

Board of Accountancy

WASHINGTON STATE

December 2023

Looking Forward to 2024 and Beyond

by **Brian Thomas, CPA, Board Chair**

CPA Evolution - New Exam

The new Uniform CPA Exam (Exam) has been talked about and developed for years, but the time has now come for implementation. No testing will occur during the “blackout” period of December 15, 2023, and January 9, 2024, while the new Exam is deployed.

When the testing centers reopen, Exam candidates will still have four sections to pass. However, they will have a decision to make regarding what section to take instead of the Business Environment and Concepts (BEC) section which has been retired.

The new Exam format requires candidates to pass each of the three core sections:

- Auditing and Attestation (AUD)
- Financial Accounting and Reporting (FAR)
- Taxation and Regulation (REG)

And one of the three discipline sections:

- Business Analysis and Reporting (BAR)
- Information Systems and Controls (ISC)
- Tax Compliance and Planning (TCP)

I can personally attest that the satisfaction of earning licensure is well worth the “blood, sweat, and tears” involved in completing the requirements of “education, examination, and experience”.

Alternate Pathways to Licensure

With the growing concern over CPA pipeline issues, the national conversation focus has turned to alternate pathways to licensure. Essentially, these ideas are exploring the possibility of substituting the final thirty hours of education with certain types of additional work experience. Education and experience requirements for CPA licensure may be the next undertaking for change.

Other Boards are considering pathways which combine different levels of education and experience to meet the requirements for licensure. The AICPA and NASBA have committees reviewing alternate pathways. Our Board is waiting for the committee recommendations before considering any changes to our requirements.

As I finish out my term as Chair of the Washington State Board of Accountancy, I look forward with anticipation to the new and exciting changes that we will soon experience within the profession.



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Credentialed Population

Washington State Credentialed Numbers as of 11/30/23.

<input checked="" type="checkbox"/> CPA Licenses:	23,076
<input checked="" type="checkbox"/> CPA-Inactive Certificates:	682
<input checked="" type="checkbox"/> Non-Licensee Firm Owner Registrations:	106
<input checked="" type="checkbox"/> CPA Firm Licenses:	1,644

In 2023, 1,727 initial CPA licenses were issued through November 30, 2023.

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HELP US, HELP YOU, ANY SUGGESTIONS?

Please send your suggestions to
customerservice@acb.wa.gov.

CPA-Inactive Legislation Passed

On March 17, 2022, Governor Inslee signed Senate Bill 5519 into law. The purpose of this legislation is to:

- Move the remaining CPA-Inactive Certificate holders to an inactive licensee status to remove the confusion surrounding the CPA-Inactive designation.
- Sync the Washington regulatory approach to CPA title use with that of most other US jurisdictions.
- Make the CPA-Inactive status available to all licensees.

The changes take effect July 1, 2024.

What the changes mean to you if you hold a:

CPA-Inactive Certificate in an active status

- Your certificate will automatically convert to a CPA license in an inactive status on July 1, 2024.
 - » If you are up for renewal in 2024, you will want to be sure to renew your certificate during your renewal period between January 1 and June 30, 2024. The conversion will occur on July 1, and you will be left with more options than if you let your certificate lapse or retire it.
- You may not hold out or practice public accounting during the time in which you are in an inactive status.
- You may continue to renew in an inactive status every 3 years by:
 - » Completing a Washington State Board ethics course within your CPE reporting period.
 - » Logging the completed course in the CPE Tracker.
 - » Submitting an online renewal application indicating that you are renewing in an inactive status.
 - » Paying the renewal fee.
- You may initially convert your license to an active status by:
 - » Meeting the experience requirements of [WAC 4-30-070](#) (without regard to the eight-year limitation indicated in the referenced rule)
 - If you already have approved experience on file with the Board, you do not need to submit an experience affidavit and resume or summary of key job responsibilities.
 - » Completing the required [Continuing Professional Education \(CPE\)](#)
 - 120 CPE credit hours, including a [Washington State Board Approved Ethics course](#).
 - The CPE hours must be completed within the 36 months preceding your application date, except the Washington State Board Approved Ethics course, which must be completed within the 6 months preceding the date of application.
 - » Logging your completed CPE in the CPE Tracker located in our [online services](#).

