

Board of Accountancy

WASHINGTON STATE

July 2021



MESSAGE FROM THE EXECUTIVE DIRECTOR

By Dave Trujillo, CPA, Executive Director

As July 2021 begins, there is much to share in this semi-annual installment of the Washington Board of Accountancy's (ACB) newsletter.

THANK YOU: I want to extend a big thank you to ACB staff as they worked long hours to complete the transition to our new licensing system. A transition sorely needed. I'd like to extend a big thank you to our licensees as they renew their CPA credentials and to the new applicants beginning their CPA journey. We really do appreciate your patience and understanding during this licensing system transition. Finally, I'd like to extend a big thank you to the dedicated professionals at the Department of Enterprise Services and Office of Financial Management. Our ability to remain a small agency with a big mission is directly related to their good work.

THE NEW GUY: You will undoubtedly see that I am not Charles Satterlund, CPA. Charles retired earlier this year leaving some rather large shoes to fill. Who am I you may ask? Simply, I am a person grateful that the recruitment panel recommended me and Governor Inslee gave me the opportunity to lead ACB. There will be many things for me to learn and observe in the coming months and I will do my best to earn your trust. If you know me, you know I live my professional life by the following:

Public Service: I serve the Governor, the Board, the Legislature, our colleague agencies, the staff of ACB, our licensees, and the community of Washington. I am here for you all. I strive to be the best public servant I can be and to always be professional because each individual contact I have is a direct reflection of the staff, the Governor, and you. I welcome each contact as an opportunity to demonstrate why this agency is essential to the state's financial framework and the public interest.

Public Trust: As a government worker, I have chosen to make a living working for the people. I owe them my best effort. I will do my best all the time. No matter what the task is, I will strive to complete it correctly the first time. We are trusted by the community we serve and the licensees who pay our salaries. We must be good stewards of our resources.

Public Accountability: I accept full responsibility for this agency, no matter what comes down, no matter what happens, no matter who was responsible. Ultimately, I am the person accountable. At the same time, credit for all that is positive goes to the ACB staff and the Board Members because they make it happen.

INTERESTING THINGS:

At the time of writing, we are still partially shuttered due to COVID-19 Temporary Measures and operating within the Governor's Healthy Washington – Roadmap to Recovery. For more information go to: <https://www.governor.wa.gov/news-media/inslee-announces-healthy-washington%E2%80%93roadmap-recovery>.

We implemented our new online system on March 31, 2021. The modernized system has a new look and feel. Some of the updated features include: 1) Access to the system through your mobile devices; 2) Ease of use with modern web browsers; 3) New and improved CPE Tracker; and 4) Revamped renewal and initial license applications. More info can be found at [Don't Wait to Access Our Online System | Board of Accountancy](#).

Twenty-four percent of our active licensees live outside of the United States, and this number continues to increase.

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HELP US, HELP YOU, ANY SUGGESTIONS?

Please send your suggestions to
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A MESSAGE FROM THE BOARD CHAIR

Back to the Basics

By Joel Cambern, Board Chair



Joel Cambern

“Bring me some good news.” This was the opening comment from a long-term client following our initial phone greetings on a check in call last month.

Although the comment was casual in nature, “Bring me some good news” carried an underlying hint of concern that has been resonating throughout our communities over the past year. We all recognize this concern. It’s fueled by countless pandemic and crisis clichés pointing to “unprecedented” and “challenging times”. We take in constant messaging about uncertainty leading to a “New Normal”. Factual or not, the messaging has struck a nerve of concern and this has created an undertone of suppressed fear in even some of our most financially sophisticated clients.

For many, emerging from behind the pandemic mask means looking for certainty and stability first, and then to opportunity once that safe footing is established. Naturally, they are seeking this encouragement from their trusted financial partners and fiduciaries. For this reason, it’s imperative that we are providing calm, educated, and factual guidance to all of our clients.

This is where we all have the opportunity and the responsibility to be proactive with our clients. It’s time to get back to the basics in executing the type of communication that we all know is vital, however to often gets overlooked. It’s time to call our clients and to listen.

Most clients only hear from their CPA when things are due or when there is a challenge. Let’s face it, we are constantly busy and unfortunately, we live in a reactive environment where there is more on our plates each day than we can comfortably consume. We’d love to call our clients to check in, however it’s typically not realistic.

Our opportunity right now is to recognize that our client’s need to be reassured and listened to. A comfortable ten-minute phone call with a few open-ended probing questions and some thoughtful educated advice could be just what the client needs. This will remind them that their CPA is a valuable asset as well as a caring partner and provide a platform to expand your services to that client.

