



Board of Accountancy

Report to the Governor

2024

For the year ending December 31, 2024

Kathryn Dixon
Board Chair

Jennifer Sciba
Acting Director

This document contains the Annual Report to the Governor of the Agency's activities as required by RCW 18.04.045(6). This report includes background information, successes and challenges, budget, and other information about agency activities.

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Introduction

This report is intended to fulfill the requirement of RCW 18.04.045 and serves as the Washington State Board of Accountancy's annual report to the Governor of Washington State. In addition, this report is available to the public upon request.

The Washington State Board of Accountancy (The Agency) qualifies, monitors, and regulates Certified Public Accountants (CPAs) and the practice of public accountancy within Washington State. The Board of Accountancy also monitors and regulates individuals and firms exercising practice privileges in other states while holding credentials issued by this state and those credentialed in other states exercising practice privileges in this state.

The nine members of the Board, appointed by the Governor, serve as the Rulemaking and Disciplinary body. The Agency is under the direction of the Executive Director, also appointed by the Governor, to employ appropriate personnel to administer the Public Accountancy Act, RCW 18.04, Board Rules, WAC 4-30, and Board policies.

The Agency is funded solely by license and administrative fees paid by CPAs, CPA firms, non-licensure firm owners, and CPA examination applicants.

Any questions regarding this report should be directed to Jennifer Sciba, Acting Director at jennifer.sciba@acb.wa.gov or (360) 586-0952.

Mission

We serve the public by promoting the reliability of financial information issued by Certified Public Accountants or their firms and by regulating the qualification, conduct, and substantial equivalency of Certified Public Accountants. By ensuring that:

- Only individuals initially qualified by education, examination, and experience and who possess good character are recognized for the practice of public accounting.
- Only firms meeting the board's criteria for recognition are initially permitted to offer or perform professional public accounting services.
- Individuals and firms recognized by the Board demonstrate continual competency, ethical behavior, and professionalism in the marketplace; and
- Consumer alerts and public protection information are provided to the public.

2024 Summary

The Board completed rulemaking to ensure consistency with Senate Bill 5519, which removed references to certificate holders and allowed the remaining population of certificate holders to transition to a CPA license in an inactive status, while providing the opportunity for the certificate holder to become fully licensed. The change also created a new inactive status for all licensees. The legislation passed on March 17, 2022, with an effective date of July 1, 2024.

The Board is closely watching two national workgroups, Professional Licensing Task Force and National Pipeline Advisory Group, which is looking at alternative pathways for licensure. Several state boards have expressed interest in bringing forward legislation to adopt an alternative pathway in 2025. The concern on both the national and state level is the break in mobility. Currently all 55 jurisdictions have adopted mobility, which allows licensees in good standing with their state boards of accountancy to practice across state lines without having to obtain an additional license. If other states allow alternative pathways for licensure, this will disrupt mobility, and the board will need to make decisions on how to address the changes.

The profession continues to deal with the lack of candidates entering the profession, diversity, remote work, and attracting and retaining high-performing employees. The Board is committed to working on ways to advance the profession, while protecting the interest of the public.

The Board of Accountancy continues to embed the Pro-Equity Anti-Racism (PEAR) framework in all agency decisions. We have fully formed a PEAR team, which consists of board members, staff members, and professionals in the community. The PEAR team started its quarterly meetings in January 2024.

We continue to create a culture that centers pro-equity, racial justice, access, and belonging for all. We are committed to reframing our agency to work in a way that reduces disparities and improves equitable and just outcomes for everyone now and in the future.

The People We Serve

The Washington State Board of Accountancy serves all the State's citizens. The Board licenses and regulates CPAs, CPA firms, and non-licensee owners of CPA firms.

In addition, CPAs licensed in our state can practice in other states through individual and firm mobility. Approximately one third of our licensee population obtained and maintain their Washington state license while remaining residents of other countries outside the United States. These individuals reside primarily in Pacific Rim countries. The Washington State Board of Accountancy is proud of its part in maintaining this connection to our international neighbors.

Board Members and Staff

Board Members

The Board is composed of nine members, appointed by the Governor to serve three-year terms.

