

Date, Time: Friday, October 17, 2025 – Annual Board Meeting – 9:00 a.m.

Microsoft Teams Meeting

Location:

ANNUAL BOARD MEETING AGENDA

		or if unable to attend virtually 711 Capitol Way S Suite 400 Olympia, WA 98501	
No	otices:	Public Rules Hearing	
Ch	air Introd	luctions	
		PUBLIC RULE-MAKING HEARING	
1.	Public R	tule Making Hearing Outline	
2.	2. Rules Under Consideration a. Additional Pathways to Licensure – CR-102 Filing		
3.	3. Written Stakeholder Comments		
		BOARD MEETING AGENDA	
4.	New Bo	ard Member Introductions	
5.		eview pard deliberation on proposed rules considered at the public rule making hearing. See ting above under Public Rule Making Hearing – Item 2.	
6.	a. A	counting: Innovation, Integrity & Oversight – Guest Speakers	
7.	Minutes	– July 18, 2025, Board Meeting	
8.	b. Bo	Report ection of Officers for Calendar Year 2026 eard Meeting Schedule for Calendar Year 2026 emmittee Chair and Member Appointments for Calendar Year 2026	

9. NASBA Update

1	0.	Legal	Counsel?	's	Repor	rt
-	\sim .		COMIDE		TTOPO	

a.	Budget Status
12. Com	mittee/Task Force Reports
a.	Executive Committee – Tonia Campbell, CPA
	Peer Review Oversight Committee (PROC) – Scott Newman, Public Member60
c.	Request Oversight Committee (ROC) – Brian Thomas, CPA
d.	Scholarship Oversight Committee (SOC) – Kate Dixon, Public Member
e.	Board/AICPA Rules Committee (BARC) – Brooke Stegmeier, CPA, Chair 64-72
13. Enfo	rcement Report
a.	Quarterly Enforcement and Resolved Complaint Reports
14. Exec	eutive and/or Closed Sessions with Legal Counsel
	ic Input – The public may provide comment or address its concerns to the Board. vidual speakers are allotted up to 10 minutes each.

The Board of Accountancy schedules all public meetings at barrier free sites. Persons who need special assistance, please contact the Board's Americans with Disabilities Act contact person:

Kirsten Donovan, Board Clerk

PO Box 9131, Olympia, WA 98507-9131

Phone: 360-664-9191 Email: kirsten.donovan@acb.wa.gov

7-1-1 or 1-800-833-6388 (TTY) - 1-800-833-6385 (TeleBraille)

(TTY and TeleBraille service nationwide by Washington Relay www.washingtonrelay.com)

WASHINGTON STATE BOARD OF ACCOUNTANCY ANNUAL BOARD MEETING – OCTOBER 17, 2025 MEETING SUMMARY

Date and Time: Friday, October 17, 2025 - 9:00 a.m.

Location: Microsoft Teams Meeting

or if unable to attend virtually 711 Capitol Way S Suite 400

Olympia, WA 98501

Notices: Public Rules Hearing

Chair's Opening The Board of Accountancy Annual Board meeting is now in **Announcements**: session. The date is Friday, October 17, 2025. The time is _____.

The purpose of the Board meeting is for the Board to accomplish its business. After the Board completes its discussion of an agenda item, if appropriate, I will ask if anyone in the audience wishes to comment. As a reminder, individuals attending the meeting may participate only after recognition by the Chair. If you plan to address the Board on other matters during the public input section of the agenda, please advise me now in the Teams chat, and your name will be added to the public input roster.

Chair My name is Tonia Campbell, CPA; I am the Chair of the Board of **Introductions:** Accountancy. (Have the Board Members introduce themselves

then staff, and then legal counsel.)

October 17, 2025 - 9:00 a.m. - PUBLIC RULE MAKING HEARING

Rules Hearing - The Board will hold its scheduled rules hearing to obtain public input on the proposed changes to Board rules. Individuals wishing to comment must be signed in on the rule making public input roster. Please advise me now in the Teams chat if you wish to comment, and your name will be added to the roster.

1. Public Rule Making Hearing Outline – The script the Chair will use as a guide during the hearing is at *pages 14-17* of the meeting materials.

2. Rules Under Consideration

See *pages 18-21* for the CR-102, Proposed Rule Making Notice.

The Board of Accountancy proposes amending the rules to maintain the current pathway and to add additional pathways to CPA licensure. The changes provide options for education and experience requirements. The proposed pathways are:

Pathway 1

- 1. Baccalaureate degree with an accounting concentration or equivalent, which includes:
 - a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and
 - b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- 2. Two years of experience consisting of a minimum of 24 months and 4,000 hours, which must be verified by an active CPA licensee who has held their license for a minimum of 5 years.

Pathway 2

- 1. Post-baccalaureate degree with an accounting concentration or equivalent, which includes:
 - a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and
 - b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- 2. One year of experience consisting of a minimum of 12 months and 2,000 hours, which must be verified by an active CPA licensee who has held their license for a minimum of 5 years.

Pathway 3 – Current pathway.

- 1. Baccalaureate degree with an accounting concentration or equivalent plus 30 semester hours (45 quarter hours) of college education, which includes:
 - a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and
 - b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- 2. One year of experience consisting of a minimum of 12 months and 2,000 hours, which must be verified by an active CPA licensee who has held their license for a minimum of 5 years.

In the proposed changes, Pathway 3 will expire for periods after December 31, 2035.

WAC 4-30-060 Education requirements.

Pages 22-23 contain the draft language filing for the proposed rule changes.

The proposed changes will:

- Update the education requirements to provide additional education requirement options to align with the pathways listed above.
- Maintain the current education requirement with language that conforms to Uniform Accountancy Act (UAA) language.
- Add a sunset date, December 31, 2035, for the current education pathway to licensure.
- Remove the "upper level" language for accounting hour coursework.
- Remove unnecessary and unused language regarding accreditation.

The Executive Director will provide a summary of the proposed new rule.

WAC 4-30-070 Experience requirements.

Pages 24-25 contain the draft language filing for the proposed rule changes.

The proposed changes will:

- Update the experience requirements to provide additional experience requirement options to align with the pathways listed above.
- Remove applicant responsibilities language and add the language to WAC 4-30-072.

The Executive Director will provide a summary of the proposed new rule.

WAC 4-30-072 What are the responsibilities of a verifying CPA?

Page 26 contains the draft language filing for the proposed rule changes.

The proposed changes will:

- Add applicant responsibilities language removed from WAC 4-20-070.
- Remove the reference to practice privileges from verifying CPA qualifications.
- Add language mirroring the guardrails for the updated practice privilege rule.
- Update pronouns to a gender-neutral word.

Rename the rule.

The Executive Director will provide a summary of the proposed new rule.

WAC 4-30-080 Initial individual CPA license requirements.

Page 27 contains the draft language filing for the proposed rule changes.

The proposed changes will:

- Reformat the rule language.
- Update language for clarity.

The Executive Director will provide a summary of the proposed new rule.

3. Written Stakeholder Comments

None were received by the time the Board meeting packet was compiled and posted to the website. If any are received by the written comment deadline of October 15, 2025, they will be provided during the Rules Hearing.

October 17, 2025 - ANNUAL BOARD MEETING

The annual Board meeting is now back in session, and the time is ...

4. New Board Member Introductions

5. Rules Review

a. Board deliberation on the proposed rules considered at the public rule making hearing.

The Board Chair will introduce the rules under consideration.

WAC 4-30-060 Education requirements. – pages 22-23

The Executive Director is prepared to answer any questions for the Board during deliberation.