Some thoughts on the conversations:

- Be careful not to get caught up in the small talk or to commiserate on things that have happened.
- Ask the questions that you think you already know the answers to. The client’s objectives or concerns may have shifted dramatically over the past year.
- Prepare with a few opened ended questions to provide the client with the opportunity to share.
 - How has your situation changed over the past several months or since we last spoke?
 - What do you foresee as this year’s goal for your organization (family) as things are opening up again?
 - What can my team do to assist you?
 - What information or services would you like us to provide to help you prepare for the rest of 2021 & 2022?
- Have some pertinent materials or an article prepared that you can email to the client as a follow up to the call. Follow up is vital and only takes moments.
- On emails: email is powerful for following up with information attached. Email is not however an effective communication tool for the check-up -- it’s cold and impersonal. We all get them, and we all delete them. Please use the phone; your clients want to hear your voice. They want to know that you are engaged and that they are important enough to you to merit an extra call.

Now is the time to take the extra steps – with each client and partner. Reassure them that you and your team are engaged, active, and confident. Knowing will help to offset concerns of instability and reinforce your place as the Trusted Advisor.

HINDSIGHT IS 20/20

Beginning in 2020, CPA license holders are required to complete a minimum of 20 hours of CPE per year. Active licensees still need to complete a total of 120 hours of CPE, including a Washington State Board approved ethics course, within their total reporting period, but should plan their CPE so they're earning at least 20 hours each year. If you held a license at any time during 2020, you must meet this annual minimum requirement for years 2020 and beyond.

If you did not meet the 20 hour annual requirement, then you'll need to indicate that on your renewal application and use a CPE extension request to compensate. If you have completed 120 hours of CPE at the time of your renewal, you may renew indicating that you're using a CPE extension request on your application.

You are allowed to use only one CPE extension request in any two consecutive renewal periods. CPE Extensions do not negatively impact your license – if you need it, use it!

CPE AT A GLANCE

20

**Minimum CPE hours
per year**

120

**Total CPE hours
per reporting period**



With the implementation of the new CPE Tracker, the requirement for CPE reporting has changed. You will now be required to report your completed CPE using the CPE Tracker. Even if your firm tracks your CPE for you, you will still need to enter your CPE courses into the CPE Tracker. There is no option to merge excel spreadsheets with the CPE Tracker.

For each course, you will need to list: the course provider; course title; date completed; hours earned; and CPE type (technical or non-technical). This process can be time-consuming, so here are some helpful tips.

- Enter your CPE throughout your CPE reporting period – don't wait until you are completing your renewal application to enter all of your CPE. This has the added benefit of helping you remember your SAW login information, since you will be accessing your SAW account more than once every 3 years.
- Enter longer courses first, if you normally complete more than the required 120 hours. You only have to enter your Washington State Board approved ethics course plus another 116 hours. There is no need to enter those additional shorter courses if your tracked CPE already totals 120 hours.
- Upload of CPE course completion certificates is only required if you are requesting a CPE Extension or if you are notified that you have been selected for the CPE audit.
- Make sure you have all of your CPE course information handy when you sit down to enter it. The CPE Tracker requires the input of all fields before you can add the course and continue to the next course.

If you have any questions now or when you are using the CPE Tracker, reach out to us by email or phone. We are here to help!

SUCCESSION PLANNING

Developing a succession plan can help your business tremendously. A plan will set up your clients for success and reduce confusion, difficulty, and uncertainty.

Succession planning is often used for expected events like retirements, but it is also invaluable for unexpected moments like personal crises, family emergencies, and deaths. Having a succession plan in place will help clients

know where to go and help your business transition or wind down.

Without a succession plan, records may end up lost or unavailable, clients might not know where to go for help, and complaints may be lodged with the Board. Executing a succession plan will help avoid these issues and ensure the needs of all parties are addressed.

Message from the Executive Director

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In Board Rule, active military service members and their spouses are given an expedited process treatment for licensure. The new online system allows for quicker processing of an application for an individual who is an active military.

NASBA has announced the international expansion of U.S. CPA Exam testing to include Israel and Saudi Arabia. Qualified candidates may begin applying to take any section of the U.S. CPA Exam and may also begin scheduling their Exam with Prometric on May 5, 2021. Candidates will write the Exam at the Prometric test centers in Tel Aviv, Israel, and in Riyadh, Jeddah and Khobar, Saudi Arabia.

