



Sky Scrapers and Bumpy Roads

On a recent trip to a meeting in Lynnwood from Olympia, Jennifer Sciba, Deputy Director and I passed through downtown Seattle. The Seattle skyline has changed greatly from what I first remember as a four-year-old walking through Seattle with my father. He was a permafrost expert for Boeing and spent much of the cold war performing work for the Strategic Air Command in Alaska. What exactly that work was, he never provided any details about. We would park under the viaduct and head up the steep hills. Suffice to say that he was difficult for me to keep up with. I believe there was some notion on his part, that for me, this was a toughening process.

In 1961 the Smith Tower was the tallest building in Seattle, and the space needle was just being built. I watched as stair case sections were lifted and welded into place on the futuristic structure. My how things have changed. Seattle has grown into a prosperous shining city, but also suffers some from the unintended consequences of its affluence and success.

Like the Seattle skyline our profession has evolved over time with technological change. Recent advances in artificial intelligence and distributed ledger systems promise not only continued change, but a rapid increase in the pace of this change. You can be forgiven if you find this a little scary, but rest assured that you are not alone.

Recently, the American Institute of Certified Public Accountants (AICPA) made changes to broaden its base of

membership and has clearly communicated its concerns about remaining relevant. National Association of State Boards of Accountancy (NASBA) leadership has articulated the need for a new pathway for persons skilled in data analytics and artificial intelligence to become CPAs. Regulators feel the disruptions caused by these changes in traditional relationships, and it has rattled many of us.

Individual CPAs look to all of these developments and wonder what direction working life will take as data analysis replaces traditional audit processes and artificial intelligence begins to unravel the thorniest tax and accounting issues.

Every part of the CPA profession from individual practitioners, firms, professional associations, and regulators need to take stock and come up with the best ideas to respond to the anticipated changes.

But no matter how forward thinking we try to be in the face of the changing skyline of our profession, we won't really know exactly what it is going to look like until it materializes. There is the future we expect, and there is the future that will actually be realized along with its unanticipated problems and challenges.

I expect that there is a bumpy road ahead of us. Fasten your seatbelts and try not to bottom out.

Charles Satterlund, CPA
Executive Director

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

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

A MESSAGE FROM THE BOARD CHAIR

The Evolving Expectations



It is an exciting time to be Board Chair and to have a front row seat to witness the rapid changes taking place in our profession. During my nearly eight years on the Board, we have adopted both individual and firm mobility, and we have updated some of our statutes and rules to be more user-friendly. We are also seeing changes take place regarding peer review and how our Board interprets this information to meet our public protection mission.

On the business side of our profession we are seeing deeply profound changes in how our profession will leverage new technologies to provide compilation, attest, advisory, and tax services. Advancements in artificial intelligence, the adoption of distributed ledgers, and data analytics are rapidly changing the face of our profession and promise to be forces for disruptive change.

These changes present challenges to both regulators and licensees as the role of the CPA and CPA firm evolve to meet the demands of the future.

In my role as an audit partner, I have seen the use of data analytics in the audit process evolve over the past several years, from simple spreadsheets to the use of tools to read and process large volumes of information. Clients are asking, if not demanding, for us to consider the use of these technologies as a way to improve the efficiencies of our audits. Many of our clients have worked with us on initiatives to test the use of artificial intelligence and are expecting us to keep up with them as they adopt emerging technology. The impact of these changing expectations is far reaching, as we consider the skills of the individuals we hire, the continuing education of our current professionals, and the processes we implement to ensure standards are met as we begin to utilize new technologies in our audits.

I look forward to working with the Board and others within the profession gathering information regarding changing technologies and public expectations, and the impact they will have on our views towards licensure, continuing education, and regulation.

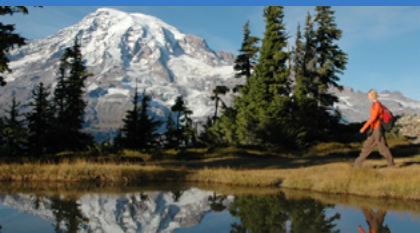
Karen Saunders, CPA
Board Chair

ELI WATTS SELLS AWARD FOR 2017

The American Institute of CPAs (AICPA) announced the winners of the 2017 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 2017 calendar year, and passed all four sections of the Examination on their first attempt. A total of 95,858 individuals sat for the Examination in 2017, with 58 candidates meeting the criteria to receive the Elijah Watt Sells Award.

