assistance of the assigned prosecuting assistant attorney general at any time during the investigative and/or negotiation processes.~~

~~If the respondent is amenable to the suggested resolution and terminology of a negotiated proposal, the executive director will forward the proposal to the respondent for written acceptance. If accepted by the respondent, the proposal will be forwarded to the board for approval.~~

~~Upon receiving and considering the formal settlement proposal, the respondent may offer a counterproposal. The executive director and assigned staff or contract investigator will discuss the counterpro-~~

~~posal with a consulting board member. The executive director and consulting board member may agree to the counterproposal, offer a counter to the counterproposal, or reject the counterproposal.~~

~~If the executive director and consulting board member reject the counterproposal or are unable to negotiate what they consider to be an acceptable alternative proposal with the respondent, the executive director will execute a statement of charges and refer the case to the assigned prosecuting assistant attorney general with the request that an administrative hearing be scheduled and the case prosecuted.~~

~~At the same time that the assigned prosecuting assistant attorney general is preparing the case for prosecution, the assigned prosecuting assistant attorney general, working with the executive director and consulting board member, will continue to seek a negotiated settlement (consent agreement) in lieu of a board hearing. If the case goes to hearing before the board, the assigned prosecuting assistant attorney general, with the concurrence of the executive director and consulting board member, will present the team's recommended sanction to the board.~~

~~Through this process, the consulting board member, the executive director and, when appropriate, the assigned prosecuting assistant at-~~

~~torney general must individually and jointly act objectively and cooperatively to:~~

- ~~• Draw conclusions as to the allegations based solely on the evidence;~~

- ~~• Develop and present to the respondent a suggested settlement proposal that they believe the board will accept because the proposal is fair and equitable and provides public protection; and~~

- ~~• If the case goes to a hearing before the board, recommend an appropriate sanction or sanctions to the board.~~

~~No proposed negotiated settlement is forwarded to the board unless the respondent, the executive director, consulting board member and, when appropriate, the assigned prosecuting assistant attorney general concur that the proposal is an acceptable resolution to the matter.~~

~~If the participants in the negotiation concur with the negotiated resolution and terminology of the agreement, a proposed consent agreement is to be signed by the respondent, and signed by the assigned prosecuting assistant attorney general if the settlement was negotiated by the assigned prosecuting assistant attorney general, and forwarded to the board members, along with the executive director's, consulting board member's and, when appropriate, assigned prosecuting as-~~

~~sistant attorney general's recommendation to accept the proposal for consideration.~~

~~The board is not bound by this recommendation.~~

~~All proposed consent agreements must be approved by a majority vote of the board. Five "no" votes mean the proposed settlement has been rejected by the board. In such circumstances, the case will return to the executive director, consulting board member, and assigned prosecuting assistant attorney general who will determine whether the situation merits additional attempts to negotiate a settlement or to immediately schedule the matter for an administrative hearing before the board.~~

~~All fully executed consent agreements and board orders become effective the date the document is signed by the board's presiding officer unless otherwise specified in the fully executed consent agreement or board order.~~

[Statutory Authority: RCW 18.04.045 (7) and (8), 14.04.055 [18.04.055], 18.04.295, and 18.04.350(6). WSR 14-22-034, § 4-30-140, filed 10/28/14, effective 11/28/14; WSR 10-24-009, § 4-30-140, filed 11/18/10, effective 12/19/10.]



Washington State Board of Accountancy

Policy Number: 2017-2

Title: Publication and Disclosure of Disciplinary Actions

Effective: October 27, 2017

Approved: _____
Thomas G. Neill, CPA, Chair

Purpose:

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

Guiding Principles:

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

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

The Board shall maintain updated disciplinary data through the National Association of State Boards of Accountancy (NASBA) in order to provide current licensee information to the public. NASBA maintains CPAverify.org to provide public access license statuses.