CPA Evolution is a reimagining of CPA licensure. This is a combined NASBA and AICPA initiative aimed at evolving CPA licensure to reflect the skills and knowledge CPAs increasingly need in a technology-driven marketplace. In short, the new exam (ETA Jan. 2024) will consist of a strong core in accounting, auditing, tax, and a technology discipline. That discipline could be 1) Business Analysis and Reporting; 2) Information Systems and Controls; or 3) Tax Compliance and Planning. A recent poll found only 27% of accounting students were familiar with CPA Evolution. Of those, only 34% said it increased interest in earning a CPA. Also, 54% said they would most likely select Business Analysis and Reporting as their discipline. Contrast that with faculty where about 75% were familiar with CPA Evolution. Of note, in 2021, 54% of accounting programs reporting declining undergraduate enrollments compared to historical averages. Meanwhile, the top 100 public accounting firms reported the following skills and competencies needed by professional staff as 1) Digital Acumen; 2) Data Analysis; 3) IT Governance and Enterprise Risk Management; 4) IT General Controls and Cybersecurity; 5) System and Organization Controls; and 6) Information Process Controls. The resulting Gap analysis highlighted the need for development of a CPA Evolution Model Curriculum designed to support accounting programs as they bridge the gap. CPA Evolution Model Curriculum is the product of multiple joint AICPA-NASBA task forces consisting subject matter experts from academia, professional practice, and business & industry, including members of state boards of accountancy. More information can be found at: [CPA Evolution Model Curriculum : ThisWayToCPA : AICPA](#)

In closing, I invite you to virtually attend our July Board meeting. Board meetings are open to the public. Dates and times of the meetings are posted on our website and your input is welcome and appreciated.



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/>.

Gaylon Boley, CPA

May 11, 2021

The Board entered into a Consent Agreement with Gaylon Boley. The Board found sufficient evidence that Gaylon Boley failed to comply with WAC 4-30-051(9).

KPMG LLP

February 25, 2021

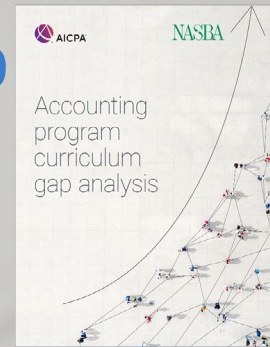
The Board entered into a Consent Agreement with KPMG LLP. The Board found sufficient evidence that KPMG LLP violated WAC 4-30-040, WAC 4-30-052, and WAC 4-30-142(6)(b).

Sonya Vazquez, CPA

January 13, 2021

The Board entered into a Consent Agreement with Sonya Vazquez. The Board found sufficient evidence that Sonya Vazquez violated WAC 4-30-048(11) and WAC 4-30-142(5)(f).

MANY COLLEGE ACCOUNTING PROGRAMS NEED TO UPDATE THEIR CURRICULA TO KEEP PACE WITH A CHANGING PROFESSION: AICPA-NASBA REPORT



There are major gaps in college accounting education today, with fewer than half of all programs teaching emerging topics, such as IT governance and cybersecurity, according to a new report by the [American Institute of CPAs](#) (AICPA) and [National Association of State Boards of Accountancy](#) (NASBA).

[Accounting Program Curriculum Gap Analysis Report](#) found mixed results for coverage of emerging and technology topics. While more than 60 percent of collegiate accounting programs are teaching topics like data analytics and IT audit, fewer programs cover cybersecurity, predictive analytics or System and Organization Controls (SOC). Each of these topics could be covered more in-depth on the CPA Exam in 2024, pending the results of the current Exam Practice Analysis.

“The accounting profession is becoming increasingly reliant on the use of emerging technologies, information systems and data analytics. Businesses are increasingly seeking technology-related services and advice and it’s important for newly licensed CPAs to be adept in their knowledge, usage and skills,” said Sue Coffey, CPA, CGMA, CEO – Public Accounting, AICPA. “Accounting programs have a responsibility to assure their curricula and course offerings are setting students up for success in the profession.”

The report, which includes responses from more than 300 collegiate accounting programs, was intended to gain a broad picture of how accounting programs have incorporated new technology and other critical skills within their current curricula, especially as the AICPA and NASBA CPA Evolution initiative advances. The AICPA Governing Council and NASBA Board of Directors voted to advance [CPA Evolution](#), which is intended to transform the CPA licensure model to better recognize the rapidly changing skills, competencies and technology knowledge required of CPAs. These skills will be reflected in the new Uniform CPA Exam in 2024.

“The gap analysis also has implications for State Boards of Accountancy,” said Dan Dustin, CPA, Vice President, State Board Relations, at NASBA. “It’s an opportunity for boards to review their current education rules and update them to align with the future of the CPA profession and the

types of skills and tools that new licensees will be using as they begin their careers.”

Dustin noted that several state boards are already reviewing their standards for accreditation and what material should be taught in an accounting concentration.

“The really great thing that I’m hearing is that the boards, state societies and the business community are working together to address these changes to the profession,” he said.

Gaps in Technology Topics Exist

Though many schools are including technology topics within their programs, few offer in-depth education on each topic, with smaller programs even less likely to address them.

The report found that few programs offer extensive coverage of topics such as predictive analytics or SOC or skills such as digital acumen or understanding information security processes. Rather, they often touch on them in one or two class sessions in their Accounting Information Systems class, raising the possibility students aren’t receiving in-depth instruction on these critical topics.

