

Board of Accountancy

WASHINGTON STATE

July 2023

2023 - Final Push to CPA Evolution and Growing the CPA Pipeline

Brian R. Thomas, CPA Board Chair



The number of individuals entering the CPA profession, commonly called the CPA Pipeline, is of increasing concern. With fewer new people entering the profession and more CPAs considering retirement, the potential for too few CPAs appears to be imminent.

The profession is having a difficult time attracting individuals. The Board, other State Boards, the State Societies, the National Association of State Boards of Accountancy (NASBA), and the American Institute of Certified Public Accountants (AICPA) are each and together looking for possible cures to this problem.

Removing barriers to entry seems to have the most traction. The CPA Evolution Initiative will launch in 2024 and will allow candidates to choose one of the three new Discipline Exam sections which will replace the Business Environment and Concepts (BEC) section. The Board has also adopted several changes in hopes of attracting more skilled accounting professionals. The Board has already reduced the amount of education required to sit for the CPA Exam from 150 semester hours to 120 semester hours. The date for measuring conditional credit has changed from the date the individual sat for the exam to the date the score was released.

At the Board and national level, we continue to look at other ways to attract individuals to the profession. The two most discussed topics for change are the Exam conditional credit window and alternate pathways to licensure.

[continued on page 2](#)

In This Edition

Do You Work for A CPA Firm or Employer that Tracks Your CPE Through Their Internal System?	2
Firm Changes	2
Message From the Executive Director	3
Do I Have to Use the CPE Tracker to Report My CPE?	3
Real Time Audits Reflections	3
Address Changes	3
CPE Extension Requests	4
CPA Evolution and the Exam	4
Rule Making - 2023 Adopted Changes (so far)	5
CPE - 20 Hour Minimum Annual Requirement	5

Seeking PEAR Advisory Team Members:

An Opportunity to Promote Equity and Inclusion in the CPA Profession

We are excited to recruit for our Pro-Equity Anti-Racism (PEAR) Advisory Team, a group to share challenges and solutions for advancing diversity, equity, and inclusion in the CPA profession in Washington State. We are looking for people who share this passion with us. If you know someone who belongs to one of the following groups, we ask that you invite them to visit our website at acb.wa.gov/PEAR to learn more about our program.

- A student aspiring to be a CPA
- A client that uses CPA services
- A member of a tribal community

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.

Together we will coordinate and discuss initiatives that will better inform decision-making to create an ecosystem that embraces equity, respect, and belonging. You, or anyone you share this with, can contact Lori Mickelson at lori.mickelson@acb.wa.gov to get involved.

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



WA STATE BOARD OF ACCOUNTANCY BOARD MEMBERS 2023

Officers:

Brian R. Thomas, CPA/CGMA – Chair
Mark Hugh, CPA – Vice Chair
Kate Dixon – Secretary

CPA Members:

Tonia L. Campbell, CPA
Brooke Stegmeier, CPA
Thomas P. Sawatzki, CPA/ABV/CFP
Jacqueline Meucci, CPA

Public Members:

Rajib Doogar
Scott S. Newman

WA STATE BOARD OF ACCOUNTANCY BOARD STAFF:

Mike Paquette, CPA
Executive Director

Jennifer Sciba
Deputy Director

Lori Mickelson
Chief Administration Officer

Kirsten Donovan
Operations Manager

Tia Landry
Data and Systems Administrator

Kelly Wulfekuhle
Lead Solutions Analyst

Taylor Shahon, CPA
Lead Investigator

Isaac Ross
Licensing Specialist

Tim Taylor
Customer Service Specialist

HELP US, HELP YOU, ANY SUGGESTIONS?

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

2023 - Final Push to CPA Evolution and Growing the CPA Pipeline

continued from page 1

18-Month Window Extension – The National Association of State Boards of Accountancy (NASBA) adopted an amendment to The Uniform Accountancy Act (UAA) Model Rules to increase the length of conditional credit from 18 months to 30 months. At the April Board meeting, the Board created the Window Extension Recommendation Committee (WERC). The WERC is comprised not only of Board members, but also WSCPA leadership, as well as interested parties from the CPA community. The WERC is tasked with gathering information and then providing a recommendation for the testing window length at the July Board meeting. The committee may recommend to the Board to extend the conditional credit even further than the 30 months.