The Board would like to congratulate Michael Conan, a Washington State Candidate, who received the 2017 Elijah Watt Sells award.





Pictured left to right, Front row: Tia Landry; Governor Jay Inslee; Charles Satterlund; Middle row: Taylor Shahon; Caitlin Upshall; Lori Mickelson; Kelly Wulfekuhle; Back row: Kirsten Donovan; Jennifer Sciba; Michelle Tuscher; Anthony Manfre

GOVERNOR RECOGNITION CEREMONY

The staff members of the Board of Accountancy were recently invited to the first State Employee Recognition Reception on Tuesday, May 1, 2018. The event was attended by Governor Inslee, First Trudi, and Deputy Chief of Staff Kelly Wicker-along with the staff and directors from several other small agency cabinet agencies- with the goal of honoring state employees and the work they do.

After a brief introduction by Kelly Wicker each director of the attendant agencies had the opportunity to speak about their respective staff and their accomplishments over the last year. The Board's Executive Director, Charles Satterlund, took to the podium. He introduced his staff and expressed his admiration for all of them, and then just a few of the important accomplishments that our agency has achieved in the past year, including:

- Excellent customer service – we have received many complements from our licensees, constituents, and even other state boards of accountancy telling us how easy it is to work with our staff and the extra effort they make.
- We have significantly reduced our disciplinary caseload and have been able to maintain faster case resolution time frames.
- Looking to the future, we are involved in discussions with other agencies to partner with them on an enterprise system for professions licensing to improve efficiencies and lower costs – our IT people are very innovative and recognized for their forward thinking in the realm of data innovation and security.

Our staff was able to hear multiple agencies speak about the work that they do, and every single one shared the common theme of working to make Washington a better place to live. It was an honor for our agency to be recognized for the work that we do and a wonderful reminder of why we do it.

Legislative News

On March 15, 2018 Governor Inslee signed Engrossed Substitute Senate Bill 5928 which related to making financial services available to marijuana producers, processors, retailers, qualifying patients, health care professionals, and designated providers as authorized under chapters 69.50 and 69.51A RCW; and adding a new section to chapter 9.01 RCW.

Sections (3) of this bill reads as follows: A certified public accountant or certified public accounting firm, which practices public accounting as defined in RCW 18.04.025, does not commit a crime solely for providing professional accounting services as specified in RCW 18.04.025 for a marijuana producer, marijuana processor, or marijuana retailer authorized under chapter 69.50 RCW.

On March 22, 2018 Governor Inslee signed into law House Bill 2468 which allows British Columbia accounting firms to perform attest or compilation engagements for businesses with wholly or majority owned subsidiaries residing and licensed in Washington.

Board Updates Email and URL

You might have noticed that the Board of Accountancy's website URL and email addresses have changed.

As of April 18, 2018 the Board of Accountancy updated their email addresses from the format, JohnD@cpaboard.wa.gov, to the format, John.Doe@acb.wa.gov. The URL to the website has changed from <https://cpaboard.wa.gov> to <https://acb.wa.gov>.

The old formats will also continue to work for a few months to make the changeover easier, but please update your bookmarks and contacts as soon as possible.

You can find agency contact information on the Contact Us page, and staff contact information on the Board Staff page.

RECENT BOARD MEMBER CHANGES

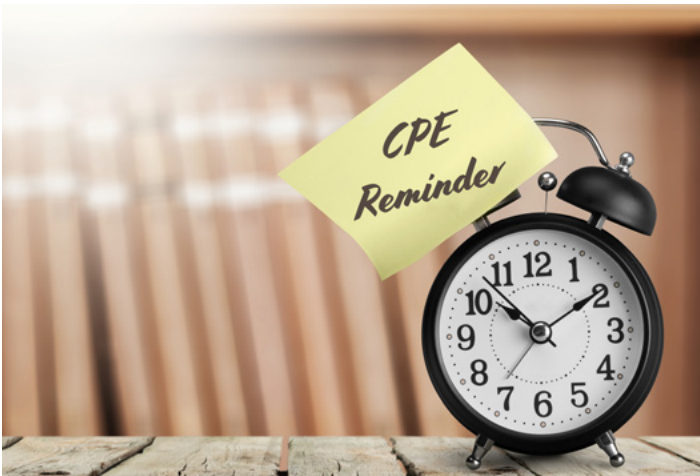
James R. Ladd, CPA and Emily R. Rollins, CPA have completed their service to the Board. On behalf of the Executive Director, Board Members, and Board staff, thank you for your years of service and dedication to the profession.

