

## Reflections From the Rear-View Mirror

**Rajib Doogar, Board Chair**



Serving on the Executive Committee (EC) of the Board for the past three years, first as Vice-Chair and more recently as Chair has been an eye-opening experience. Welcoming a new Executive Director, Mike Paquette – Welcome, Mike! – to replace retiring ED Dave Trujillo and the transition to a new EC for 2023 makes this a good time to reflect on

these experiences and some key takeaways worth sharing.

As a non-CPA I do not have much first-hand experience with the Board’s regulatory remit and processes. Serving on the EC helped me develop a deeper appreciation of the extremely complex environment in which the Board functions to safeguard the public interest. Access to the advice and counsel of more-experienced Board members and former Board members who had served as Chair and EC members and who knew much more about the issues involved in professional regulation than did I helped remediate much of this gap. Working with the highly experienced team of Board staff allowed me to map out a working understanding of the maze of linkages between the Public Accountancy Act, the Board Rules and Policies, and their interaction with professional ethics and practice standards. As anyone who has undertaken this exercise knows this is not simple stuff. That I was able to get up to speed quickly and to wrap my head around a good many, if not all, of the shades and subtleties involved is a tribute both to the culture of the Board as a collective and to the excellent support from the

Board Staff. One of my most important takeaways is that the energetic and informed involvement of the individual Board members and the unstinting support provided by agency staff are both essential to Board effectiveness. Over the past eighteen months the Board has given much thought to succession planning to ensure that the institutional knowledge required for its well-functioning endures across transitions: the composition of the new EC as well as that of the standing committees and task forces reflects this effort. I owe a deep debt of gratitude to the many Board members and staff whose input shaped this development which leaves the Board well-placed to deal with future business.

With some considerable handholding and over many conversations with fellow Board members as well as staff, I also came to better understand and appreciate the logic and structure of the Board’s various processes, be they for initial or continuing licensing or for exercising its disciplinary powers. As with the bigger picture understanding discussed earlier, understanding the what, the how, and the why of these processes requires considerable investment - for which the Board’s website offers a great starting point. The market for CPA services is in effect a national market, but Board licensees are subject to regulation at the national level as well as across the many different jurisdictions that regulate the use of the CPA title. As a consumer protection agency, while the Board’s primary focus is on protecting the public interest in high quality financial reporting through its enforcement actions, it is equally vital to ensure that a competitive supply of high-quality accounting services is available to the public. As such while maintaining

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**HELP US, HELP YOU,  
ANY SUGGESTIONS?**

Please send your suggestions to  
[customerservice@acb.wa.gov](mailto:customerservice@acb.wa.gov).



## REFLECTIONS FROM THE REAR-VIEW MIRROR

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high standards for licensing, the Board is also committed to reducing market frictions by maintaining alignment between Board rules and national or jurisdiction-specific rules that apply to CPAs either licensed by the Board or by CPAs offering their services in the Board's jurisdiction. The work done by the Board-AICPA Rules Alignment Task Force (BARC) during 2022 is a notable example of this focus on continuous improvement of the Board's work. This process is expected to culminate in significant new rule making by the Board in 2023. As we learned first-hand from the discussion of the Committee's report at the 2022 annual meeting, this initiative has been warmly received by many of the stakeholders who were consulted in the process of developing the committee recommendations.

Last but not the least, serving on the EC motivated me to become more familiar with the interstitial nuances of regulatory coordination between jurisdictions. In particular, attending regional and national meetings of the National Association of State Boards of Accountancy (NASBA) made me realize the pivotal role that NASBA plays in the coordination of regulatory norms for the three E's required for licensing: exam, education, and experience across the 55 jurisdictions that collectively regulate the use of the CPA title. Attending NASBA meetings was very educational to this educator. Understanding how the regulation of use of title across jurisdictions interacts with the needs of the market for CPA services and CPA firms to shape the exam and education components and to ultimately affect the supply of licensees was truly a revelation. The most important takeaway from this experience has been to heighten my appreciation for the complex interplay of foundational forces shaping the future of the accounting profession. As the new exam makes explicit, the CPA of the future will be expected to add value in ways that far exceed the traditional attest role based on which most current use of title regulation is based. These developments can be expected to affect the future of professional regulation is a safe bet, but how they do so remains to be worked out. For anyone interested in understanding or in shaping this evolution, volunteering to serve on the Board is something I highly recommend. Please feel free to reach out to any of the Board members or the Executive Director if you are interested.