At year end, our Board members are:

Kathryn Dixon, Public, Chair
Thomas P. Sawatzki, CPA, Vice Chair
Brooke Stegmeier, CPA, Secretary
Brian R. Thomas, CPA Member
Cindy Kay, CPA, Member
Mark Hugh, CPA, Member
Rajib Doogar, Public Member
Scott S. Newman, Public, Member
Tonia L. Campbell, CPA, Member

Staff Members

At year end, our eight Board staff and one vacancy are:

Executive Director - Vacant

Jennifer Sciba, Acting Director (Deputy Director)
Lori Mickelson, Chief Administrative Officer
Tia Landry, Data and Systems Administrator
Taylor Shahon, CPA, Lead Investigator
Kelly Wulfekuhle, Lead Solutions Analyst
Kirsten Donovan, Operations Manager
Isaac Ross, Licensing Specialist
Tim Taylor, Customer Service Specialist

Strategic Plan

Priorities

- Serve the public by promoting the reliability of financial information issued by Certified Public Accountants or their firms and by regulating the qualifications, conduct, and substantial equivalency of Certified Public Accountants.
- Protect and maintain the security of private personal information that is in the custody of the agency.
- Implement the Public Accountancy Act and Board Rules and Board Policies in a fair and equitable manner.
- Maintain compliance with all other required statutes and rules affecting the agency.
- Strive to be an organization that focuses on the well-being and safety of the

employees through training, process improvements, and a secure workplace.

Goals

- Strive to improve the ease of constituent access to, and the user-friendly nature of, information related to Board and Agency functions, processes, and actions.
- Protect and maintain the security of private personal information that is in the custody of the agency.
- Maintain a robust enforcement effort that responds to complaints in a timely and appropriate manner and completes investigations within agency standards.
- Embed the values of diversity, equity, and inclusion in all aspects of our agency, described in the Pro-Equity Anti-Racism (PEAR) framework outlined in Executive Order 22-04.

State Board of Accountancy Agency Summary

BITD as of December 2024 Fund 02J

<u>Category</u>	<u>BI Allotment</u>	<u>BITD Allotment</u>	<u>BITD Expenditures</u>	<u>BITD Variance</u>	<u>BI Variance</u>
Capital Outlays	20,400	15,300	1,437	13,863	18,963
Employee Benefits	557,138	418,786	383,361	35,425	173,777
Goods and Services	2,688,408	2,014,529	1,549,121	465,408	1,139,287
Professional Service Contracts	204,000	153,000	174,505	(21,505)	29,495
Salaries and Wages	1,656,474	1,238,510	1,172,016	66,494	484,458
Travel	61,580	46,610	50,086	(3,476)	11,494
Sum:	5,188,000	3,886,735	3,330,526	556,209	1,857,474

Revenue Received

	Major Source	Source	FY-2024	FY-2023	FY 2022	FY 2021	FY 2020
001 - General Fund	04 - States Charges & Miscellaneous Revenue	05 - Fines, Forfeits and Seizures	\$2,250	\$8,500	\$6,000	\$36,230	\$29,800
02J - Certified Public Accountants' Acct	02 - Licenses, Permits, and Fees	01 - Accountants	\$2,554,731	\$1,941,465	\$2,492,070	\$2,294,870	\$1,706,330

The agency is not funded through the general fund; the agency receives its revenue from CPA license fees and applicant exam administrative fees. The agency can also recoup costs associated with the investigative process, but fines are contributed directly to the state general fund.

FTEs Allocated/Used

Our agency staff is authorized (and funded) for a total of ten (10) full-time employees (FTEs). By leveraging the experience of our current staff, we are successfully operating with nine (9) FTEs. This reserve capacity allows the agency to remain agile in reacting to unexpected workloads.