[Read more on Page 3.](#)



CPA-Inactive Legislation Passed *(Continued from page 2)*

- » Uploading acceptable CPE documentation (course completion certificates, etc.) into the CPE Tracker for all CPE claimed.
- » Submitting a conversion application through our [online services](#).
- » No fee is charged for this application.
- After your initial conversion to an active status, you can renew in an active or inactive status, depending on your current needs. See CPA License in an active status below.

CPA-Inactive Certificate in a lapsed, retired, suspended, or revoked status on July 1, 2024

- Your only option is to [apply for an initial license](#). (Your education, CPA Exam scores, and AICPA Code of Professional Conduct course will still be valid, provided you do not have a Board Order stating otherwise.)
- If you are in one of these statuses, you may want to consider completing the appropriate application to get your CPA-Inactive Certificate back into an active status prior to the change-over.

CPA License in an active status

- Beginning with the 2025 renewal period, you will have two options for renewal:
 - » Active Status
 - Complete the 120-hour CPE requirement, including a Washington State Board approved ethics course, within your CPE reporting period (don't forget your 20-hour minimum annual requirement).
 - Log your completed CPE in the CPE Tracker located in our [online services](#).
 - Submit an online renewal application through our [online services](#) indicating that you are renewing in an active status.
 - Pay the renewal fee.

- » Inactive Status
 - Complete a Washington State Board approved ethics course within your CPE reporting period.
 - Log your completed CPE in the CPE Tracker located in our [online services](#).
 - Submit an online renewal application through our [online services](#) indicating that you are renewing in an inactive status.
 - Pay the renewal fee. (The fee is the same for both statuses.)
 - You may not hold out or practice public accounting during the time in which you are in an inactive status.
- You are only able to apply for inactive status during your renewal period.
- If you are in an inactive status, you can convert your status to active at any time by:
 - » Completing the required [Continuing Professional Education \(CPE\)](#)
 - 120 CPE credit hours, including a [Washington State Board Approved Ethics course](#).
 - The CPE hours must be completed within the 36 months preceding your application date, except the Washington State Board Approved Ethics course, which must be completed within the 6 months preceding the date of application.
 - » Logging your completed CPE in the CPE Tracker located in our [online services](#).
 - » Uploading acceptable CPE documentation (course completion certificates, etc.) into the CPE Tracker for all CPE claimed.
 - » Submitting a conversion application through our [online services](#).
 - » No fee is charged for this application.

Message from the Executive Director

by Mike Paquette, CPA



As I look back on 2023 and my first full year as Executive Director for the Board, all I can say is it has been a fast-moving exciting time for our profession. None of these things that we have accomplished over the last year would be possible without an amazing group of volunteer board members and a great staff to support them. I can't say enough about how great it has been for me to work with a staff that is dedicated to serving all of our CPAs around the state and those we license around the country and the world.

There are a few things that really stick out when I reflect over the last year. One of the largest issues that we were faced with and still are, is the pipeline issue. At first on the surface why would a regulatory agency be concerned with having more individuals to regulate. Our mission here at the Board of Accountancy is to promote the dependability of information which is used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private, or governmental and the protection of the public. With the current pipeline issue, we must ensure we have enough qualified CPAs to do these things, without compromising the integrity and qualifications of the profession.

We have made a few changes to our rules over the last year that we believe are steps in the right direction. We have lowered the amount of education required to sit for the CPA exam in Washington State to 120 credit hours with a bachelor's degree. We will still require the 150 credits for licensure. One of the other big steps that was just adopted by the Board was to change the amount of time a candidate has to pass all four parts of the exam. Before a candidate had an 18-month rolling window to pass all four parts of the exam, we have now changed it to a 36-month rolling window, one of the largest windows in the country.