The rest of this report provides updates on various facets of the professional environment that the board and staff track and engage with, and the disciplinary and other actions we undertake. The Board welcomes your input on how we are doing.

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## Message from the Executive Director

*by Mike Paquette, CPA*

I wanted to thank everyone for the warm welcome as the new Executive Director for the Board of Accountancy. First, I want to acknowledge the great staff that the board has. It's always a great feeling coming into a new position with such a talented and dedicated staff. A special shout out to Jennifer Sciba who has been with the Board for over 16 years and has done a phenomenal job as the acting director.



Ever since I took Accounting 101, I wanted to be a CPA. It took several years and a lot of night school for me to realize that dream. I love our profession and everything it has to offer. I am dedicated to ensuring that we are successful in providing ethical, professional, and quality services to the Washingtonians we serve.

As the Board moves forward into this ever-changing world, we will strive for the state of Washington to be a leader within our profession. We look forward to the upcoming years and tackling some of the looming issues like our pipeline issue. Working together as a team with many of our partners trying to bring new qualified candidates into the ranks is an example how we can make the future bright for our profession.

# 2023 Renewal Reminder

The 2023 renewal season is upon us. For individuals who are up for renewal, CPE reporting period reminders were sent in October. For both individuals and firms, your renewal reminders will arrive (if we have your current email and address) in January.

If you are up for renewal, here are the dates you need:

- December 31, 2022 – CPE reporting period ends
- January 1 to April 30, 2023 – renewal application due date to avoid paying the late fee
- June 30, 2023 – deadline for renewal application

**CPE Tracker** - The CPE Tracker is now required for renewals. The CPE Tracker is available through your Secure Access Washington (SAW) account on your Board of Accountancy service dashboard.

## Random CPE Audits

If you are selected for the Random CPE Audit and have uploaded your certificates of completion to your CPE Tracker, you will have no action needed when you get the audit notice. If you have not uploaded your certificates, you will be asked to submit the certificates by email.

You must individually log your completed CPE courses. The CPE Tracker must indicate that you have met your renewal requirement before the application will allow you to move forward.

The CPE Tracker documentation (CPE course completion certificates, etc.) upload feature is optional but highly recommended. However, uploading your CPE documentation is required when requesting a CPE extension.

**CPE Extension Requests** - If you did not complete your CPE requirements by December 31, 2022, but will be able to complete them by June 30, 2023, you may request a CPE extension on your renewal application.

For licensees who did not meet the 20-hour minimum annual requirement in each year of your CPE reporting period, you will need to request a CPE extension. You can complete the missed hours in another year of your CPE reporting period or by June 30, 2023.

Instructions for requesting a CPE extension can be found on our website (<https://acb.wa.gov>) on the “Not Enough CPE to Renew” page.

Please keep in mind that if you were granted a CPE extension in 2020, you are not eligible to request a CPE extension for your 2023 renewal per WAC 4-30-134 (3).

You can email us with any questions you have at: [customerservice@acb.wa.gov](mailto:customerservice@acb.wa.gov).

## Do I have to use the CPE Tracker to report my CPE?

Yes, 100% CPE reporting is now required. You must log enough completed CPE to show that you have met your renewal requirement.

The CPE Tracker documentation upload feature is optional. Uploading your CPE documentation is only required when you are requesting a CPE extension or you are notified that you have been selected for the CPE audit.

# Pro-Equity Anti-Racism (PEAR)

In July we introduced the Pro-Equity Anti Racism (PEAR) methodology outlined in Executive Order 22-04. Our goal is to create a PEAR Team by partnering with groups who have been excluded and marginalized by government decisions. The Team will collaborate to better understand historical context and effects of our actions by analyzing the data gathered.

To make our PEAR Team complete we are looking for additional members, an accounting student interested in becoming a CPA, a user of CPA service, a tribal member, and a complainant.

We encourage you to take a moment to view our website regarding PEAR.

If you are interested or have any recommendations, please contact Lori Mickelson at [lori.mickelson@acb.wa.gov](mailto:lori.mickelson@acb.wa.gov).



## It's Time for Renewals! *(and all that comes with it)*

By this time, it probably feels like we have gone on ad nauseum about renewals, CPE requirements, the CPE Tracker, and extension requests.

But you just wait... the Board has one more piece of renewal fun to send your way.

That's right, Real Time Audits (RTA)!