Governor Jay Inslee recently appointed Brian R. Thomas, CPA and Jacqueline Meucci, CPA to serve on the Board. Please help us in welcoming them to the Board. Your commitment to serving the profession is appreciated.

BOARD POLICY UPDATES

The Board Policies have undergone multiple changes over the past couple of years – new policies have been created, old policies have been retired, and some policies have been revised. To ensure that you are adhering to the current [Board Policies](#), please review:

- 2002-2 - Expert Witness Services
- 2002-4 - International Reciprocity
- 2003-1 - Safe Harbor Report Language for Use by Non-CPAs
- 2004-1 - Administrative Violations Guidelines
- 2012-1 - Social Media
- 2015-1 - Board Member Travel and Attendance at Group Gatherings
- 2017-1 - Investigative and Disciplinary Process
- 2017-2 - Publication and Disclosure of Disciplinary Actions

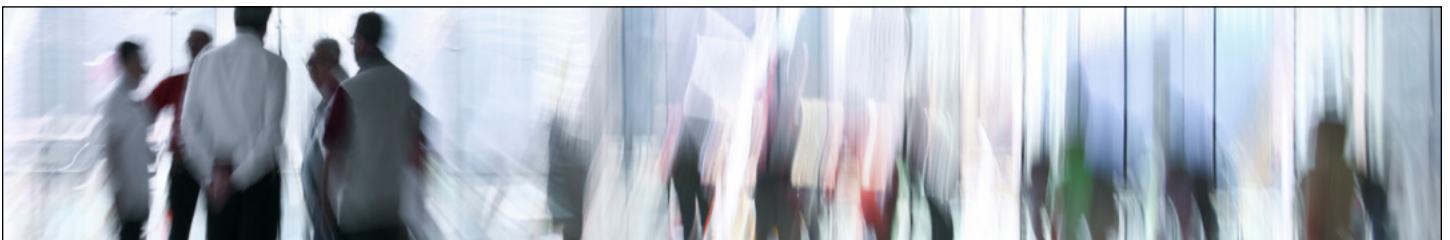


CPE REMINDER

As we closed out the 2018 renewal period, we once again saw that individuals who did not meet their CPE requirement followed a consistent trend. Forgetting to complete their Board Approved WA Ethics CPE course typically accounts for the majority of CPE reporting issues. This also accounts for the majority of CPE Audit failures in the fall.

Please remember to complete a Board Approved WA Ethics course once during each CPE reporting period. These courses are updated annually for any changes to the Board Rules or Public Accountancy Act.

One of these courses is a required part of your 120 hours of CPE – without one you are not eligible to renew.



ACCOUNTING ASSOCIATION SCAM

The Internal Revenue Service has sent out a warning to tax practitioners to watch out for phishing e-mails posing as state accounting and professional associations. Seeking to collect user names and passwords, it is reported that the e-mails were sent to tax professionals in Iowa, Illinois, New Jersey, North Carolina and Canada.

The e-mail states: "We kindly request that you follow this link [HERE](#) and sign in with your email to view this

information from (name of accounting association) to all active members. This announcement has been updated for your kind information through our secure information sharing portal which is linked to your email server."

The IRS has requested that tax practitioners who receive suspicious emails related to taxes or the IRS, or phishing attempts to gain access to practitioners' databases, to forward those emails to phishing@irs.gov.



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/>.

Takashi Hashimoto (Hashimoto)

January 30, 2018

The Board entered a Consent Agreement against Hashimoto. The Board found sufficient evidence that Hashimoto violated WAC 4-30-134 by failing to complete qualifying continuing professional education for license renewal.

Dandan Wang (Wang)

April 12, 2018

The Board entered a Findings of Fact, Conclusions of Law and Default Order against Wang. The Board found sufficient evidence that Wang submitted false records in applying for the CPA examination, and failed to respond to Board inquiries requesting a response. The Board denied Wang's application to qualify for the CPA examination.