120 Hours of Education for Licensure – Other State Boards have discussed the requirements

for licensure and the possibility of adding another pathway. The current requirement is 150 hours of education and 1 year of work experience. The pathway that seems to be most heavily considered is replacing 30 hours of education (reduced to 120 hours) with an extra year of work experience (to two years).

The Board is committed to working on the CPA pipeline issue, as we need more individuals entering the CPA profession. We know how great it is, but we need to make students as well as individuals considering changing professions know how great it is too. We need them to love the profession as much as we do. Removing barriers to entry is a starting point. However, the Board will not rush to make changes just for the sake of change. Our actions will be carefully and thoroughly researched and considered before any final decision and change is made.

Do You Work for a CPA Firm or Employer that Tracks Your CPE through Their Internal Systems?

This is an amazing service that helps keep you on track with your CPE compliance. However, more often than not, this is not considered acceptable [documentation](#) for CPE compliance. Ultimately, the burden of retaining acceptable proof of completed CPE falls to you.

If you read the fine print on most inhouse CPE summaries it states, “for internal use only” or “State Boards may require certificates of completion”. Be sure you retain copies of certificates submitted to your employer for CPE tracking. If you take in-house CPE and they don’t issue you a certificate of completion, we strongly advise you request that they provide you with one. Please ensure you have in your possession acceptable documentation for each course taken.

Firm Changes

You may need to change your CPA firm license or structure in Washington. These changes include:

- **Adding or removing a licensee owner:** Submit an online firm amendment.
- **Changing the name of the firm:** Submit an online firm amendment.
- **Changing the resident managing licensee of the main or branch office:** Submit an online firm amendment. Ensure that the new resident managing licensee meets the Board rules.
- **Changing the legal entity of the firm:** Apply for a new firm license. Create a new SAW account for the new firm license and meet all licensure requirements. Do not use your existing SAW account or firm license number.



Real Time Audits (RTA) Reflections:

The Board is closing out the 2nd year of Real Time Audits (RTA). Conducting RTA allows Board staff to verify renewal applicants' CPE compliance while they are still in their renewal window.

If your application was selected for the CPE audit, you would have been notified by **email**.

What do you think is the most common reason given from CPAs when they get the notice of failure to respond?

"Oh, I never check that email!"

When you renew your credential, you are asked if your email address is correct, and you are required to re-type that address, as well as check a box to confirm that you are really sure that your information is correct. Please make sure you are using an email address you regularly check.

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.



Address Changes

If you are a CPA in Washington State, you need to be aware of the rules regarding address changes. All individuals and firms holding an active credential must notify the Board in writing of an address change within 30 days. You should also keep your phone number and email address up-to-date with the Board. You can update your contact information by logging into your [SecureAccess Washington \(SAW\) account](#), emailing customerservice@acb.wa.gov, or mailing a letter to the Board. This is important to ensure that you receive timely communication from the Board.

Message from the Executive Director

Mike Paquette, CPA



I wanted to thank our Board Members, members of the Washington Society of CPAs, members of the Washington Association of Accountants & Tax Professionals, all our CPA firms and licensees, and especially the staff here at the Board of Accountancy for a great welcome and wonderful first several months. It is a great time to be in our profession with the way the world is evolving around us. The technology advances that aid our profession are astonishing to include the advances in Artificial Intelligence (AI). But with the good also comes those who would use it against us. There has been an increase in AI-generated scams especially targeted at stealing financial information.

The Governor issued Executive Order 22-04, the Pro-Equity Anti-Racism (PEAR) directive. Board members and Board staff have been working together on policies and practices. We are now enlisting public users of CPA services and our licensed CPAs to form a PEAR team. This team will look at the Diversity, Equity, and Inclusion of our profession and those we serve to find avenues of improvement. We will continue to work with the State's Office of Equity on the creation and building of the Board's PEAR program.