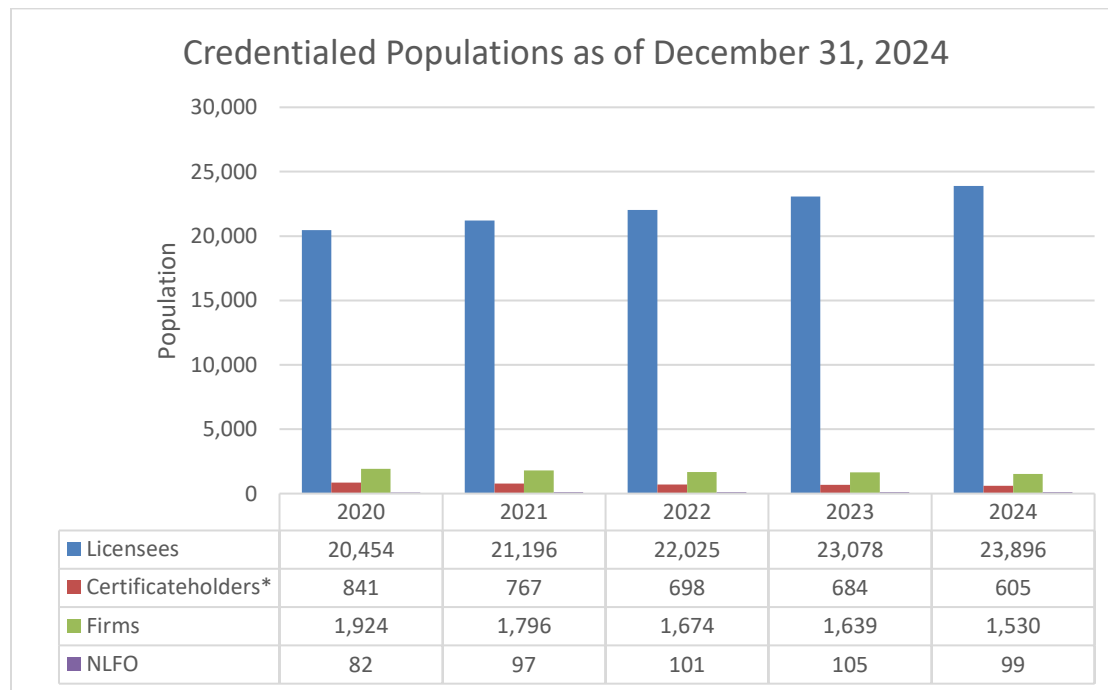
Washington Management Service (WMS) Positions Allocated/Filled

To minimize the growth of middle management, the agency strives to find classified positions that suit our operational requirements. Our agency is allocated for two WMS positions but currently utilizes only one. Unless there is a sound rationale to fill the second WMS position, we will strive to remain within our authorized number of WMS positions.

Performance

Credentialed Population

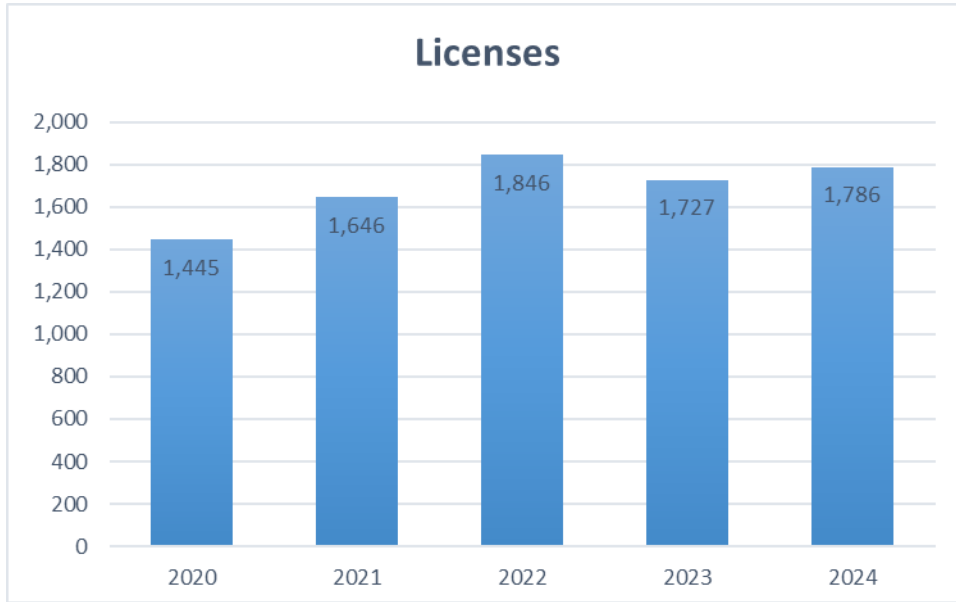
The Board’s credential population continues to grow. The following chart shows the total number of licensees CPAs, CPA firms, and non-licensee owners of CPA firms (NLFO) for the last five calendar years:



* As of July 1, 2024, all active certificate holders were converted to CPA-Inactive licenses.

New Licensees

The total number of new licenses who obtained their license in Washington State in the past five calendar years.



Enforcement

The Board continues to provide the public with clear, accessible information through the agency's website and online complaint form. We also provide extended resources for matters outside of the Board's jurisdictions.

Year	2024	2023	2022	2021
Cases received during year	65	43	81	46
Cases resolved during year	66	44	78	45
Average age in days, of resolved cases	68	68	168	106
No. of cases at end of year	14	15	16	20

Regulatory Actions

Legislation

House Bill 1920, signed by the Governor Inslee on March 7, 2024, included several statutory changes.

The statutory changes include:

- Amending the experience requirement language.
- Redefining and regulating all types of firms under a singular “CPA firm.”
- Adding practice privilege definition.
- Singularly defining substantial equivalency.
- Adopting additional Uniform Accountancy Act (UAA) language around non-licensee firm owners.
- Merging practice prohibited and practices not prohibited sections to be consistent with UAA.
- Amending mobility language.
- Removing specific licensure requirements.
- Several other minor changes to update grammar and clarity.

The effective date was June 6, 2024.

The Board began the rulemaking process to align board rules with the change in legislation.

Pro-Equity Anti-Racism (PEAR)

The Board is continuing to integrate the Pro-Equity Anti-Racism (PEAR) framework into our operations, aligning with [Executive Order 22-04](#) to foster an anti-racist Washington. Our goal is to cultivate an environment that values equity, inclusion, and a sense of belonging, ensuring that our services are accessible and respectful to all communities.

Progress made throughout 2024:

- Revised documents and forms to improve accessibility (ongoing).
- Changed pronouns in the RCWs and WACs to be gender neutral.
- Continued Diversity, Equity, and Inclusion training for all employees.
- Enhanced our website to further improve compliance with the American Disabilities Act.
- Completed training to recognize and mitigate bias in hiring.

- Added the ability to include an individual's preferred first name, along with the legal name which is required.

The Way Forward in 2025

The Washington State Board of Accountancy is continuously working to find new opportunities to improve service and maintain our public protection mission.

Pipeline – The accounting profession along with many others, has seen a drop in individuals entering the profession. The Board will continue to review its rules, using the PEAR lens to ensure we do not have unnecessary barriers for entry into the accounting profession and licensure as a CPA.

Mobility- Our profession has worked hard over the last 20 years to have mobility of CPAs, allowing them to work across state borders without undo expense and time required to get a license in every state. Many states are looking at statute and rule changes to confront the pipeline issue. This includes moving the education requirement for licensure from 150 credit hours to 120 credit hours, while adding additional experience in its place. The Board will monitor these changes on a national level to ensure mobility is not affected and will ensure any changes made to Washington State rule does not hinder mobility.

Qualifications for Licensure – There is a shift on the national level for the addition of an alternative pathway for licensure. This includes modifying the reference from 120/150 hours to bachelor/master's degrees. The alternative pathway would allow for a baccalaureate degree with additional work experience. This will provide flexibility to the licensure requirement, while maintaining a standard that aligns with the requirements of other state boards.

Amending Rules – The Board continues to review and update the rules to be more efficient for applicants, licensees, and consumers. Several rules will be revised due to upcoming changes in the profession nationally.

Thank You

Thank you for taking the time to learn more about the Washington State Board of Accountancy. Please visit our website at: <https://acb.wa.gov/>