Tong Fei (Fei)

April 12, 2018

The Board entered a Findings of Fact, Conclusions of Law and Default Order against Fei. The Board found sufficient evidence that Fei submitted false records in applying for the CPA examination, and failed to respond to Board inquiries requesting a response. The Board denied Fei's application to qualify for the CPA examination.

Fang Yang (Yang)

April 12, 2018

The Board entered a Findings of Fact, Conclusions of Law and Default Order against Yang. The Board found sufficient evidence that Yang submitted false records in applying for the CPA examination, and failed to respond to Board inquiries requesting a response. The Board denied Yang's application to qualify for the CPA examination.

Yufei Yang (Yang)

April 12, 2018

The Board entered a Findings of Fact, Conclusions of Law and Default Order against Yang. The Board found sufficient evidence that Yang submitted false records in applying for the CPA examination, and failed to respond to Board inquiries requesting a response. The Board denied Yang's application to qualify for the CPA examination.

Wenxian Zhang (Zhang)

April 12, 2018

The Board entered a Findings of Fact, Conclusions of Law and Default Order against Zhang. The Board found sufficient evidence that Zhang submitted false records in applying for the CPA examination, and failed to respond to Board inquiries requesting a response. The Board denied Zhang's application to qualify for the CPA examination.

Hong Zhou (Zhou)

April 12, 2018

The Board entered a Findings of Fact, Conclusions of Law and Default Order against Zhou. The Board found sufficient evidence that Zhou submitted false records in applying for the CPA examination, and failed to respond to Board inquiries requesting a response. The Board denied Zhou's application to qualify for the CPA examination.

James Howell (Howell)

April 16, 2018

The Board entered a Consent Agreement against Howell. The Board found sufficient evidence that Howell failed to undergo required peer review.

INVESTIGATORS AND EXPERT WITNESSES WANTED!

Investigators and expert witnesses are critical to the enforcement process. However, many Boards of Accountancy do not have experienced accounting investigators and experts affiliated with the boards.

In an effort to assist executive directors locate the appropriate investigator or expert witness for their particular situation, NASBA maintains a database of investigators and expert witnesses. The larger the database of qualified investigators and expert witnesses, the more effective the enforcement process becomes. That's why NASBA is asking for your help in identifying individuals like yourself to add to the pool.

What You Will Need to Apply

To apply to be included in either pool, you will need the following information and materials:

- License information for each jurisdiction in which you are licensed
- A list of your areas of expertise, chosen from [these options](#)
- Your resume, in an uploadable format (pdf or Word file)
- Your hourly compensation rate
- Your expense policy



Be sure to read the NASBA Investor Agreement at the bottom of the application prior to clicking Submit.

Application Links

If you are interested in applying or know someone with excellent qualifications who should consider applying, here are links to the applications:

[Investigator Application](#)

[Expert Witness Application](#)

Note: Information on the individuals approved for inclusion in the database will be released to Board of Accountancy executive directors upon request.

FORMER WASHINGTON BOARD MEMBER LAURIE TISH RECEIVES NASBA VICE CHAIR NOMINATION

Laurie J. Tish, CPA (WA) was selected on May 4 as the candidate for NASBA Vice Chair 2018-2019, to stand for election at the October NASBA Annual Business Meeting. If elected Vice Chair by the member State Boards of Accountancy, Ms. Tish will automatically accede to NASBA Chair 2019-2020.



Laurie Tish

auditing, municipal finance, regulatory accounting and federal compliance audits.

Ms. Tish was a member of the AICPA Professional Ethics Executive Committee and presently serves on the Washington Society of CPAs' Government Accounting and Auditing Committee and as a technical reviewer for the Government Finance Officers Association.

A former NASBA Secretary, Director-at-Large, Pacific Regional Director and Chair of the Uniform Accountancy Act, Accountancy Licensee Database/CPAverify, and Global Strategies Committees, Ms. Tish was a four-term member and chair of the Washington State Board of Accountancy. She is the national practice leader for government services for Moss Adams LLP, based in Seattle, and specializes in governmental accounting and

BOARD MEETING CALENDAR

July 19 at 9:00 am

Yakima Valley Community College

October 19 at 9:00 am

Cherberg Building
304 15h Ave SW, Olympia, WA 98501