We continue to work with other State Boards, our national partners, and the WSCPA on the pipeline issue that our profession faces. I am sure you have heard of some of the ideas being floated around to get more candidates in our pipeline. We will be discussing some of the possible changes that would aid our profession. Please keep checking out our website for updates.



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.

CPA Evolution and the Exam

As we get closer to January 1, 2024, and the launch of the newest version of the Uniform CPA Examination (Exam), it's important to be aware of key dates that may impact your journey. Several months ago, NASBA and the AICPA released a tentative transition timeline. Here is a summary of what to expect.

- October 1, 2023 – Deadline for first-time BEC applications
- November 22, 2023 – NASBA's Gateway system begins processing Authorizations to Test and Notices to Schedule for the new discipline sections, Business Analysis and Reporting (BAR), Information Systems and Controls (ISC), and Tax Compliance and Planning (TCP)
- December 15, 2023 – last day of testing for ALL current CPA Exam sections (AUD, BEC, FAR and REG)
- December 16, 2023 through January 9, 2024 – no CPA Exam sections may be scheduled during this period to allow for conversion of IT systems to 2024 CPA Exam sections.

There will likely be a high demand for testing in Q4 2023. Candidates are encouraged to plan accordingly.

NASBA has also published a tentative test administration schedule and score release timeline for 2024.

These dates are subject to change. Official score release information can be found on the AICPA [website](#).

2024 Test Administration Schedule / Score Release Timeline*

Quarter	Core Test Dates	Core Score Reports	Discipline Test Dates	Discipline Score Reports
24Q1	Jan 10 – Mar 26	May 14 – June 4	Jan 10 – Feb 6	Mar 26 – Apr 16
24Q2	Apr 1 – June 25	Aug 1	April 20 – May 19	June 20
24Q3	Jul 1 – Sep 25	Nov 1	July 1 - 31	Sep 3
24Q4	Oct 1 – Dec 26	Early Feb 2025	Oct 1 - 31	Dec 3

*All dates are subject to change.

It's important to note the following aspects of the 2024 schedule:

- Testing of the new exam will not start until January 10.
- Testing for the discipline sections of the exam will only be available for a month of each calendar quarter.
- There will be a limited number of score release dates because more time is needed to evaluate and score the new exams.

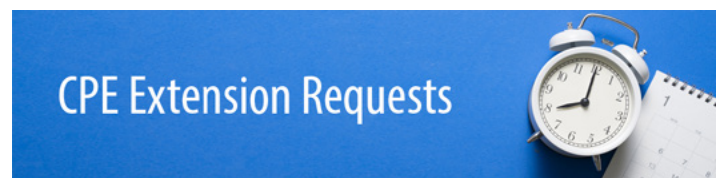
Credit Extension and Transition Policy

Due to the limited testing schedule and delayed score releases in 2024, the Board has adopted the following CPA Exam Credit Extension Policy:

“Any candidate with Uniform CPA Examination credit(s) on January 1, 2024, will have such credit(s) extended to June 30, 2025.” No action is required by the candidate.

The Board has also adopted the [transition policy](#) for Exam sections passed under the current Exam to credit under the 2024 Exam. Candidates who have credit for any exam section on January 1, 2024, should review this policy.

If you have additional questions about the CPA Exam transition, please refer to [NASBA's CPA Exam Transition FAQs](#) or reach out to our office at customerservice@acb.wa.gov.



Here's a CPE extension for you and you and you. The Board Rule regarding CPE extensions changed in January 2020. Previously, only individuals experiencing an individual hardship were authorized a CPE extension. The updated rule allowed anyone who failed to complete their CPE by the end of their reporting period to request a CPE extension, and the Board will grant it.

The CPE requirements have multiple components, and all must be met (Washington State Board approved ethics course, 20-hour minimum annual requirement, etc.) to qualify for renewal. So, if you fail to meet one or more components of the CPE requirements, you have not met your CPE requirement for renewal, but you can request a CPE extension once your overall CPE requirement is met.