Does the Board wish to:

Adopt the rule as proposed; or

- Adopt the rule with minor changes that do not change the general subject matter of the proposed rule; or
- Amend the rule proposal and set another rules hearing date; or
- Withdraw the rule proposal?

Effective date: If the Board decides to adopt the rule, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rule effective 31 days after filing.

Does the Board wish to make the rule effective:

- 31 days after filing; or
- Another date?

WAC 4-30-070 Experience requirements. – pages 24-25

The Executive Director is prepared to answer any questions for the Board during deliberation.

Does the Board wish to:

- Adopt the rules as proposed; or
- Adopt the rules with minor changes that do not change the general subject matter of the proposed rules; or
- Amend the rule proposals and set another rules hearing date; or
- Withdraw the rule proposals?

Effective date: If the Board decides to adopt the rules, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rules effective 31 days after filing.

Does the Board wish to make the rules effective:

- 31 days after filing; or
- Another date?

WAC 4-30-072 What are the responsibilities of a verifying CPA? – page 26

The Executive Director is prepared to answer any questions for the Board during deliberation.

Does the Board wish to:

Adopt the rules as proposed; or

- Adopt the rules with minor changes that do not change the general subject matter of the proposed rules; or
- Amend the rule proposals and set another rules hearing date; or
- Withdraw the rule proposals?

Effective date: If the Board decides to adopt the rules, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rules effective 31 days after filing.

Does the Board wish to make the rules effective:

- 31 days after filing; or
- Another date?

WAC 4-30-080 Initial individual CPA license requirements. – page 27

The Executive Director is prepared to answer any questions for the Board during deliberation.

Does the Board wish to:

- Adopt the rules as proposed; or
- Adopt the rules with minor changes that do not change the general subject matter of the proposed rules; or
- Amend the rule proposals and set another rules hearing date; or
- Withdraw the rule proposals?

Effective date: If the Board decides to adopt the rules, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rules effective 31 days after filing.

Does the Board wish to make the rules effective:

- 31 days after filing; or
- Another date?
- 6. Al in Accounting: Innovation, Integrity & Oversight Guest Speakers
 - a. Albert Leech Partner, Withum
 - b. Val Orekhov Partner & CTO, Withum Digital

Brooke Stegmeier will introduce the guest speakers.

Pages 28-40 contain the slide deck for the PowerPoint presentation, Al in Accounting:

Innovation, Integrity & Oversight.

Abstract: Join Albert Leech and Val Orekhov as they explore the transformative role of artificial intelligence in the accounting profession. Drawing from their work at Withum, they will cover current Al tools and discuss how these technologies are reshaping risk management, audit quality, and data integrity. The session will also examine how Al may influence regulatory frameworks and public protection priorities. Attendees will gain practical insights into the ethical and operational challenges of Al adoption, with time reserved for Q&A.

7. Minutes - July 18, 2025, Board Meeting

Board staff presents July 18, 2025, Board meeting draft minutes at *pages 41-53* for the Board's consideration.

Does the Board approve the minutes as drafted?

Do the Board Members authorize the use of their electronic signatures for the signing of the approved meeting minutes?

8. Chair's Report

a. Election of Officers for Calendar Year 2026

The Board mu	ust appoint officers for the calendar year	2026:
Chair:		
Vice Chair:		
Secretary:		
The newly ele	ected officers will assume their duties on	January 1, 2026.

b. Board Meeting Schedule for the Calendar Year 2026

Board meeting dates are set by Board rule as the last Friday of the month in the months of January, April, July, and October, or as otherwise determined by the Board. The meeting dates for consideration are:

- January 30, 2026
- April 24, 2026
- July 31, 2026
- October 23, 2026

All 2026 Board meetings will be held virtually through Microsoft Teams.

Does the Board approve the selected dates?

Peer Review Oversight Committee (PROC)

c. Committee Chair and Member Appointments for Calendar Year 2026

The Board adopted a governance structure that includes the Executive Committee consisting of the Board officers and four other standing committees. Task forces are created when needed and dissolved once their work is done. The Board needs to appoint chairs and members for each of the committees and task forces at its annual meeting. The current committees with members are listed.

Page 54 contains the current 2025 committee and task force spreadsheet for reference.

Chair:		
Members:		
Current Members: Scott Newman, Public Member, Committee Chair Kate Dixon, Public Member Tom Sawatzki, CPA		
Non-board Volunteers: Laura Lindal, CPA Tom Neill, CPA		
Request Oversight Committee (ROC)		
Chair:		
Members:		
Members: Current Members: Brian Thomas, CPA, Committee Chair Tom Sawatzki, CPA		
Current Members: Brian Thomas, CPA, Committee Chair		

Members:		
Current Members: Kate Dixon, Public Member, Committee Chair Tom Sawatzki, CPA		
Board/AICPA Rules Committee (BARC)		
Chair:		
Members:		
Current Members: Brooke Stegmeier, CPA, Committee Chair Brian Thomas, CPA Scott Newman, Public Member		

9. NASBA Update

The Executive Director will provide an update on NASBA activities.

10. Legal Counsel's Report

The Board's legal counsel requests the agenda for regular Board meetings contain a placeholder item for legal counsel to report on any current issues related to the Board's activities and/or Washington State law such as, the Administrative Procedures Act, Open Public Meetings Act, public disclosure requirements, etc.

11. Executive Director's Report

a. Budget Status

Page 55 contains the Department of Enterprise Services (DES) Small Agency Financial Services memo, August 2025 Financial Reports, dated September 22, 2025.

Pages 56-58 contain the Allotment Expenditure/Revenue BTD Flexible Report; the Fund 02J – Certified Public Accountant's Account Fund View; and the Fund 20D – CPA Scholarship Transfer Account Fund View for transactions through September 30, 2025.

The Executive Director will provide a summary of the reports and lead the

discussion.

b. 2025 CPE Audit Report

Page 59 contains the 2025 CPE Audit report.

The Executive Director will provide a summary of the report and lead the discussion.

12. Committee/Task Force Reports

a. Executive Committee – Chair: Tonia, Campbell, CPA; Vice Chair: Tom Sawatzki, CPA; Secretary: Brooke Stegmeier, CPA

Tonia will give a verbal report.

b. Peer Review Oversight Committee (PROC) – Chair: Scott Newman, Public Member; Members: Kate Dixon, Public Member; Tom Sawatzki, CPA; Non-Board Member Volunteers: Laura Lindall, CPA; Tom Neill, CPA

Page 60 contains the 2025 Quality Assurance Review (QAR) Results Report.

Scott will give a verbal report.

c. Request Oversight Committee (ROC) – Chair: Brian Thomas, CPA; Member: Tom Sawatzki, CPA

Page 61 contains a report on the 3rd quarter approvals and denials from the committee.

Brian will give a verbal report.

 d. Scholarship Oversight Committee (SOC) – Chair: Kate Dixon, Public Member; Member; Tom Sawatzki, CPA

Pages 62-63 contain the Projected Fund Balance Washington State Certified Public Accounting Scholarship Program and the Estimated Expenses for Administering the WA Certified Public Accounting Scholarship Program reports for year ending September 30, 2026.

Kate will give a verbal report.

e. Board/AICPA Rules Clarification Task Force (BARC) – Chair: Brooke Stegmeier, CPA; Members: Brian Thomas, CPA; Scott Newman, Public Member

Pages 64-68 contain the BARC report.

Pages 69-72 contain the request for comment article, AICPA Seeks comment on Administrative Peer Review Proposal for Firms with Private Equity Backing and Other Alternative Practice Structures.