As we move forward and explore other options, we will always take into consideration the quality of the candidates and mobility. There has been a lot of effort around the country over the last 15 to 20 years to allow CPAs to have mobility from one jurisdiction to the next without getting a license in every jurisdiction in which they provide services. We do not want to hurt this mobility by making quick decisions without thinking them thru. We continue to work with our national partners and the other jurisdictions on possible alternative pathways to licensure.



Were you granted a CPE Extension in 2021?

If you were granted a CPE extension in 2021, you are not eligible for a CPE extension with your 2024 renewal per [WAC 4-30-134 \(3\)](#). An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six-year period). Your CPA license will remain in an active status until your license expiration date of June 30, 2024.

I am not eligible for a CPE extension, now what?

- Do not submit a renewal application.
- Allow your license to lapse on July 1, 2024.

My license is lapsed, what next?

- [Reinstate your license](#) at any time.

We recommend submitting your reinstatement application as soon as possible after July 1, 2024. This will minimize the amount of time that your CPA license will be in a lapsed status. We do our best to process reinstatement applications quickly after the renewal period is over.

Keep in mind that the CPE reporting period for a reinstatement application is different than your CPE reporting period for renewal. For reinstatement your CPE must be completed within the 36 months prior to the date you submit your reinstatement application. Your Washington State Board approved ethics course must be completed within the 6 months prior to your application date.

As a reminder during the time your license is in a lapsed status you will not be able to use the CPA title.



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

By this time, it probably feels like we have gone on a 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 using the email address you just confirmed during your renewal application.

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 logging back into your online services and attaching the certificates to each tracker entry, within 30 days of notice of audit selection.

Notifications will come from noreply@salesforce.com or 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.

2024 Individual Renewal Reminder

If your license expiration date is June 30, 2024, here it is – time to renew! Are you sure - I feel like I just renewed? Nope - that was three years ago.

For individuals who are up for renewal, CPE reporting period reminders were sent in October by mail and email. If you didn't get one or the other or both, log into your CPAOnline account through [SecureAccess Washington \(SAW\)](#) and update your contact information.

Important Renewal Dates – Helpful reminders will be sent throughout the renewal cycle, but don't wait; get your renewal done early.

- December 31, 2023 – CPE reporting period ends.
- January 1 to April 30, 2024 – Renewal application due date to avoid paying the late fee.
- June 30, 2024 – Deadline for renewal application.

CPE Extension Requests – If you did not complete your CPE requirements by December 31, 2023, but will be able to complete them by June 30, 2024, 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, 2024.

Instructions for requesting a CPE extension can be found on our [“Not Enough CPE to Renew”](#) website page.

Please keep in mind that if you were granted a CPE extension in 2021, you are not eligible to request a CPE extension for your 2024 renewal per [WAC 4-30-134 \(3\)](#). *See the related article in the newsletter.*

You can email us with any questions you have at: customerservice@acb.wa.gov.



CPE Rule Change – Effective January 1, 2024

We have good news! Beginning January 1, 2024, CPE can be earned in increments of tenths of hours after the first hour is earned. This rule revision applies to CPE completed on or after January 1, 2024. Prior to the rule revision CPE was only authorized in half-hour increments after the first hour was earned. CPE would need to be rounded down to the nearest half hour.

We were seeing more and more CPE providers offering courses in tenths of hours which was resulting in lost CPE for CPAs. The Board took action and revised the Board Rule, [WAC 4-30-133\(2\)](#), to better reflect current industry practices.

CPE completed prior to January 1 will still fall under the former rule and can only be earned in half-hour increments after the first hour is earned. If you forget, no worries, as the CPE Tracker will only allow CPE hours to be entered according to the rule in place at the time the CPE was completed. If you try to enter a course completed in 2022 for 2.6 hours, the Tracker will give you an error message. Yay, technology!

Remember to always round down to the nearest allowable increment. You can't claim more CPE than you earned; you can claim a little less.

Inquiries from the Board

We may send you letters or inquiries from time to time. These letters usually relate to important dates related to your credential, such as continuing professional education, ethics, or notices related to your license. We may also contact you if we receive a complaint about your professional conduct.