The Real Time Audit allows Board staff to verify renewal applicants' CPE compliance while they are still in their renewal window.

Renewal applicants are chosen for audit at random from a list of completed renewal applications made up of licenses, CPA-Inactive Certificate holders, and non-licensee firm

owners. If your application is selected for the CPE audit, you will be notified by email.

If you are selected for the CPE Audit and have uploaded your certificates of completion to your CPE Tracker, you will have no action needed when you get the audit notice. If you have not uploaded your certificates, you will be asked to submit the certificates by email to [cpe@acb.wa.gov](mailto:cpe@acb.wa.gov) within 30 days of notice of audit selection.

Notifications will come from [noreply@salesforce.com](mailto:noreply@salesforce.com) or [cpe@acb.wa.gov](mailto:cpe@acb.wa.gov). Please add these email addresses to your safe list.

Staff will review your audit submission and notify you of the result.

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## Disciplinary Actions

In accordance with ACB Policy 2017-2, the Board makes available the following disciplinary actions. Additional details are accessible through the licensee search found at <https://acb.wa.gov/>.

### **Rex Carlson** **August 24, 2022**

The Board entered into a Consent Agreement with Rex Carlson. The Board found sufficient evidence that Rex Carlson violated RCW 18.04.295, and RCW 18.04.345(2) by holding out as a CPA when not licensed to do so.

### **Cynthia Knapp** **August 30, 2022**

The Board entered into a Consent Agreement with Cynthia Knapp. The Board found sufficient evidence that Cynthia Knapp Carlson violated RCW 18.04.345(3) and (7) by issuing an audit report when not licensed to do so.

### **Steven Shimizu** **July 20, 2022**

The Board entered into a Consent Agreement with Steven Shimizu. The Board found sufficient evidence that Steven Shimizu violated RCW 18.04.295, WAC 4-30-142(5), WAC 4-30-142(6)(a), and WAC 4-30-052.

### **Vasant Patel** **July 19, 2022**

The Board entered into a Consent Agreement with Vasant Patel. The Board found sufficient evidence that Vasant Patel violated RCW 18.04.295, WAC 4-30-142(5)(d), WAC 4-30-142(6)(b), and WAC 4-30-052.



### ***Were you granted a CPE Extension in 2020?***

If you were granted a CPE extension in 2020, you are not eligible to request a CPE extension for your 2023 renewal per [WAC 4-30-134 \(3\)](#). Your credential will lapse July 1, 2023.

After July 1, 2023 your options are:

- Allow your credential to remain lapsed
- Apply for reinstatement  
<https://acb.wa.gov/individual-licensing/reinststate-cpa-license>

## Rules Hearing - January 27, 2023

The Board of Accountancy (ACB) will hold a rules hearing on January 27, 2023, in conjunction with our Board meeting.

The rules being considered at the hearing are:

Definitions:

- WAC 4-30-010 Definitions

The Board of Accountancy proposes amending WAC 4-30-010 to: (1) Add a definition for Professional Services; (2) Eliminate definitions that are no longer needed.

Ethics and Prohibited Practices Sections:

- WAC 4-30-040 What are the requirements concerning integrity and objectivity?
- WAC 4-30-042 When is independence required?
- WAC 4-30-044 What restrictions govern commissions, referral, and contingent fees?
- WAC 4-30-046 What are the requirements concerning competence?
- WAC 4-30-048 Compliance is required with which rules, regulations and professional standards?
- WAC 4-30-050 Records and clients confidential information.
- WAC 4-30-051 Client records.
- WAC 4-30-052 What acts are considered discreditable?
- WAC 4-30-054 What are the limitations on advertising and other forms of solicitation?
- WAC 4-30-056 What are the limitations regarding individual and firm names?
- WAC 4-30-058 Does the board authorize the use of any other titles or designations?

The Board of Accountancy proposes amending:

WAC 4-30-040; WAC 4-30-042; WAC 4-30-044; WAC 4-30-046; WAC 4-30-048; WAC 4-30-050; WAC 4-30-052; WAC 4-30-054; WAC 4-30-056; WAC 4-30-058 to: (1) simplify the rules by paralleling the rules with the AICPA Code of Professional Conduct (ACIPA Code) and specifically listing any exceptions

to the AICPA Code; (2) Rename the rules (with the exception of WAC 4-30-050).