Brooke will give a verbal report.

13. Enforcement Report

Taylor Shahon, CPA, Lead Investigator, will provide a verbal report on investigations.

Pages 73-74 contain the October 2025 enforcement reports.

- Quarterly Report July 1, 2025, through September 30, 2025
- Twelve-Month Lookback October 1, 2024, through September 30, 2025
- All Complaints Resolved with and without discipline for periods October 2024 to September 2025 and October 2023 to September 2024
- CBM Report July 1, 2025, through September 30, 2025

14. Executive and/or Closed Sessions with Legal Counsel

The Board's legal counsel requests the agenda for regular Board meetings contain a placeholder item identifying the Board and legal counsel may enter an executive or closed session when determined appropriate.

15. Public Input

Board meeting time has been set aside to ensure the public has an opportunity to address its concerns, and the Board has an opportunity to ask questions of the public. Individual speakers will be provided with 10 minutes each.

Meeting Closing - Thank you all for your participation. The time is _____, and this quarterly Board meeting is now closed.

WASHINGTON STATE BOARD OF ACCOUNTANCY RULES HEARING OUTLINE October 17, 2025

Presiding officer reads or paraphrases BOLD type entries.

Italics are explanatory notes for the presiding officer.

OPENING	STATEMENT:
	DITTE DIVIDITE.

The Board of Accountancy	rules hearing is now in session.	The date is Friday, October 17,
2025. The time is	. My name is Tonia Campbell,	and I am the Chair of the Board
of Accountancy.		

Copies of the rule proposals are available in the Board packet materials online at www.acb.wa.gov.

If you would like to testify, please let me know now in the Teams chat, and your name will be added to the roster.

Explain hearing sequence and ground rules as follows:

The hearing will be conducted as follows:

- 1. I will identify the rule presented for testimony, and a brief statement for each proposal will be presented.
- 2. I will use the attendance roster to invite testimony on the proposal. When you give testimony, please:
 - State your name and organization if you speak for a group.
 - Limit your testimony to the rule proposal currently before the Board.
 - After you testify, please remain available for questions.
 - If you are testifying from text, please provide a copy by email to Kirsten Donovan, Board Clerk at kirsten.donovan@acb.wa.gov.

Testimony is limited to 10 minutes for each speaker.

3. When the testimony is complete the hearing will be closed. The Board will consider the proposed rule changes during the regular Board meeting immediately following the rules hearing.

First Rule Proposal

This rule proposal concerns:

• WAC 4-30-060 Education requirements.

The Executive Director will present a brief statement on the proposal.

Cindy presents the statement.

The rule proposal has been identified. We will now move on to the testimony.

1. TESTIMONY FROM ATTENDANCE ROSTER

Ask for testimony from the audience according to the order on the attendance roster.

Will (name of individual) please present testimony?

After the testimony is complete you will invite questions from the Board Members.

2. OTHER TESTIMONY

After all individuals listed on the attendance roster have testified, ask if others wish to testify.

Is there anyone who wishes to testify who has not had the opportunity?

3. WRITTEN STAKEHOLDER COMMENTS

The Board did not receive any written comments for this rule proposal by the deadline date, October 15, 2025.

Second Rule Proposal

This rule proposal concerns:

• WAC 4-30-070 Experience requirements.

The Executive Director will present a brief statement on the proposal.

Cindy presents the statement.

The rule proposal has been identified. We will now move on to the testimony.

1. TESTIMONY FROM ATTENDANCE ROSTER

Ask for testimony from the audience according to the order on the attendance roster.

Will (name of individual) please present testimony?

After the testimony is complete you will invite questions from the Board Members.

2. OTHER TESTIMONY

After all individuals listed on the attendance roster have testified, ask if others wish to testify.

Is there anyone who wishes to testify who has not had the opportunity?

4. WRITTEN STAKEHOLDER COMMENTS

The Board did not receive any written comments for this rule proposal by the deadline date, October 15, 2025.

Third Rule Proposal

This rule proposal concerns:

• WAC 4-30-072 What are the responsibilities of a verifying CPA?

The Executive Director will present a brief statement on the proposal.

Cindy presents the statement.

The rule proposal has been identified. We will now move on to the testimony.

1. TESTIMONY FROM ATTENDANCE ROSTER

Ask for testimony from the audience according to the order on the attendance roster.

Will (name of individual) please present testimony?

After the testimony is complete you will invite questions from the Board Members.

2. OTHER TESTIMONY

After all individuals listed on the attendance roster have testified, ask if others wish to testify.

Is there anyone who wishes to testify who has not had the opportunity?

5. WRITTEN STAKEHOLDER COMMENTS

The Board did not receive any written comments for this rule proposal by the deadline date, October 15, 2025.

Fourth Rule Proposal

This rule proposal concerns:

• WAC 4-30-080 Initial individual CPA license requirements.

The Executive Director will present a brief statement on the proposal.

Cindy presents the statement.

The rule proposal has been identified. We will now move on to the testimony.

1. TESTIMONY FROM ATTENDANCE ROSTER

Ask for testimony from the audience according to the order on the attendance roster.

Will (name of individual) please present testimony?

After the testimony is complete you will invite questions from the Board Members.

2. OTHER TESTIMONY

After all individuals listed on the attendance roster have testified, ask if others wish to testify.

Is there anyone who wishes to testify who has not had the opportunity?

6. WRITTEN STAKEHOLDER COMMENTS

The Board did not receive any written comments for this rule proposal by the deadline date, October 15, 2025.

CLOSING STATEMENT:

Thank you for your testimony. (If any testimony was received.)

The Board will deliberate on the oral and written testimony and the proposed rule today during its regular Board meeting. The Board's decision regarding the proposed rule will be posted to the Board's rule-making section of the website and reflected in the meeting minutes. Thank you all for your participation. The time is ______, and this hearing is now closed.

PROPOSED RULE MAKING



CR-102 (June 2024) (Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED

DATE: July 25, 2025

TIME: 8:42 AM

WSR 25-16-013

Agency: Board of Acc	ountancy			
□ Original Notice				
\square Supplemental Noti	ce to WSR			
☐ Continuance of W	SR			
⊠ Preproposal State	ment of Inq	uiry was filed as WSR 25-	<u>-09-039</u> ; or	
☐ Expedited Rule Ma	kingProp	osed notice was filed as W	VSR; or	
\square Proposal is exemp	t under RC	W 34.05.310(4) or 34.05.33	30(1); or	
\square Proposal is exemp	t under RC	W		
	nts.; WAC 4		bject) WAC 4-30-060 Education requirements.; WAC 4-30-070 nsibilities of a verifying CPA?; WAC 4-30-080 Initial individual	
Date:	Time:	Location: (be specific)	Comment:	
October 17, 2025			, , ,	
Date of intended ado	ption: Octob	per 17, 2025 (Note: Th	nis is NOT the effective date)	
Submit written comm	ents to:		Assistance for persons with disabilities:	
Name Kirsten Donova	an, Rules Co	pordinator	Contact Kirsten Donovan, Rules Coordinator	
Address P.O. Box 913	31, Olympia	, WA 98507	Phone 360-664-9191	
Email Kirsten.donovan@acb.wa.gov			Fax 360-664-9190	
Fax 360-664-9190			TTY 711	
Other			Email Kirsten.donovan@acb.wa.gov	
Beginning (date and	time)	<u>—</u>	Other	
By (date and time) October 15, 2025,			By (date) _October 15, 2025,	
		•	ling any changes in existing rules: The board of rent pathway and to add additional pathways to CPA licensure.	