1650 - State Board of Accountancy

Allotment Expenditure/Revenue BT/D Flexible

Report Number: AEF04

Biennium: 2019

As of Fiscal Month: Sep FY1

Date Run: Sep 30, 2017 9:53AM

Account: 02J

Allotment Content: Approved & Adjusted

Estimated Revenue Content: Approved & Adjusted

Transactions Through: Sep 29, 2017 8:00PM

Revenue Content: Cash, Accr(iall)

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

By Account/Expenditure Authority	Allotment		Disbursement		Accrual		Encumbrance		Variance		Biennium Remaining
	BT/D	BT/D	BT/D	BT/D	BT/D	BT/D	BT/D	BT/D	BT/D		
02J - Certified Public Accountants' Acct											
030 - Salaries and Expenses	313,740	233,342.52	0.00	0.00	0.00	0.00	80,397.48	2,438,657.48			
Total for Agency	313,740	233,342.52	0.00	0.00	0.00	0.00	80,397.48	2,438,657.48			
By Account/Expenditure Authority											
By Object											
A - Salaries and Wages	154,114	127,455.50	0.00	0.00	0.00	0.00	26,658.50	1,138,478.50			
B - Employee Benefits	56,898	51,255.87	0.00	0.00	0.00	0.00	5,642.13	415,412.13			
C - Professional Service Contracts	1,251	7,271.25	0.00	0.00	0.00	0.00	(6,020.25)	2,728.75			
E - Goods and Services	91,100	45,364.59	0.00	0.00	0.00	0.00	45,735.41	801,033.41			
G - Travel	9,126	1,685.54	0.00	0.00	0.00	0.00	7,440.46	71,314.46			
J - Capital Outlays	1,251	309.77	0.00	0.00	0.00	0.00	941.23	9,690.23			
Total for Agency	313,740	233,342.52	0.00	0.00	0.00	0.00	80,397.48	2,438,657.48			

Fund

Balance As Of:	<input type="text" value="9/30/2017"/>	Show Balances As Of:	<input type="text" value="09/30/2017"/> ▼
Book Balance:	<input type="text" value="2,513,394.43"/>	<input type="button" value="Retrieve"/>	
Outstanding Warrants:	<input type="text" value="1,562.85"/>		
Cash Balance:	<input type="text" value="2,514,957.28"/>		

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

Fund

Balance As Of:	<input type="text" value="9/30/2017"/>	Show Balances As Of:	<input type="text" value="09/30/2017"/> ▼
Book Balance:	<input type="text" value="275,000.00"/>	<input type="button" value="Retrieve"/>	
Outstanding Warrants:	<input type="text" value="0.00"/>		
Cash Balance:	<input type="text" value="275,000.00"/>		

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

Board of Accountancy

2017-2019 Biennium Strategic Plan

Thomas G. Neill, CPA
Board Chair

Charles E. Satterlund, CPA
Executive Director

August 31, 2017

Board of Accountancy

2017-2019 Biennium Strategic Plan

Executive Summary

The Washington State Board of Accountancy (The Agency) qualifies, monitors, and regulates Certified Public Accountants (CPAs) and the practice of public accountancy within Washington State. The Board of Accountancy also monitors and regulates individuals and firms exercising practice privileges in other states while holding credentials issued by this state and those credentialed in other states exercising practice privileges in this state.

The aim of this effort is to promote the reliability of financial information used for decision making purposes in all types of private and public enterprise. We accomplish this task by ensuring that the profession of Public Accountancy is properly regulated and that Certified Public Accountants and Firms are qualified and adhere to state law and professional standards.

The nine members of the Board, appointed by the Governor, serve as the Rulemaking and Disciplinary body.

The Agency is under the direction of the Executive Director, also appointed by the Governor, to employ appropriate personnel to administer the Public Accountancy Act, RCW 18.04, Board Rules, WAC 4-30, and Board policies.

The Agency is funded solely by license and administrative fees paid by CPAs, CPA-Inactive Certificate holders, CPA firms, non-licensee firm owners, and CPA examination applicants.

Board of Accountancy

2017-2019 Biennium Strategic Plan

Agency Mission Statement

The Statutory Purpose of our agency is embodied in the Washington Public Accountancy Act (RCW) 18.04 and is further developed in rule Washington Administrative Code (WAC) 4-30.