The Board of Accountancy proposes repealing: WAC 4-30-051 as the information contained in this rule was included throughout the ethics and prohibited practices rule sections amended above.

- .WAC 4-30-045 Commission and referral fees.
- .WAC 4-30-049 Accounting principles.

The Board of Accountancy proposes adoption of WAC 4-30-045 and WAC 4-30-049 to reorganize the ethics and prohibited practice rule sections for clarity.

### Education Requirements:

- WAC 4-30-060 What are the education requirements to qualify to apply for the CPA examination?

The Board of Accountancy proposes amending WAC 4-30-060 to: (1) Change the number of college credits required to sit for the Uniform CPA Examination to 120 semester credits (180 quarter credits) (2) Rename the rule.

Proposed rule changes with proposed language are filed with the Office of the Code Reviser and are available [here](#). You may also visit the [Board Rule Making](#) page of our website.

If you would like to provide comments to the proposed rule changes, you have the following options:

- Attend the rules hearing in person at the [January 27, 2023, Board meeting](#)
- Attend the rules hearing virtually (information on attendance through a Teams meeting will be made available through the link above, closer to the meeting date)
- Send an email to [Kirsten.donovan@acb.wa.gov](mailto:Kirsten.donovan@acb.wa.gov)

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## Rules Hearing - Proposed CPE Rule Change

The Board of Accountancy is considering a rule change to [WAC 4-30-133](#), Reporting periods, carry-forward/back, and limitations on continuing professional education (CPE) credit.

The change would allow for CPE to be earned in 5-minute (.1) increments after the first hour is earned instead of only allowing for half-hour (.5) increments after the first hour is earned.

The proposed rule language for WAC 4-30-133(2) is:

CPE credit is given in increments of tenths of an hour after the first full hour has been earned except for nano learning.

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

CPE credit earned is rounded down to the nearest tenth of an hour.

If you would like to provide input to the Board regarding the proposed change, you can email the Board at [Kirsten.donovan@acb.wa.gov](mailto:Kirsten.donovan@acb.wa.gov). Your comments are appreciated. A rules hearing will most likely be scheduled in conjunction with the April 28, 2023, regarding the proposed change.

## What Are Attest and Compilation Services?

We define attest and compilation services in [RCW 18.04.025](#)(1) and (5):

(1) "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.

...

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

Importantly, if you provide attest or compilation services, you are generally required to participate in a peer review program. Be sure to read [WAC 4-30-130](#) to determine if you must participate.

### CPE Reciprocity

Washington State CPA licensees who do not reside in Washington may qualify for CPE reciprocity. To qualify you must:

- Be a resident of one of the 55 U.S. jurisdictions
- Hold an active license in the jurisdiction in which you reside and is your principal place of business
- Meet the CPE requirements for license renewal in your residency jurisdiction (if that jurisdiction has no CPE requirements, the CPE requirements for Washington must be met)

If this is you, you do not need to log your completed CPE into the CPE Tracker for your renewal with us.

Questions related to CPE reciprocity are built into the renewal application, so you will claim CPE reciprocity when you submit your renewal. Please see [WAC 4-30-134\(7\)](#) for the full Board Rule.

## 2023 Board Meeting Schedule

Board meetings are open to the public, and your participation is valued and encouraged. We post the [meeting agendas](#) to the website approximately two weeks prior to a scheduled meeting. You are able to provide your thoughts on any agenda item; plus you have the opportunity to speak on any topic during the public input section at the end of the meeting.

All meetings will be hybrid with both in person and virtual attendance options. We will post information on accessing the meetings virtually on our website at [www.acb.wa.gov](http://www.acb.wa.gov) as each meeting date approaches.

January 27, 2023      Radisson Hotel Seattle Airport  
Orcas Room  
18118 International Blvd  
Seattle, WA 98188  
or  
Microsoft Teams Meeting

April 28, 2023      Radisson Hotel Seattle Airport  
Orcas Room  
18118 International Blvd  
Seattle, WA 98188  
or  
Microsoft Teams Meeting

July 21, 2023      Holiday Inn Express & Suites  
Chardonnay/Semillon/Riesling  
Rooms  
4525 Convention Place  
Pasco, WA 99301  
or  
Microsoft Teams Meeting

October 20, 2023      Capital Event Center  
6005 Tye Drive SW  
Tumwater, WA 98512  
or  
Microsoft Teams Meeting

Meetings start promptly at 9:00 a.m. Hope to see you there!