Responding to board inquiries is not something to be taken lightly. It is important to provide accurate and complete information as soon as possible. This will help resolve the matter quickly and fairly, and avoid further action or sanctions.

Here are some tips on how to respond to inquiries:

- Read the inquiry carefully and understand what the board is asking for. If you have any questions or need clarification, contact the board staff.
- Gather all the relevant documents and records that support your response.
- Write a clear and concise response that addresses all the issues.
- Send your response by the specified deadline. If you need more time, request an extension in writing and explain the reason.

By following these steps, you can also avoid unnecessary delays, misunderstandings, or complications that may result in board action.

One more thing: make sure you keep your contact information updated. This will ensure that you receive any correspondence in a timely manner.

We received 46 complaints from October 2022 through September 2023. Some of these complaints escalated because we could not reach the licensee due to outdated or incorrect address information. Don't let this happen to you, and update your address online or by mail as soon as possible.



Double Check the URL when Logging into Your Online Services

When logging into your CPAOnline account, make sure the website you are visiting begins with **https://secureaccess.wa.gov**.

Recently, fake websites that look like SecureAccess Washington have been created to try to trick users into typing in their credentials to them, rather than the real website. The fake websites often have .com or .net addresses, while the real SecureAccess Washington will always have a .gov address.

These fake sites may have come up in search results if a user used a search engine to find Secure Access Washington.

Please be careful and always check that the page you are logging into begins with **https://secureaccess.wa.gov**.

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

Yes, 100% CPE reporting is now required. You will not be able to complete your renewal application without logging enough completed CPE to show that you have met your renewal requirement.

CPE Tracker tips:

- Log each completed CPE course individually in the CPE Tracker.
 - » Logging CPE can be completed by two methods:
 - Adding each course one at a time, or;
 - Uploading in bulk with our CPE Summary feature using a preformatted .csv file.
- Logging courses in blocks, such as “various” or “2021 CPE”, is not authorized.
- Log your CPE periodically throughout your CPE reporting period to avoid having to do it all at once.
- Uploading your CPE documentation in the CPE Tracker is optional unless you are requesting a CPE extension or are selected for the CPE audit.

Information on reporting your CPE with the CPE Tracker is available on our website through this [link](#).

PEAR Update

We’re excited to share that new members have joined our Pro-Equity Anti-Racism (PEAR) Advisory Team. Our first quarterly meeting begins in January 2024, where we will introduce ourselves and review objectives and goals for the team.

There’s still room for more participants. The PEAR Advisory Team, along with our Internal PEAR Team, will meet virtually to discuss PEAR efforts. PEAR Advisory Team members will have the opportunity to:

- Participate in virtual meetings to help us improve our services and interactions with impacted groups.
- Engage in open discussions and provide feedback on policies.
- Advise our Internal PEAR Team.

If you’re interested in joining our team, please contact Lori Mickelson at lori.mickelson@acb.wa.gov. More information can be found by visiting our website for [PEAR recruitment](#).

We appreciate your interest and support in our agency’s efforts to create a more equitable and inclusive community for everyone.



2024 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 as each meeting date approaches.

January 26, 2024 Radisson Hotel Seattle Airport
San Juan Rooms 2 & 3
18118 International Blvd
Seattle, WA 98188
or
Microsoft Teams Meeting

April 26, 2024 Radisson Hotel Seattle Airport
San Juan Rooms 2 & 3
18118 International Blvd
Seattle, WA 98188
or
Microsoft Teams Meeting

July 19, 2024 DoubleTree by Hilton Spokane City Center
Suites A & B
322 N Spokane Falls Court
Spokane, WA 99201
or
Microsoft Teams Meeting

October 18, 2024 Capital Event Center
Chehalis Rooms A & B
6005 Tyee Drive SW
Tumwater, WA 98512
or
Microsoft Teams Meeting