Broadly speaking the mission of the agency is to:

1. Promote the reliability of financial and other information used by decision makers in all types of enterprises; and
2. To protect the public by ensuring that:
 - a. Only individuals initially qualified by education, examination, and experience and who possess good character are recognized for the practice of public accounting;
 - b. Only firms meeting the board's criteria for recognition are initially permitted to offer or perform professional public accounting services;
 - c. Individuals and firms recognized by the Board demonstrate continual competency, ethical behavior, and professionalism in the market place; and
 - d. Consumer alerts and public protection information is provided to the general public.

Board of Accountancy

2017-2019 Biennium Strategic Plan

Strengths, Weaknesses, Opportunities, Threats

Strengths

1. Our agency is efficient in terms of its productivity and use of available resources. The agency operates well within its appropriated budget and allotted staff full time equivalent employees (FTEs)
2. Board Members and Staff are committed to the agency mission and the profession. They are motivated, experienced, and come from diverse backgrounds.
3. Board Staff have made significant strides in reducing the disciplinary caseload and maintain an accessible and robust licensing system.
4. The Agency has devoted significant resources to technological security and meeting State IT standards. There is a continued commitment to further development, and modernization of Board information management systems.
5. Board Executive Staff are committed to managing risks and the further development of employees to further enhance productivity and provide a safe, respectful, and diverse work environment.
6. Board Member and Staff relationships with the practitioner licensee community, professional organizations, and the consumer public, are generally sound. Public outreach efforts are routine and are an established priority.

Weaknesses

1. Public records disclosure fulfillment remains a risk, although recent changes in our Agency approach have ameliorated this weakness.
2. Risk of incorrect information or guidance being provided to customers or the public by the Agency Staff, Board Members, or contractors, mitigated by recent efforts to refer to experienced personnel on topics and training.
3. Board investigations have been the subject of serious legal challenges and threatened lawsuits. This threat will continue into the future.

Board of Accountancy

2017-2019 Biennium Strategic Plan

Opportunities

1. Expanding dialogue with international colleagues to consider cross border firm mobility.
2. Further improvements to our licensing system to enhance customer service and experience.
3. Developing a reserve investigative capacity to deal with sudden or unanticipated increases in the disciplinary caseload. The successful development of this resource will allow the agency to continue to operate under its allotted FTEs and authorized WMS positions.

Threats

1. Anticipated adversarial legal challenges to board disciplinary decisions and concurrent unanticipated legal expenditures.
2. Possible decline in licensing population affecting operational revenues and professional services available to the public.
3. Possible resource challenges with respect to enforcement given recent legislative permissions for firm mobility.

Board of Accountancy

2017-2019 Biennium Strategic Plan

Goals

1. Continue to refine the Agency's IT structure and applications process to provide "plain talk" explanatory content in addition to links to official regulatory specifics.
2. Continually strive to improve the ease of constituent access to, and the user-friendly nature of, information related to Board and Agency functions, processes, and actions.
3. Maintain a robust enforcement effort that responds to complaints in a timely and appropriate manner and completes investigations within agency standards.
4. Maintain the open, timely, and effective rule making process.
5. Implement appropriate social media utilization consistent with public disclosure risks.
6. Continually strive to increase access to publicly disclosable information. Participate in the Washington State Open Data Initiative.

Board of Accountancy

2017-2019 Biennium Strategic Plan

Strategic Objectives

1. Protect the public.
2. Provide outstanding customer service to our constituent licensees and applicants.
3. Protect and maintain the security of private personal information that is in the custody of the agency.
4. Implement the Act & Board Rules in a fair and equitable manner, consistent with due process, as part of a continual effort to be a model of regulatory best practices.
5. Maintain compliance with all other required statutes and rules affecting the agency.
6. Maintain the frequency and geographic dispersal of Agency outreach efforts within the state.
7. Guide the Agency in responding to the expanding international focus of Public Accountancy. Engage with other stakeholders and jurisdictions to craft a regulatory framework that is appropriate to an interconnected world economy.
8. Ensure that the Agency is consistently striving to be an organization that focuses on the well-being and safety of the employees through training and process improvements.