- 1. Baccalaureate degree with an accounting concentration or equivalent, which includes:
- a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and

The changes provide options for education and experience requirements. The proposed pathways are:

- b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- 2. Two years of experience consisting of a minimum of 24 months and 4,000 hours, which must be verified by an active CPA licensee who has held their license for a minimum of 5 years.

Pathway 2

Pathway 1

- 1. Post-baccalaureate degree with an accounting concentration or equivalent, which includes:
- a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and
- b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.

2. One year of experience consisting of a minimum of 12 months and 2,000 hours, which must icensee who has held their license for a minimum of 5 years. Pathway 3 – Current pathway.	be verified by an active CPA
1. Baccalaureate degree with an accounting concentration or equivalent plus 30 semester hour education, which includes:	s (45 quarter hours) of college
a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration s	
or graduate level. 2. One year of experience consisting of a minimum of 12 months and 2,000 hours, which must icensee who has held their license for a minimum of 5 years.	be verified by an active CPA
n the proposed changes, Pathway 3 will expire for periods after December 31, 2035.	
The proposed changes for each rule are as follows:	
WAC 4-30-060 – proposed changes will: 1) Update the education requirements to provide additional education requirement options to alabove.	lign with the pathways listed
 Maintain the current education requirement with language that conforms to Uniform Account Add a sunset date, December 31, 2025, for the current education pathway to licensure. Remove the "upper level" language for accounting hour coursework. Remove unnecessary and unused language regarding accreditation. 	ancy Act (UAA) language.
WAC 4-30-070 – proposed changes will: 1) Update the experience requirements to provide additional experience requirement options to above. 2) Remove applicant responsibilities language and add the language to WAC 4-30-072.	align with the pathways listed
WAC 4-30-072 – proposed changes will: 1) Add applicant responsibilities language removed from WAC 4-20-070. 2) Remove the reference to practice privileges from verifying CPA qualifications. 3) Add language mirroring the guardrails for the updated practice privilege rule. 4) Update pronouns to a gender-neutral word. 5) Rename the rule.	
WAC 4-30-080 – proposed changes will: 1) Reformat the rule language. 2) Update language for clarity.	
Reasons supporting proposal: See purposes above Statutory authority for adoption: RCW 18.04.055	
Statute being implemented: RCW 18.04.055	
s rule necessary because of a:	
Federal Law?	□ Yes ⊠ No
Federal Court Decision?	☐ Yes ☒ No
State Court Decision? f yes, CITATION:	☐ Yes ⊠ No
Agency comments or recommendations, if any, as to statutory language, implementation matters:	n, enforcement, and fiscal
Name of proponent: (person or organization) Board of Accountancy	
Type of proponent: □ Private. □ Public. ⊠ Governmental.	
Name of agency personnel responsible for:	
Name Office Location	Phone
Drafting Cindy Kay, CPA, Executive 711 Capitol Way S Suite 400 Director Olympia, WA 98501	(360) 485-1659
mplementation Cindy Kay, CPA, Executive 711 Capitol Way S Suite 400 Director Olympia, WA 98501	(360) 485-1659
Enforcement Cindy Kay, CPA, Executive 711 Capitol Way S Suite 400 Director Olympia, WA 98501	(360) 485-1659
s a school district fiscal impact statement required under RCW 28A.305.135?	☐ Yes ☒ No

If yes, insert statement here:				
The public may obtain a copy of the school district fiscal important Name Address Phone Fax TTY Email Other	pact statement by contacting:			
Is a cost-benefit analysis required under RCW 34.05.328?				
 ☐ Yes: A preliminary cost-benefit analysis may be obtained Name Address Phone Fax TTY Email Other ☒ No: Please explain: The Board of Accountancy is not 				
·				
Regulatory Fairness Act and Small Business Economic Im Note: The Governor's Office for Regulatory Innovation and Ass (1) Identification of exemptions: This rule proposal, or portions of the proposal, may be exemptioned the box for any applicable exemption(s): This rule proposal, or portions of the proposal, is exempt unadopted solely to conform and/or comply with federal statute or regulation this rule is being adopted to conform or comply with adopted. Citation and description: This rule proposal, or portions of the proposal, is exempt be defined by RCW 34.05.313 before filing the notice of this proposal of the proposal, is exempt unadopted by a referendum. This rule proposal, or portions of the proposal, is exempt unadopted by a referendum. RCW 34.05.310 (4)(b) (Internal government operations) RCW 34.05.310 (4)(c) (Incorporation by reference) RCW 34.05.310 (4)(d) (Correct or clarify language)	the from requirements of the Regulatory Fairness Act (see consult the exemption guide published by ORIA. Please or regulations. Please cite the specific federal statute or and describe the consequences to the state if the rule is not excause the agency has completed the pilot rule process osed rule. Inder the provisions of RCW 15.65.570(2) because it was noted recause the agency has completed that apply: RCW 19.85.025(3). Check all that apply: RCW 34.05.310 (4)(e) (Dictated by statute) RCW 34.05.310 (4)(f) (Set or adjust fees) RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)			
 ☑ This rule proposal, or portions of the proposal, is exempt ur ☐ This rule proposal, or portions of the proposal, is exempt ur Explanation of how the above exemption(s) applies to the proposal 	nder RCW 19.85.025(4). (Does not affect small businesses). nder RCW			
(2) Scope of exemptions: Check one. ☑ The rule proposal: Is fully exempt. (Skip section 3.) Exempt ☐ The rule proposal: Is partially exempt. (Complete section 3.) proposal, but less than the entire rule proposal. Provide details ☐ The rule proposal: Is not exempt. (Complete section 3.) No) The exemptions identified above apply to portions of the rule here (consider using this template from ORIA):			
(3) Small business economic impact statement: Complete	this section if any portion is not exempt.			

If any portion of the proposed rule is not exempt , does it impon businesses?	pose more-than-minor costs (as defined by RCW 19.85.020(2))
impose more-than-minor costs.	ysis and how the agency determined the proposed rule did not
Yes Calculations show the rule proposal likely impose economic impact statement is required. Insert the required	ses more-than-minor cost to businesses and a small business d small business economic impact statement here:
The public may obtain a copy of the small business eccontacting:	conomic impact statement or the detailed cost calculations by
Name	
Address	
Phone	
Fax	
TTY	
Email	
Other	
Date: July 25, 2025	Signature:
Name: Cindy Kay, CPA	7
Title: Executive Director	

- WAC 4-30-060 Education requirements. (1) ((Education requirements to sit for the exam: To apply for the CPA examination you must have completed at least 120 semester hours (180 quarter hours) of college education; including, a baccalaureate or higher degree; and an accounting major or concentration as defined as at least:)) In general. An applicant for the CPA license must have completed at least one of the following:
- (a) A baccalaureate degree with an accounting concentration or equivalent;
- (b) A post-baccalaureate degree with an accounting concentration or equivalent; or
- (c) A baccalaureate degree with an accounting concentration or equivalent plus 30 semester hours (45 quarter hours) of college education.
- (2) Accounting concentration. For purposes of this rule, an accounting concentration is:
- (a) Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects ((of which at least 15 semester hours must be at the upper level or graduate level (an upper level course is defined as a course that frequently carries completion of a lower level course(s) as a prerequisite))); and
- (b) Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- (((2) Education requirements to apply for a CPA license: To apply for the CPA license you must have completed at least 150 semester hours (225 quarter hours) of college education; including, a baccalaureate or higher degree; and an accounting major or concentration as defined as at least:
- (a) Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects of which at least 15 semester hours must be at the upper level or graduate level (an upper level course is defined as a course that frequently carries completion of a lower level course(s) as a prerequisite); and
- (b) Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- (3))) (c) Excess accounting semester hours beyond the requirements of (a) of this subsection may be counted as business administration semester hours for purposes of the requirements of (b) of this subsection.
- (3) Requirements to sit for a CPA examination. An applicant for the CPA examination must have completed at least one of the general education requirements in subsection (1) of this rule.
- (4) Education obtained outside the United States((÷)). If ((you obtained)) all or a portion of ((your)) the applicant's education is obtained outside the United States ((you)), the applicant must have ((your)) their education evaluated by a board approved foreign education credential evaluation service. The board will establish the criteria for board approval of foreign education credential evaluation services. ((The board does not provide education credential evaluation services.

