



## Give a Little, Get a Little

I have always believed that people believe what they believe. One of the biggest insights you can have into people's motivations is to know what their core paradigms are. Historians have known for a long time that it isn't as important to a culture what has actually happened to them so much as what they believe about it. Beliefs foster the process of building a group identity and sometimes those identities shape public policy.

So we are still grappling with the questions about occupational licensing and regulation. This question probably won't go away, since it spans the political spectrum reaching to both ends. Yes, that is what I said, and this phenomenon is making lots of people in the regulatory realm very nervous.

Just recently, a friend explained to me that he heard a government official objecting to the very notion of CPE requirements. This objection based on the idea that requiring CPE creates another barrier to a person's ability to practice their profession.

"Leave it to the market to weed out the ineffective and incompetent."

Really? I hadn't heard this objection before, but there it is.

"How much regulation do we need anyway?"

We have heard this a lot lately too. Again, it is an honest question even if some of those asking it seem to be possessed with a certain kind of laissez-faire capitalistic fervor or simply want to eliminate most barriers to practicing an occupation. But again, here we are.

Successful public policy negotiations are based on compromise. Give a little, get a little. So in thinking about

all this, the Board task force took a look at our statute governing firm licensing in Washington State following questions we received from some stakeholders.

Our answer, which was overwhelmingly supported by our community, was House Bill 1208, referred by us as the Firm Licensing Bill.

The new bill passed by both houses of the Legislature and was signed into Law by Governor Inslee on April 19, 2019. The change in our statute will take effect on July 28, 2019.

In a nut shell, the bill limits the requirement for a firm license in Washington State to only those firms that perform or offer to perform compilation or attest services. Our reasoning for maintaining this requirement, for firms in the latter category, is that the Board has a stake in monitoring the ongoing performance of peer review and following up on the results.

Some firms, who will no longer be required to maintain a license, may want to maintain one in order to facilitate inter-jurisdictional mobility, or they want to be able to point to themselves as a licensed firm. This option is allowed.

We will also be working to clarify naming conventions for non-licensed CPA firms who want to incorporate the title "CPA" into their firm name or DBA. These should be pretty common sense to most practitioners, but feel free to participate in the rule making process if you want to.

This is an experiment of sorts in right sizing regulation. Work with us to make it a success.

Charles Satterlund, CPA  
Executive Director



### In This Edition

A Message from the Board Chair .....	2
Elijah Watt Sells Award .....	2
Recent Board Member Changes .....	3
Candidate Corner: Receiving Your CPA Exam Score .....	3
Disciplinary Actions.....	4
Secure Access Washington (SAW).....	4



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

# A MESSAGE FROM THE BOARD CHAIR

## Washington State Board of Accountancy Revises Rules for CPE

By Mark Hugh, CPA, Board Chair



Mark Hugh

During 2019, the Washington State Board of Accountancy is revising its rules on continuing professional education (CPE). Any draft revisions were published in spring 2019 for public comment with anticipated effective date of January 1, 2020.

In 2016 the Statement on Standards for CPE programs were revised. This statement is a national professional standard that is modified by both the American Institute of Certified Public Accountants (AICPA) and the National Association of State Board of Accountancy (NASBA). These revisions resulted in changes to Uniform Accountancy Act (UAA) Model Rules maintained by NASBA. If the Model Rules are adopted by state boards, acceptable CPE programs may include “nano learning” and “blended learning” programs, as well as other changes.

“Nano learning” is a tutorial program designed to permit a participant to learn a given subject in a 10-minute time frame using electronic media (including technology applications and processes and computer-based or web-based technology) and without interaction with a real-time instructor. A nano learning program differs from a self-study program in that it is typically focused on a single learning objective and is not paper-based. To provide evidence of satisfactory completion of the course, CPE program sponsors of nano learning programs must require participants to successfully complete a two-question qualified assessment with a passing grade of 100% before issuing CPE credit for the course.

“Blended learning” is an educational program incorporating multiple learning formats in a single program, such as group live education, group web-based learning, and nano learning.

As a result of these national changes the Board is adopting several changes to Washington’s CPE rules consistent with new national CPE standards, and rewriting Washington’s CPE rules to be more consistent with revised UAA model rules, while still maintaining unique and longstanding Washington differences from the model rules.

[Continued on Page 3](#)

## NEW ANNUAL CPE MINIMUM

Starting January 1, 2020,  
there will be two minimums for CPE.

1

Annual  
minimum  
of at least  
20 hours

2

Three year  
minimum of  
120 hours

## ELI WATTS SELLS AWARD FOR 2018

The American Institute of CPAs (AICPA) announced the winners of the 2018 Elijah Watt Sells Award. The Elijah Watt Sells Award program was established by the AICPA in 1923 to recognize outstanding performance on the CPA Examination.

The award is given to candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, completed testing during the 2018 calendar year, and passed all four sections of the Examination on their first attempt. An approximate total of 86,000 individuals sat for the Examination in 2018, with 110 candidates meeting the criteria to receive the Elijah Watt Sells Award.

The Board would like to congratulate Michelle Bauer, a Washington State Candidate, who received the 2018 Elijah Watt Sells award.