Discussion on CPAs and the Marijuana (Cannabis) Industry

The Executive Director of the Washington State Board of Accountancy has the delegated authority and related responsibility, among other things, to

- Determine whether an investigation of the ethical behavior or technical competency and performance of a CPA is warranted;
- Direct warranted investigations to ensure that a respondent's constitutional rights are respected during the investigative process, including protection from unreasonable searches and seizures and due process;

Accordingly the Board directed the Executive Director to develop a position statement related to Washington Initiative 502, the conflict with Federal law and regulations, for discussion the July 24, 2014 Board Meeting.

In the process of gathering information, the Executive Director evaluated documents and public statements created by the American Institute of CPAs, the Washington State Bar, the Washington State Supreme Court, federal public communications specific to the marijuana (cannabis) industry, the August 29, 2013 U.S. Department of Justice guidance to federal prosecutors concerning marijuana enforcement under the Controlled Substances Act (CSA), and the Washington State Rules for I-502. The Executive Director also discussed the issue with the Executive Director of the Colorado Board.

In the same context, the Washington State Supreme Court recently issued the following guidance for lawyers:

RPC 1.2 Scope of Representation and Allocation of Authority between the Client and Lawyer

Special Circumstances Presented by Washington Initiative 502

[18] At least until there is a change in federal enforcement policy, a lawyer may counsel a client regarding the validity, scope, and meaning of Washington Initiative 502 and may assist a client in conduct that the lawyer reasonably believes is permitted by this initiative and the statutes, regulations, orders and other state and local provisions implementing them.

Discussion on CPAs and the Marijuana (Cannabis) Industry

Based upon the forgoing information, the Executive Director recommends the following:

Pending changes in federal marijuana enforcement policy, the Executive Director believes that offering or performing professional services for those commercial business enterprises constituting what is herein referred to as the “Marijuana Industry” is not specifically prohibited by the Public Accountancy Act or Board Rules.

However, the Executive Director encourages CPAs and their firms desiring to provide professional services in the “Marijuana Industry” to diligently address the potential risks and uncertainties associated with providing initial and continuing services in this new and developing industry. The uncertainties of federal enforcement policy v. enforceable federal law further complicate a service provider’s initial and continuing engagement risk analyses.

Quality Assurance Review Results

Year	Peer Review	Pass	Pass W/ Deficiencies	Fail	Peer Review Extension Request	Sub Total	Enforcement	Limited Scope Exemption	Limited Scope Exemption	Total Participation
2013		36	7	5	0	48		Limited	91	139
2014		9	5	0	0	14			8	22
2015		289	33	15	0	337	1		399	737
2016		209	18	18	8	256	3		371	627
2017		67	5	3	11	86			247	333

Request Review Committee Report October 2017

Elizabeth Masnari, CPA, Chair

During the third quarter 2017, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

Firm Names: *Approved:*

ALDARIS CPA GROUP
OSPREY ACCOUNTING SERVICES, INC.
KBF CPAS
STARYKOV TAX & ACCOUNTING LLC
NORTHWEST ACCOUNTANCY INC
WELDON TAX ADVISORS, LLC
WEST SOUND CPA
CUC ACCOUNTING AND TAX LLC

Professional/Educational Organization – Recognition Requests – During the 3rd quarter in 2017, the Board received one request for recognition as an educational organization for purposes of obtaining list requests.

- WebCE (formerly APlusCPE) was approved for recognition.

Domestic or International Education Credential Evaluation Services – During the 3rd quarter in 2017, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.



STATE OF WASHINGTON
BOARD OF ACCOUNTANCY
PO BOX 9131 • OLYMPIA WA 98507-9131
(360) 753-2586 • www.cpaboard.wa.gov • FAX (360) 664-9190

October 27, 2017

As Chair of the State Board of Accountancy's Ethics Committee I have reviewed the 2017 State Ethics Compliance Checklist completed by each staff member of the State Board regarding activities that are prohibited or require pre-approval from the Executive Director or the Chair of the Ethics Committee. No matters were reported that require further attention or action.