- (4))) <u>(5)</u> Semester versus quarter hours((÷)). As used in these rules, a "semester hour" means the conventional college semester hour. ((Your)) Quarter hours will be converted to semester hours by multiplying them by two-thirds.
- $((\frac{5}{1}))$ <u>(6)</u> Accreditation standards((÷)). For purposes of this rule, the board will recognize colleges and universities which are accredited ((in accordance with (a) through (c) of this subsection.
- (a) The college or university must be accredited)) at the time ((your)) the education was earned by a regionally or nationally accrediting agency recognized by the board. The board will recognize nonaccredited education accepted by an accredited college or university.
- (((b) If an institution was not accredited at the time your education was earned but is so accredited at the time your application is filed with the board, the institution will be deemed to be accredited for the purpose of (a) of this subsection provided that it:
- (i) Certifies that your total educational program would qualify the applicant for graduation with a baccalaureate degree during the time the institution has been accredited; and
- (ii) Furnishes the board satisfactory proof, including college catalogue course numbers and descriptions, that the preaccrediting courses used to qualify you for a concentration in accounting are substantially equivalent to postaccrediting courses.
- (c) If your degree was received at an accredited college or university as defined by (a) or (b) of this subsection, but the educational program which was used to qualify you for a concentration in accounting included courses taken at nonaccredited institutions, either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which your degree was received, provided the accredited institution either:
- (i) Has accepted such courses by including them in its official transcript; or
- (ii) Certifies to the board that it will or would accept such courses for credit toward graduation.
- (6)) (7) Alternative to accreditation((: If you)). An applicant who graduated from a degree-granting institution that was not accredited at the time ((your)) the degree ((was)) or credits were received ((or at the time your application was filed, you)) will be deemed to be a graduate of an accredited college or university if a credentials evaluation service approved by the board certifies that ((your)) the degree is equivalent to a degree from an accredited college or university ((as defined in subsection (5) of this section)). The board does not provide education credential evaluation services.
- (8) Expiration date. Subsection (1)(c) of this rule expires for periods after December 31, 2035.

- WAC 4-30-070 Experience requirements. (1) ((Qualifying)) <u>In</u> general. An applicant for the CPA license must have obtained qualifying experience.
- (a) Experience may be obtained through the practice of public accounting and/or employment in industry or government. In certain situations, employment in academia may also provide experience to obtain some or all of the competency requirements. ((Qualifying))
- (b) Experience may be obtained through one or more employers, with or without compensation, and may consist of a combination of full-time and part-time employment.
- $((\frac{(2)}{)})$ <u>(c)</u> Employment experience should demonstrate that it occurred in a work environment and included $(\frac{tasks}{)}$ sufficient <u>tasks</u> to have provided an opportunity to obtain the competencies defined by subsection $((\frac{(3)}{)})$ <u>(4)</u> of this $(\frac{tasks}{)}$
- (a) Covered a minimum 12-month period (this time period does not need to be consecutive);
 - (b) Consisted of a minimum of 2,000 hours;
 - (c) Provided)) rule.
 - (2) Hours required.
- (a) For applicants for the CPA license who meet the education requirements of WAC 4-30-060 (1)(a), two years of experience consisting of a minimum of 24 months and 4,000 hours.
- (b) For applicants for the CPA license who meet the education requirements of WAC 4-30-060 (1) (b) or (c), one year of experience consisting of a minimum of 12 months and 2,000 hours.
- (c) For applicants for the CPA license who apply through the foreign reciprocity requirements of WAC 4-30-102, one year of experience consisting of a minimum of 12 months and 2,000 hours.
 - (d) Months are not required to be consecutive.
- (3) Other experience requirements. The qualifying experience must also meet the following requirements:
- (a) The qualifying experience must provide the opportunity to utilize the skills generally used in business and accounting and auditing including, but not limited to, accounting for transactions, budgeting, data analysis, internal auditing, preparation of reports to taxing authorities, controllership functions, financial analysis, performance auditing and similar skills; and
- ((d) Be verified by a licensed CPA as meeting the requirements identified in subsection (5) of this section; and
- $\frac{\text{(e)}}{\text{(b)}}$) $\frac{\text{(b)}}{\text{The experience must be}}$ obtained no more than eight years prior to the date the board receives $(\frac{\text{your}}{\text{your}})$ $\frac{\text{the}}{\text{complete license application}}$.
- $((\frac{3}{3}))$ <u>(4)</u> Competencies((÷)). The experience should demonstrate that the work environment and tasks performed provided the applicant with an opportunity to $(\frac{btain}{a})$ experience the following competencies:
 - (a) Assess the achievement of an entity's objectives;
- (b) Develop documentation and sufficient data to support analysis and conclusions;
 - (c) Understand transaction streams and information systems;
 - (d) Assess risk and design appropriate procedures;
- (e) Make decisions, solve problems, and think critically in the context of analysis; and

- (f) Communicate scope of work, findings and conclusions effectively.
- ((4) The applicant's responsibilities: The applicant for a license requesting verification is responsible for:
- (a) Providing information and evidence to support the applicant's assertion that their job experience could have reasonably provided the opportunity to obtain the specific competencies, included on the applicant's Experience Affidavit form presented for the verifying CPA's evaluation;
- (b) Producing that documentation and the completed Experience Affidavit form to a qualified verifying CPA of their choice;
- (c) Determining that the verifying CPA meets the requirements of subsection (5) of this section; and
- (d) Maintaining this documentation for a minimum of three years.))
- (5) ((Qualification of a verifying CPA: A verifying CPA must have held a valid CPA license to practice public accounting in the state of Washington or be qualified for practice privileges as defined in RCW 18.04.350 (1) for a minimum of five years prior to verifying the candidate's experience, including the date that the applicant's experience is verified. The five years do not need to be consecutive.)) Verification requirements. Qualifying experience must be verified. See WAC 4-30-072.