Now this is the really, important part – CPE extensions are not authorized in back-to-back CPE reporting periods.

[WAC 4-30-134\(3\)\(c\)](#)

If you requested a CPE extension on your 2021 renewal and have not completed your CPE requirements by December 31, 2023, you will not be eligible for a CPE extension for your 2024 renewal. You will need to follow these steps:

- Do not submit a renewal application
- Allow your license to lapse on July 1, 2024
- Reinstate your license at any time once it has lapsed

If you have any questions about CPE or this process, please contact us at customerservice@acb.wa.gov.



Rule Making – 2023 Adopted Rule Changes (so far)

The Board held Rules Hearings on January 27 and April 28. During these hearings, the Board made the following rules changes.

Definitions

WAC 4-30-010. The changes added a definition for Professional Services and eliminated definitions that were no longer needed.

Ethics and Prohibited Practices

Based on feedback received through our survey of licensees, WAC 4-30-040 through 4-30-058 were updated. The changes simplify the rules by paralleling the rules with the AICPA Code of Professional Conduct (AICPA Code) and specifically listing any exceptions to the AICPA Code. Please be sure to read through the rules to familiarize yourself with all the changes.

Amended: WAC [4-30-040](#), [4-30-042](#), [4-30-044](#), [4-30-046](#), [4-30-048](#), [4-30-050](#), [4-30-052](#), [4-30-054](#), [4-30-056](#), and [40-30-058](#).

Repealed: WAC 4-30-051

Adopted: WAC [4-30-045](#) and [4-30-049](#)

At the April Board meeting, the Board also amended [Board Policy 2020-1](#), Peer Review. The changes eliminated the requirement for Board review of peer review reports with a pass with deficiency result. One member of the Peer Review Oversight Committee and the Executive Director will review all reports with a fail result.

Education Requirements

WAC 4-30-060: The revision changed the number of college credits required to sit for the Uniform CPA Examination (CPA Exam) from 150 semester credits (225 quarter credits) to 120 semester credits (180 quarter credits).

To see all education requirements to sit for the CPA Exam, please see our [Education Requirements](#) website page.

The number of college credits required for licensure remains the same at 150 semester credits (225 quarter credits).

CPE Requirements – Effective January 1, 2024, for CPE completed on or after January 1, 2024

WAC 4-30-133: The changes 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. CPE credit earned must be rounded down to the nearest tenth of an hour when a provider lists credits in increments higher than tenths of an hour.

Rule Making Website Page

You can keep up to date with the latest rule changes through our [Board Rule Making](#) website page. We post updates through all phases of the rule making process on the page. We value your input on proposed rule changes. When you see that a rule making hearing is upcoming, you can review the proposed revisions, and then let us know what you think by following the instructions posted.



CPE – 20-hour Minimum Annual Requirement

The 20-hour minimum annual CPE requirement has been in place for its fourth year now – implemented January 2020. This renewal period has shown us that this requirement is still not yet fully ingrained, as we received several hundred CPE extension requests due to missing the 20-hour minimum annual requirement.

Even if you complete the overall 120-hour CPE requirement, including a Washington State Board approved ethics course, within your CPE reporting period, you will not meet your CPE requirement if you have not completed 20 hours of qualifying CPE each year of your CPE reporting period.

Keep in mind that these specific types of acceptable CPE are not included in the minimum annual requirement:

- First-time instructor/developer of a CPE course or college or university course qualifying for CPE credit
- Authorship of published articles, books, or other publications relevant to the profession

If you have CPE hours in these areas, they will count towards your overall CPE requirement, but will not count towards your minimum annual requirement. You must be a student of a program qualifying for CPE credit for it to count towards your minimum annual requirement.

Take your CPE early; don't put it off until the end of the year (something may come up that prevents you from getting it done). Mark your calendars. Log your CPE in the CPE Tracker often. Do whatever it takes to make sure that you complete a minimum of 20 hours of CPE annually. You will thank yourself when it's time to renew.