The report also found substantial disparities by program size. Accounting programs with 50 or fewer majors are addressing core accounting knowledge and skills, including audit and tax, but are often not providing much of the technology-focused material the profession demands. Only 15 percent of these institutions are incorporating digital acumen into their curricula while just over 30 percent are teaching cyber-related and predictive analytics topics.

The report comes after the [AICPA’s 2019 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits](#) found that firms were increasingly hiring non-accounting majors to meet demand for advanced technology skills. *continued on page 6*

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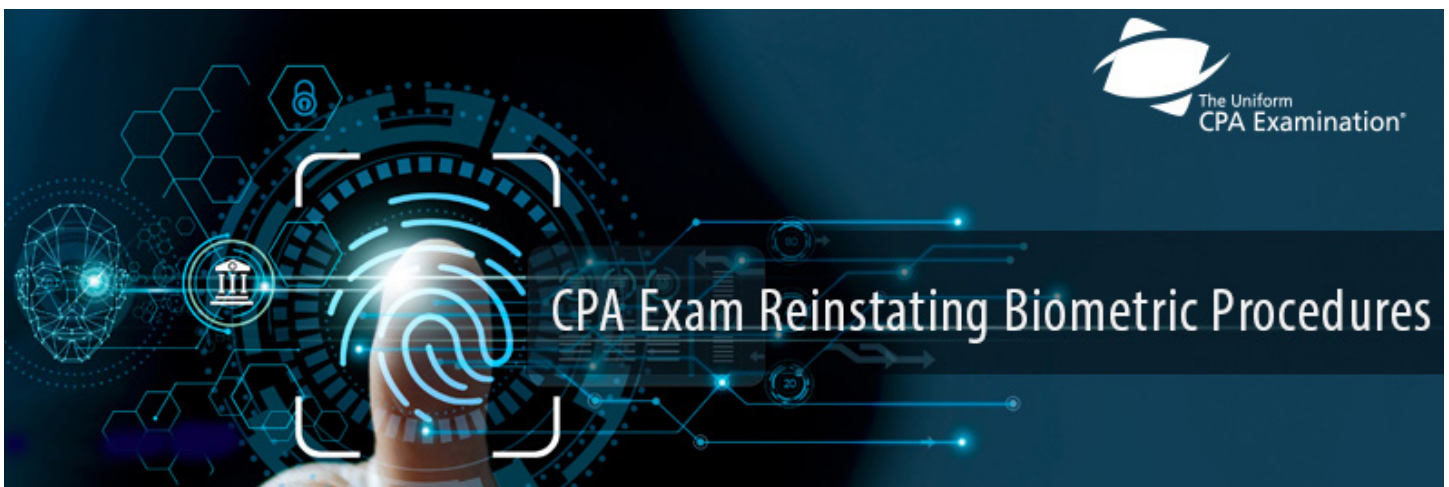
Many College Accounting Programs Need to Update Their Curricula to Keep Pace with a Changing Profession: AICPA-NASBA Report

Opportunities for Accounting Faculty

AICPA has developed resources to help collegiate accounting programs enhance their curricula as the profession transitions under the new CPA Evolution licensure model. The Academic Resource Hub offers case studies, assignments, readings and webinars to help accounting educators ensure students are prepared to meet the needs of the marketplace.

The Faculty Hour webcast series will provide CPA Evolution status updates and discussions on how to integrate data analytics, as well as systems and technology-related subject matter into accounting curricula.

In June 2021, AICPA and NASBA, with support of the American Accounting Association, will unveil a model curriculum to guide faculty in addressing the accounting coursework needed by those pursuing licensure under the new CPA Evolution model.



Starting June 7, 2021, Prometric will reinstate biometrics procedures for the CPA Exam, specifically fingerprint and ID scans, in all test centers.

This decision is based on an updated review of Prometric test center safety protocols with Johns Hopkins University, and its confirmation that the CDC and other world health organizations are now less concerned about the spread of infection through touch points on hard surfaces, especially when mask-wearing and social distancing are also observed.

Out of an abundance of caution, all test takers will be required to use hand sanitizer before using any fingerprint scanners, and Prometric staff will wipe down devices with cleaner after each use to help reduce any risk of transmission. Additionally, to help ensure social distancing is still maintained, test center staff have been trained on how to assist test takers in using fingerprint scanners and ID scan from an appropriate distance.

Image capture will be completed from the same position. While maintaining social distancing, masks will need to be lowered or removed momentarily for this process by clasping the sides or strap of the mask to remove briefly, and then reaffixing in same manner.

We invite each candidate to review the latest Prometric Test Center Policies, prior to testing. If you have any additional concerns, please email us at cpaexam@nasba.org.