- WAC 4-30-072 ((What are the responsibilities of a verifying CPA?)) Applicant and reviewer verification requirements. ((The verifying CPA is expected to:))
- (1) ((Obtain)) Applicant's responsibilities. The applicant for a license requesting verification is responsible for:
- (a) Providing information and evidence to support the applicant's assertion that their job experience could have reasonably provided the opportunity to experience the specific competencies, included on the applicant's Experience Affidavit form presented for the verifying CPA's evaluation;
- (b) Producing that documentation and the complete Experience Affidavit form to a qualified verifying CPA of their choice;
- (c) Determining that the verifying CPA meets the requirements of subsection (2) of this rule; and
 - (d) Maintaining this documentation for a minimum of three years.
- (2) Qualifications of a verifying CPA. A verifying CPA must have held a valid CPA license to practice public accounting in the state of Washington, or have held a current license or certificate in good standing from any other state or jurisdiction of the United States, for a minimum of five years prior to verifying the candidate's experience, including the date that the applicant's experience is verified. The five years do not need to be consecutive.
- (3) Duties of the verifying CPA. The verifying CPA is expected to:
- (a) Review the applicant's completed Experience Affidavit form and supporting documentation to support the jobs the applicant held which provided the experience supporting the applicant's assertion that by performing the specific job functions, ((she/he)) the applicant was provided the opportunity to ((obtain)) experience each specific competency (this expectation may be met if the applicant is employed by the verifying CPA's firm or organization);
 - $((\frac{(2)}{(2)}))$ (b) Verify the applicant's relevant employment history;
- (((3))) <u>(c)</u> Interview the ((candidate)) <u>applicant</u> or otherwise obtain or possess knowledge sufficient to understand the skill sets applied, tasks performed, and time spent in the applicant's represented job functions;
- $((\frac{5}{5}))$ (e) Determine, by interview or course completion certificate, etc., that the applicant is knowledgeable of the Public Accountancy Act and related board rules applicable to individuals licensed in the state of Washington;
- $((\frac{(6)}{()}))$ Occument this process and the basis for the conclusions reached by the verifying CPA relative to each specific competency, and maintain this documentation for a minimum of three years.

- WAC 4-30-080 Initial individual CPA license requirements. (1) <u>General requirements.</u> To qualify to apply for an initial license $((\frac{you}{you}))$, an applicant must meet the following criteria and requirements:
 - (a) Good character requirements ((of)). See RCW 18.04.105 (1)(a);
 - (b) Education requirements ((of)). See WAC 4-30-060;
 - (c) Examination requirements ((of)). See WAC 4-30-062;
 - (d) Experience requirements ((of)). See WAC 4-30-070;
- (e) Achieve and document a passing grade of ((ninety)) 90 percent or better on a course covering the complete content of the AICPA Code of Professional Conduct.
- (2) <u>Additional requirement.</u> If more than four years have lapsed since $((\frac{you}))$ <u>the applicant</u> passed the examination, $((\frac{you}))$ <u>the applicant</u> must meet the CPE requirements of WAC 4-30-134(5) within the $((\frac{thirty-six}))$ <u>36</u> month period immediately preceding submission of $((\frac{your}))$ <u>the</u> license application. That CPE must include CPE hours in ethics and regulation meeting the requirements of WAC 4-30-132(7). This regulatory ethics portion of the combined $((\frac{your}))$ the license application.
- (3) ((You)) Application. The applicant must provide the required information, documents, and fees to the board either by making application through the board's online application system or on a form provided upon request. ((You must provide all requested information, documents and fees to the board before the application will be evaluated.))
- (4) When title use is allowed. Upon assessment of ((your)) the applicant's qualifications and approval of ((your)) the application, ((your)) the applicant's licensed status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of ((your)) a license can be provided upon request. An applicant may not use the title CPA until the date the approval of the license is posted in the board's licensee database and, therefore, made publicly available for confirmation.
- (5) ((Your)) Initial license term. An initial license will expire on June 30th of the third calendar year following initial licensure.
- ((6) You may not use the title CPA until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.))

AI in Accounting

Innovation, Integrity & Oversight

Washington State Board of Accountancy October 17, 2025

Albert Leech – CPA, Partner Val Orekhov – CTO



October 17, 2025 Page 28

Agenda

Promise of Al

· Current tools landscape

Risk-based adoption model

Risk management transformation

Audit quality impacts

• Data integrity & pitfalls

Regulatory landscape

Public protection priorities

Ethical & operational challenges

Future outlook & Q&A

THE PROMISE OF AI

 Automates repetitive tasks: invoice capture, coding, anomaly detection

- Processes entire populations to identify fraud & anomalies early
- Links thousands of documents, speeding up testing & improving quality

 AP automation doubles efficiency with >90% accuracy

Current tools

- DAS: data-driven cloud platform eliminates redundant audit procedures
- Big Four platforms: Omnia, Aura, Canvas/Helix/Atlas, Clara
- Emerging tools: MindBridge, DataSnipper, AuditSight, AP automation

Risk-based adoption model

- All outputs have inherent uncertainty and accuracy varies
- Reasonable assurance: reduce audit risk to acceptable levels, not zero
- Assess impact & likelihood; calibrate controls vs benefits
- Align with NIST, EU & PCAOB frameworks for safe adoption

Recognize uncertainty

Assess risks

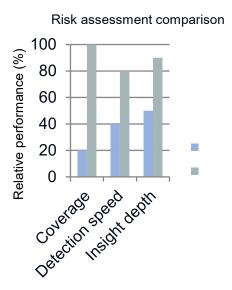
Design controls

Iterate & improve

[7] [8] [9] October 17, 2025 Page 32

Risk management transformation

- Al enables early risk assessment & continuous monitoring of full datasets
- Standardised documentation & guidance support responsible adoption (PCAOB)
- Innovation labs & literacy programs promote experimentation & skills



[10] [11] [12] October 17, 2025 Page 33

Audit quality impacts

- Detects anomalies & fraud with 100% transaction testing
- Tailored data-driven audits (DAS) eliminate redundant procedures
- Quality improves yet overreliance & bias remain risks

[13] [14] [15] October 17, 2025 Page 34

Data integrity: strengths & pitfalls

- Validates & cleanses data via OCR and NLP tools
- Hallucinations: plausible but false financial metrics or compliance rules
- Implement robust data governance, model validation & monitoring
- Human-in-the-loop & explainability ensure accountability

[16] [17] [18] October 17, 2025 Page 35

Regulatory landscape

- PCAOB: standardised documentation & risk guidance, innovation lab, literacy
- NIST AI RMF: voluntary framework validity, safety, fairness & human oversight
- EU Al Act: risk-based classification; high-risk & generative Al rules
- FRC (UK): balanced documentation & explainability; supports innovation

PCAOB Tech Alliance (2025)

NIST AI RMF (Jan 2023)

EU Al Act (Jun 2024)

UK FRC Guidance (Jun 2025)

[19] [20] [21] [22] October 17, 2025 Page 36

Public protection priorities

- Transparency, fairness & human oversight are non-negotiable
- Protect confidentiality and privacy; respect data and ethics
- Assess stakeholder impacts & align with context & values

[23] [24] [25] October 17, 2025 Page 37

Ethical & operational challenges

- Maintain professional skepticism Al outputs may be incomplete or wrong
- Avoid automation bias by keeping humans in the loop
- Upskill teams in data, Al governance & ethics; Al is an enabler, not a substitute

[26] [27] [28] October 17, 2025 Page 38

Future outlook & Q&A

- Al adoption accelerates: generative agents & continuous improvement
- Regulation evolves EU AI Act deadlines & global harmonisation
- Boards must invest in training, governance & oversight
- Ready to discuss your questions & insights





Questions?

www.withum.com/service/technology-and-digital-transformation/artificial-intelligence



Val Orekhov, CTO Partner (240) 406 9903 vorekhov@withum.com



Albert Leech, CPA Partner (206) 438 1964 aleech@withum.com

WASHINGTON STATE BOARD OF ACCOUNTANCY

Unapproved Draft - Minutes of a Meeting of the Board - Unapproved Draft

Meeting

Time and Place of 9:00 a.m. – 12:02 p.m. Friday, July 18, 2025

Microsoft Teams Meeting or if unable to attend virtually 711 Capitol Way S Suite 400 Olympia, WA 98501

Attendance

Board Members

Tonia L. Campbell, CPA, Chair

Thomas P. Sawatzki, CPA, Vice Chair Brooke Stegmeier, CPA, Secretary Rajib Doogar, Public Member

Brian R. Thomas, CPA Kate Dixon. Public Member Scott S. Newman, Public Member Angela Bever, CPA (left at 10:30)

Staff and Advisors

Cindy Kay, CPA, Executive Director Jennifer Sciba, Deputy Director

Jacob Dishion, Assistant Attorney General, Board Advisor

Taylor Shahon, CPA, Lead Investigator

Kirsten Donovan, Board Clerk

Tia Landry, Data and Systems Administrator

Call to Order -**Board Meeting** Board Chair, Tonia Campbell, CPA called the meeting to order at 9:00 a.m. Board Members, staff, and advisor introduced themselves.