## BOARD CHAIR (CONTINUED)

The major changes from previous Washington CPE rules are:

- A CPA will be required to complete a minimum of 20 hours of CPE in each year of the three-year reporting cycle: however Board service, first time instructor/developer, or authorship of published materials will not count towards the 20-hour minimum.
- Nano learning will be an allowable CPE format, but total number of nano learning credits are limited to 10%, or no more than 12 of the 120 hours in any three-year reporting cycle.
- Currently a CPA can earn up to 64 hours of annual credit for service on or to the Washington State Board of Accountancy, up to 72 hours of credit in a reporting period for being the first-time instructor/developer of CPE courses, and up to 30 hours of credit in a reporting period for published articles, books, and other publications. Under the revisions, no more than 60 hours of CPE credit in the aggregate will be allowed in any three-year cycle for Board service, first-time instructor/developer of CPE courses, and authorship of published articles, books, and other publications.
- Currently, non-technical CPE, including subjects such as personal development and practice management, cannot exceed more than 24 hours in any three-year reporting cycle. But under the revisions, non-technical CPE credits will be limited to no more than 60 of the 120 hours in any three-year reporting cycle.
- The “prelapsed reinstatement” process will be eliminated. “Prelapsed reinstatement” has been a process for CPAs who fail to obtain required CPE during their three-year reporting period and who also did not request an extension before the December 31 end of their reporting period. Under the current rules, these CPAs pay a \$480 reinstatement fee. Under the revisions, CPAs are given an automatic extension of time to obtain CPE, but only one extension is granted for any two consecutive CPE reporting periods (six-year period). A CPA who obtains an extension request for the first CPE reporting period and fails to obtain required CPE for the second successive reporting period is ineligible for any extension and will be subject to the disciplinary process.
- CPE reciprocity will be allowed for Washington CPAs who are residents of other states.

You can follow these revisions at the Board’s website at <https://www.acb.wa.gov>.

## RECENT BOARD MEMBER CHANGES

Elizabeth D. Masnari, CPA and Karen R. Saunders, CPA have completed their service to the Board. On behalf of the Executive Director, Board Members, and Board staff, thank you for your years of service and dedication to the profession.

Governor Jay Inslee recently appointed Kate Dixon, Public Member, Carol A. Morgan, CPA, and Thomas P. Sawatzki, CPA to serve on the Board. Please help us in welcoming them to the Board. Your commitment to serving the profession is appreciated.

## CANDIDATE CORNER

### Receiving Your CPA Exam Score

Waiting to receive CPA Exam scores is most likely a top 10 least favorite thing by CPA Exam candidates because of the anxiety produced by the stretch of time it may take to receive the score(s) and the impending Pass/Fail score. Waiting for scores is one of the final acts in the rigorous process to achieving the “gold” and moving forward to being licensed.

What many candidates don’t realize is that there are multiple moving parts behind the scenes of what happens when candidates submit their completed testlet. Scores move from Prometric to the AICPA, to NASBA and finally to the Boards of Accountancy. Sometimes, delays occur even if there are score holds caused by CPA Exam changes. We promise there is a method to the madness... here is a breakdown of what happens when a candidate completes his or her CPA Exam.

After testing for the CPA Exam, candidate responses are sent to the AICPA for scoring. The AICPA does not receive or have access to candidate identities, and the responses are identified by the examination section identification number only. When scoring is complete, advisory scores become available and the AICPA forwards them to NASBA. NASBA then matches the scores to the individual candidates and sends the scores to the Boards of Accountancy for approval and subsequent release to candidates.

Some Boards of Accountancy require at least one day beyond the published target dates for the score release to process and release Exam scores. Also, scores are not released by jurisdiction in specific order, and the scores of candidates who tested on the same day may well be reported at different times during the scoring cycle.



## 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/>.

### **Edward T. Vanderwel (Vanderwel)**

January 11, 2019

The Board entered into a Consent Agreement with Vanderwel. The Board found sufficient evidence that Vanderwel failed to meet the CPE requirements for renewal.

### **Kevin G. Breard (Breard)**

April 5, 2019

The Board entered into a Consent Agreement with Breard. The Board found sufficient evidence that Breard was disciplined by the Public Company Accounting Oversight Board (PCAOB) and committed an act of negligence.

### **Tavia Blume (Blume)**

April 5, 2019

The Board entered a Findings of Fact, Conclusions of Law, and Default Order against Blume. The Board found sufficient evidence that Blume engaged in acts of fiscal dishonesty, committed an act that reflects adversely on one's fitness to represent herself as a CPA, and failed to respond to Board inquiries. The Board revoked Blume's CPA license.

### **John B. Church (Church)**

April 5, 2019

The Board entered into a Consent Agreement with Church. The Board found sufficient evidence that Church failed to meet the CPE requirements for renewal.

### **Joyce A. Olson (Olson)**

May 24, 2019

The Board entered into a Consent Agreement with Olson. The Board found sufficient evidence that Olson failed to timely respond to the Board.

### **Tarron L. Ward (Ward)**

June 2, 2019

The Board entered into a Consent Agreement with Ward.

The Board found sufficient evidence that Ward failed to meet the CPE requirements for renewal.

### **Chi Fai Ben Wong (Wong)**

June 2, 2019

The Board entered into a Consent Agreement with Wong. The Board found sufficient evidence that Wong failed to meet the CPE requirements for renewal.

### **Sze C. Chan (Chan)**

June 26, 2019

The Board entered into a Consent Agreement with Chan. The Board found sufficient evidence that Chan failed to meet the CPE requirements for renewal.

## SECURE ACCESS WASHINGTON (SAW)

As we come to the end of tax season and into a warm summer, many of our CPAs are retiring or pursuing new employment opportunities. If you are planning to retire or change jobs and your SAW account was registered with an old work email, you may no longer be able to access your account unless you update your email with SAW.

Changing your email with the Board does not automatically change your email with SAW. You will need to log into your SAW account and update your account information prior to accessing your "WBOA" service. If you need help with this, you may contact the SAW helpdesk at 1-888-241-7597.

We recommend giving us a call or sending us an email so we can assist you in creating a new SAW account, if you no longer have access to your SAW account. It is a quick process and helps us all stay connected.