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

CPA Exam Performance Summary: 2023 Q-3 Washington

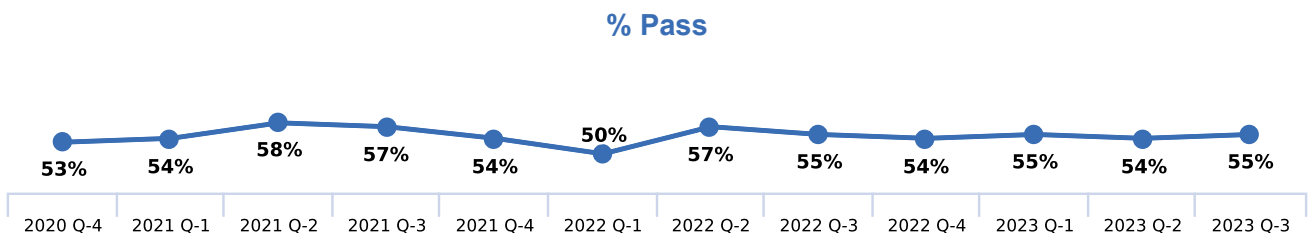
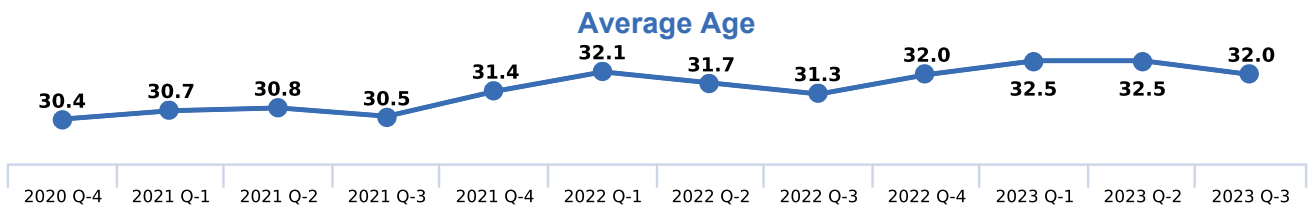
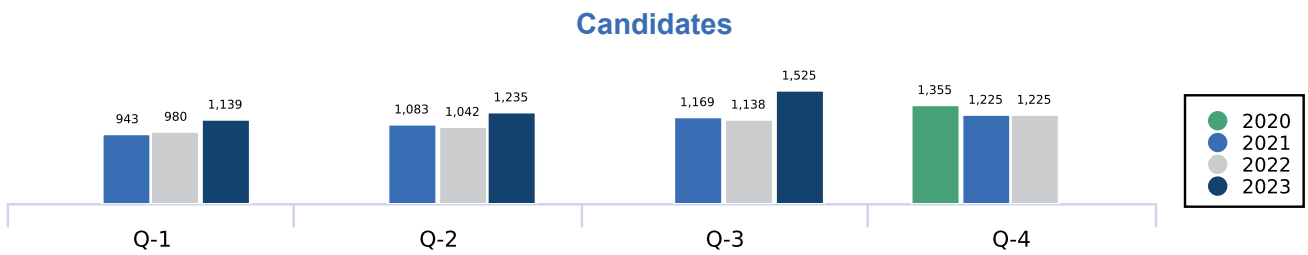
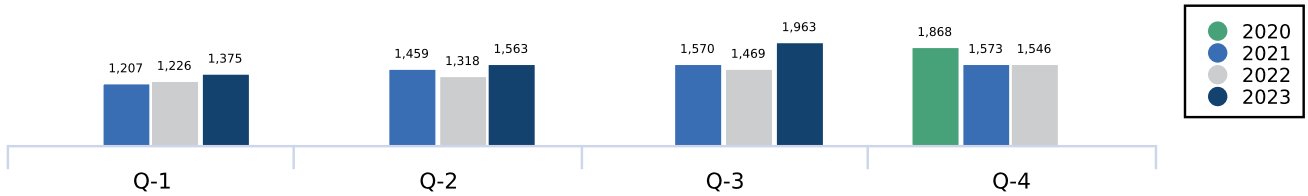
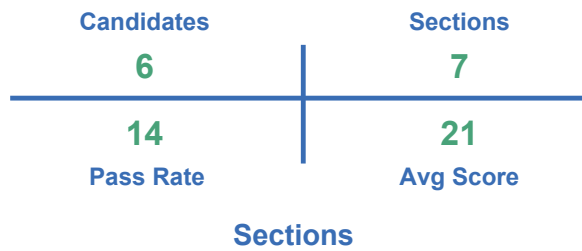
Overall Performance