New Executive **Director and New Board Member** Introductions

Cindy Kay, CPA, Executive Director, introduced herself during the Call to Order agenda item introductions. Cindy was previously a Board Member before taking her new position as the Executive Director.

Angela Bever, CPA, was appointed by the Governor as a CPA Member of the Board. Angela introduced herself during the Call to Order agenda item introductions.

Alternate **Practice** Structure (APS) **Panel**

Brooke Stegmeier provided information on the alternative practice structure (APS) and private equity (PE) topic and asked the panel guest speakers to introduce themselves.

Bisi Tairu Partner-in-Charge of the Office of Independence Citrin Cooperman Professional Ethics Executive Committee (PEEC) APS Task Force

- Anna Dourdourekas
 Independence and Ethical Standards Partner at Grant Thornton LLP Principal, Grant Thornton Advisors LLC
 PEEC Chair and APS Task Force Co-chair
- Jason Evans
 Principal Risk Management Independence
 Baker Tilly
 PEEC APS Task Force
- Al Tanju, CPA, CISA, CISM, CISSP Cyberguard Compliance, LLP SOC Practice Lead PEEC APS Task Force

The panel introduced themselves and presented the PowerPoint, Practicing in an APS with PE: CPA Experiences. Topics included:

- Changes since PE investment.
 - Structured as an alternate practice structure (APS).
 - Minimal impact on day-to-day responsibilities and client service.
 - Administration Services Agreement (ASA) did not result in significant operational changes.
 - o Significant influence vs. control.
 - Budgetary and compensation.
- Attest firm benefits.
 - Heightened awareness of independence and other ethics requirements in the attest firm, nonattest entity, governing body of the nonattest entity, and investor.
 - Increased resources for compliance and regulations and standards.
 - Resources for improved professional services, such as leased staff with subject matter expertise.
 - o Access to improved technology.
 - Talent acquisition.
 - o Growth and entrance into new markets.
 - Centralization of operational functions (via the ASA).
- Nonattest entity (network firm) benefits.
 - Allows for expansion of nonattest services.
 - Capital provides for innovation, technology, resources for improved professional services, talent acquisition and retention, growth through roll-up, and succession planning.
 - Staff through a partner may have a stake in the firm's growth now.

- Audit quality.
 - Access to talent from M&A activities has enabled us to improve audit quality by adding subject matter experts (SME) in specialized areas.
 - Quality group increases (including SMEs).
 - Implement new tools such as conflict checking tool to streamline processes and reduce risk (or enhance existing tools).
 - Dynamic Audit Solution implementation.
- Perception is that PE will negatively impact audit quality and prioritize profits over public interest; this is a misconception.
 - PE firms recognize that the success of their investment is closely tied to their investee's ability to maintain its reputation, integrity, and independence.
 - PE investors do not have the expertise nor desire to manage the nonattest entity's operations.
 - Pressure on the attest practice is not a novel issue and is not necessarily increased in an APS and PE.
 - o PE firms are responsive to requests regarding compliance.
 - ASA is a safeguard to ensure attest firm gets what they need.
- Insulating the attest firm to enhance public practice.
 - Attest partners remain responsible for the entire attest function.
 - Responsibility for professional liability insurance.
 - o Independence education for members and PE investors.
 - o Formulation and operation of robust ASA.
 - Establishment of an independence framework and monitoring procedures.
 - Separation of decision-making authority, including compensation decisions.
 - o Clear disclosures regarding firm licensure, etc.
- Examples of practices firms have in place.
 - Updated policies, procedures, and guidance reflecting the APS transaction with a PE investor.
 - Periodic confirmations of compliance with applicable independence requirements by the PE investor and individuals associated with the investor.
 - Monitoring and performing conflict checks on new nonattest entity lenders.
 - Sharing of relevant information between the attest firm and the PE investor(s) to monitor independence.
 - Monitoring applicable entities within the PE structure in the firm's database and inclusion of such entities in conflict checks for prospective client engagements.
 - Robust ASAs that address the provision of sufficient future resources to the attest firm.

The Board Members and the Executive Director made comments including:

- Complaints and disciplinary practices from a Board of Accountancy perspective.
- Independence concerns.
- Significant influence vs. control; PE wants profitability; compensation for attest firm partners when the non attest firm is providing the money "pool".
- Level of support for smaller firms with an APS; the need for proper legal and AICPA guidance.
- Investment, time, and exit strategy.
- Firms could use debt rather than PE investment to prevent their ownership interest in the firm.

The Board thanked the panel for their time and the information. The next PEEC meeting will be in August.

Minutes – April 25, 2025, Board Meeting

The Board approved the April 25, 2025, Board meeting minutes with one change. In the Private Equity – AICPA Guest Speakers section, the first bullet comments attributed to Scott Newman were changed from "Uncertainty for the firm's clients' continuity of services when a PE investor typically has a 6-year relationship with the firm. What happens, particularly in a smaller firm, when the investor leaves." to "Uncertainty for the firm's clients' continuity of services when a PE investor typically has a shorter-term relationship, 4 to 6 years, focused on profit with a defined exit strategy. What happens to the firm and structure, when the investor exits. Also, particularly in smaller firms, would they have the capability and resources to comply with the proposed structure and process guidance."

The Board Members authorized the use of their electronic signatures for the signing of the meeting minutes.

NASBA Update

The Board Chair reported on the 2025 NASBA Western Regional Meeting held June 17-19, 2025, in New Orleans, LA. She stated that she appreciates the NASBA scholarships which allowed more Board Members to participate. The key sessions were:

- Uniform Accountancy Act.
- Cyberthreats.
- CPA pipeline.
- Private equity investment, which is a continuing trend.

- Al and the CPA profession how to maintain CPA values while using this resource.
- Data privacy.

The Deputy Director stated from the regional breakout session topics included:

- Deregulation, which has been an ongoing conversation for some time now.
- CPE movement either eliminating CPE all together or reducing the requirement to half. This may impact CPE reciprocity.
- Alternate pathways to licensure.

The Executive Director stated that she was able to attend both the general sessions and the new Board Member Orientation session, as she was registered prior to being appointed as the new Executive Director. She found that session to be beneficial, and overall the conference was great.

Brian Thomas attended both the Eastern and Western Regional Meetings as a member of the NASBA Nominating Committee. Brian stated that NASBA had not yet issued an announcement on the elections, which will result in the slate to be presented for a vote at the Annual Meeting in Chicago.

Legal Counsel's Report

Jacob Dishion, AAG, Board legal advisor, had nothing to report.

Chair's Report

The Chair had nothing additional to report beyond her report on the NASBA conference.

Executive Committee

The Board Chair had nothing to report.

Peer Review Oversight Committee (PROC)

Scott Newman stated that the committee did not meet during the 2nd quarter, so he had nothing to report.