James R. Ladd, CPA



Projected Fund Balance
Washington State Certified Public Accounting Scholarship Program
For the Year Ending September 30, 2018

Beginning Fund Balance (as of July 31, 2017)	\$ 2,976,334
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Revenues:

Passive Earnings from Investments (Assumes a 3% return)	\$ 89,290
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Expenditures:

WBOA Certified Public Accounting Scholarships (55 \$5,000 scholarships will be awarded)	\$ (275,000)
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Projected Fund Balance For the Year Ended 9/30/2018	<u>\$ 2,790,624</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	\$ 35,318
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**Estimated Expenses for Administering the WA Certified Public Accounting Scholarship Program
For the Year Ending September 30, 2018**

Program Employee Expenses

Shown in hours worked***	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Total</u>
Advocacy and Foundation Coordinator	30	30	40	40	100	65	75	20	12	25	20	30	487
CEO, Director of the Foundation	8	8	8	20	30	20	40	30	0	4	4	10	182
Director of Communications	2	0	1	3	0	6	0	3	0	6	6	3	30
Digital Marketing Coordinator	8	8	8	8	0	3	0	3	0	4	9	8	59
CFO	0	2	4	2	0	0	0	0	0	2	2	0	12
Communications Coordinator	1	0	0	0	0	0	0	0	0	0	6	3	10
Staff Accountant	1	1	1	1	1	1	1	1	1	1	1	1	12
Academic Relations Coordinator	12	12	12	12	5	5	15	15	0	0	5	15	108
TOTAL - In Dollars	\$ 551	\$ 1,800	\$ 3,225	\$ 3,331	\$ 1,916	\$ 1,845	\$ 2,642	\$ 5,881	\$ 960	\$ 2,177	\$ 1,886	\$ 2,354	\$ 28,568

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

Program Marketing Expenses

	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Total</u>
Banners											\$ 400	\$ -	\$ 400
Social Media (Facebook and LinkedIn)	\$ 200	\$ 200	\$ 300	\$ 200	\$ 100		\$ 100	\$ 100				\$ 250	\$ 1,450
Brochures and Posters		\$ 500	\$ -	\$ -							\$ 1,000		\$ 1,500
Promotional Materials			\$ 500								\$ 500		\$ 1,000
Scholarship Networking Event								\$ 2,000					
Gift cards and Prizes			\$ 200									\$ 200	\$ 400
TOTAL	\$ 200	\$ 700	\$ 1,000	\$ 200	\$ 100	\$ -	\$ 100	\$ 2,100	\$ -	\$ -	\$ 1,900	\$ 450	\$ 6,750
Total Estimated Program Expenses													\$ 35,318

Scholarship Program List of Schools that are Eligible in Washington State:

1. Bellevue College
2. Centralia College
3. Central Washington – De Moines
4. Central Washington – Ellensburg
5. Central Washington – Lynnwood
6. Columbia College – Whidbey
7. Columbia College – NS Everett/Marysville
8. DeVry University / Keller Graduate School of Management
9. Eastern Washington University
10. Everett Community College
11. Golden Gate University
12. Gonzaga University
13. North Seattle College
14. Northwest University
15. Pacific Lutheran University
16. Seattle Pacific University
17. Seattle University
18. St. Martin's University
19. University of Washington - Seattle
20. University of Washington – Bothell
21. University of Washington – Tacoma
22. Walla Walla University
23. Washington State University – Pullman
24. Washington State University – Vancouver
25. Western Washington University
26. Western Governors University
27. Whitworth University

Board of Accountancy Washington State

Enforcement Report

Quarter Report (Jul 01, 2017 through Sep 30, 2017)

	Complaints	Investigations	Period Total
Ongoing at start of period	7	7	14
Received during period	30		30
Total	37	7	44
Complaints opened as investigations	(4)	4	
Total	33	11	44
Complaints Dismissed (Administrative)	(1)		(1)
Complaints Dismissed (investigated <= 180 days)	(12)		(12)
Complaints Dismissed (investigated > 180 days)	0		0
Total	20	11	31
Cases Dismissed (Administrative)		0	0
Cases Dismissed (investigated <= 180 days)		(1)	(1)
Cases Dismissed (investigated > 180 days)		(1)	(1)
Total	20	9	29
Cases Closed (Administrative)		(3)	(3)
Cases Closed (investigated <= 180)		(4)	(4)
Cases Closed (investigated > 180)		0	0
Total	20	2	22