Unique Candidates	1,525
New Candidates	507
Total Sections	1,963
Passing 4th Section	196
Sections / Candidates	1.29
Pass Rate	54.56%
Average Score	72.67

Section Performance

	Sections	Score	% Pass
First-Time	628	71.29	54.14%
Re-Exam	1,328	73.33	54.74%
AUD	508	70.44	43.11%
BEC	693	74.62	58.59%
FAR	457	70.22	52.95%
REG	305	75.65	66.89%

Jurisdiction Ranking



CPA Exam Performance Summary: 2023 Q-3

Washington

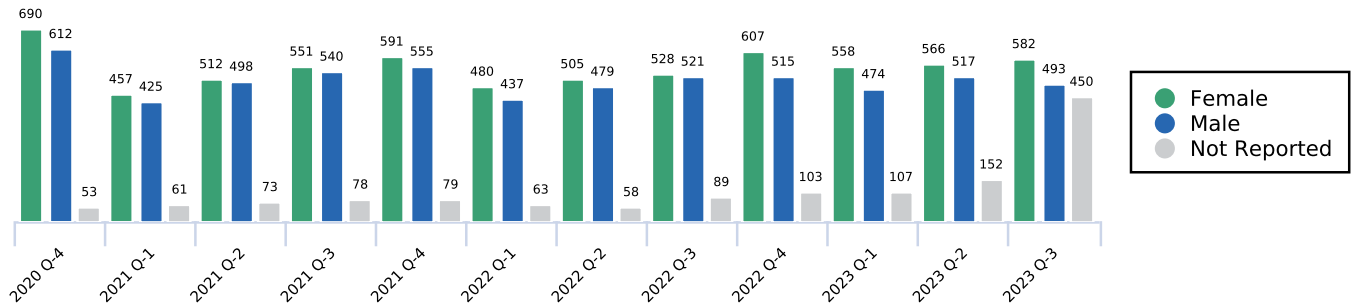
Degree Type

	Candidates	% Total
Bachelor's Degree	842	55.2%
Advanced Degree	639	41.9%
Enrolled / Other	44	2.9%

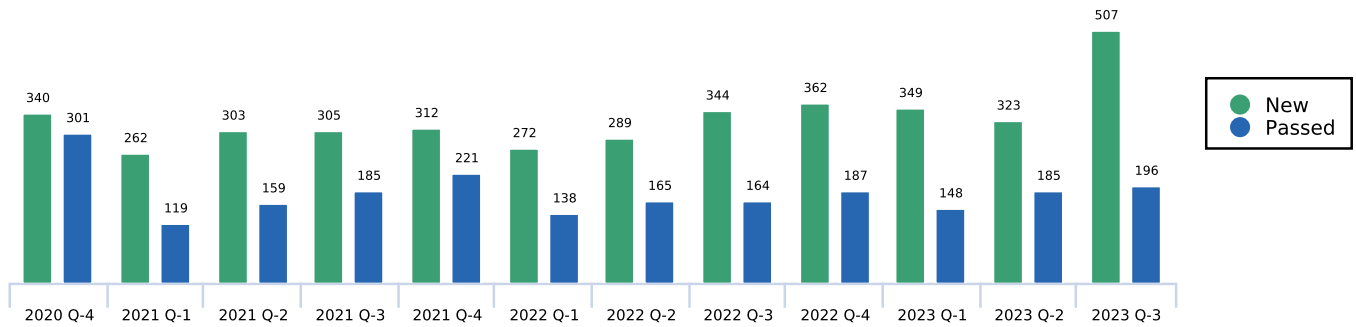
Residency

	Candidates	% Total
In-State Address	600	39.34%
Out-of-State Address	221	14.49%
Foreign Address	704	46.16%

Gender



New Candidates vs Candidates Passing 4th Section



Notes:

1. The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
 2. The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
 3. Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
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