Request Oversight Committee (ROC

Brian Thomas reported on the committee's 2nd quarter activities.

Committee (ROC) Request Oversight Committee Report – July 2025:

• Firm Names Approved:

Myers Forensic Accounting Services

Accountability Services
Halledger
Kafoo CPA
SmartCloud Certified Public Accountants PLLC

Professional/Educational Organization – Recognition Requests

During the second quarter of 2025, the Board did not receive any requests for recognition as an educational organization or professional association for the purpose of obtaining list requests.

Late Fee Waiver Requests

Overall, the Board received 509 applications after the April 30 deadline which were assessed the \$100 late fee. This amounted to about 6% of applications received.

Late Fee Waiver Requests were received between 05/01/2025 and 06/30/2025.

The Board received 7 late fee waiver requests:

- Approved 1
- Denied 6
 - One individual requested a second review after their request was denied. The subsequent review resulted in a denial as well.

Scholarship Oversight Committee (SOC)

Cindy Kay presented the SOC report, "Look Ahead" Schedule for 2026. The scheduled activities are as follows:

- Early September: Applications open for 2026.
- September-February: On campus and educator marketing, BAP visits, flyers and posters on campuses and targeted outreach.
- December: Recruit volunteer reviewers.
- February: Last push for application and closing date in mid-February.
- Mid-February-April 1: Scholarship Review.
- April 1: WA CPA Foundation approves slate of winners.
- April-May: Intake of additional scholarship paperwork.
- June/July: Payments for Summer/Fall tuition.

Kate Dixon volunteered to step into the committee chair role, as Cindy has taken the Executive Director position, so can no longer serve as a Board committee chair.

Board/AICPA Rules Committee (BARC)

Brooke Stegmeier reported that the committee is looking at:

- Monitoring APS.
- Potential changes to CPE requirements.
 - o The Florida Board may eliminate CPE requirements.
 - The North Carolina Board is considering cutting the requirements in half.
 - Requesting NASBA's help in making the case for continuing to require CPE.
 - Hardship extensions should we define.

Brooke stated she is looking into finding an AI speaker for the next Board meeting. Brian Thomas commented that the NASBA nominating committee was looking into at-large directors with AI experience.

Board Members and others advised they have heard the following reasoning behind potential changes to CPE requirements:

- Perceived inequities related to CPE cost.
- Deregulation philosophy.
- CPE is not valuable it doesn't accomplish what you are meaning it to do.
- From the meeting chat "CPE compliance issues highest level of disciplinary actions at most boards. Some of the big firms have complained that the cheating was due in part to the high number of hours required."

Licensing and Regulation Committee (LARC)

Kate Dixon reported the committee was very busy with rule drafting based on the comments from the last Board meeting. Kate thanked Mark Hugh for drafting the rules and thanked the committee, staff, and all who worked on this project.

The LARC disbanded, as their work on this project is complete.

Rules Review

Semi-annual Rules Development Agenda – July through December 2025

Kate Dixon presented the Semi-annual Rules Development Agenda filed with the Office of the Code Reviser.

CR-101 Filing for Rules under Review

Kate Dixon presented the CR-101 for the Additional Pathways to Licensure rules filed with the Office of the Code Reviser.

Rules Review/Discussion – Additional Pathways to Licensure

Kate Dixon presented the drafts of the proposed rule revisions. The revisions will establish new pathways to CPA licensure. These pathways are:

Pathway 1

- 1. Baccalaureate degree with an accounting concentration or equivalent, which includes:
 - a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and
 - b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- 2. Two years of experience consisting of a minimum of 24 months and 4,000 hours, which must be verified by an active CPA licensee who has held their license for a minimum of 5 years.

Pathway 2

- 1. Post-baccalaureate degree with an accounting concentration or equivalent, which includes:
 - a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and
 - b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- One year of experience consisting of a minimum of 12 months and 2,000 hours, which must be verified by an active CPA licensee who has held their license for a minimum of 5 years.

Pathway 3 – (Current pathway)

- 1. Baccalaureate degree with an accounting concentration or equivalent plus 30 semester hours (45 quarter hours) of college education, which includes:
 - a. Twenty-four semester hours (36 quarter hours) or the equivalent in accounting subjects; and
 - b. Twenty-four semester hours (36 quarter hours) or the equivalent in business administration subjects at the undergraduate or graduate level.
- 2. One year of experience consisting of a minimum of 12 months and 2,000 hours, which must be verified by an active CPA licensee who has held their license for a minimum of 5 years.

In the proposed changes Pathway 3 will expire for periods after December 31, 2035.

WAC 4-30-060 Education requirements.

Kate Dixon provided a summary of the proposed rule changes which:

- Update the education requirements to provide additional education requirement options to align with the pathways listed above.
- Maintain the current education requirement with language that conforms to Uniform Accountancy Act (UAA) language.
- Add a sunset date, December 31, 2035, for the current education pathway to licensure.
- Remove the "upper level" language for accounting hour coursework.
- Remove unnecessary and unused language regarding accreditation.

• WAC 4-30-070 Experience requirements.

Kate Dixon provided a summary of the proposed rule changes which:

- Update the experience requirements to provide additional experience requirement options to align with the pathways listed above.
- Remove applicant responsibilities language and add the language to WAC 4-30-072.

WAC 4-30-072 What are the responsibilities of a verifying CPA?

Kate Dixon provided a summary of the proposed rule changes which:

- Add the applicants responsibilities language removed from WAC 4-30-070.
- Remove the reference to practice privileges from verifying CPA qualifications.
- Add language mirroring the guardrails for the updated practice privilege rule.
- Update pronouns to a gender-neutral word.
- Rename the rule.

The Deputy Director asked the Board if the draft rule name, "Verification requirements", completely identified the rule for users. After discussion the rule name from the draft was changed to "Applicant and reviewer verification requirements."

WAC 4-30-080 Initial individual CPA license requirements.

Kate Dixon provided a summary of the proposed rule changes which:

- Reformat the rule language.
- Update language for clarity.

The Board directed staff to file the CR-102 as written for all rule proposals, except for the name change to WAC 4-30-072 indicated above, and to schedule a public rule-making hearing in conjunction with the Board's October meeting.

Executive Director's Report

Budget Status

The Executive Director presented the DES Small Agency Financial Services memo, May 2025 Financial Reports, dated June 18, 2025.

The Executive Director presented the following reports for transactions through June 30, 2025:

- Allotment Expenditure/Revenue BTD Flexible Report.
- Certified Public Accountant's Account Fund View.
- CPA Scholarship Transfer Account Fund View.

The Executive Director reported:

- The FY 2026-2027 budget will be submitted next week. The budget will be much tighter than usual due to the Governor's required budget cuts.
- The agency will be submitting a supplemental budget for additional spending authority for IT licenses.
- The Governor signed the budget on May 20, 2025, which included:
 - A fund sweep of \$1,060,000, which has been transferred to the general fund.
 - The budget expenditure reduction of \$318,000.
- Under the current spending freeze, these areas are options for reduced spending:
 - Travel reduction.
 - Non-essential vendor contractors and IT vendor expenses.

- Hiring freeze.
- Discretionary purchasing of goods and equipment.

Rajib Doogar asked if the Board could keep a separate litigation fund. The Deputy Director advised that in the past the agency was told that a litigation fund would not be authorized. This could be brought up again with the new administration.

Brooke Stegmeier commented on the 25-27 legislative action which allowed for the state treasurer to transfer money from the CPAs account to the General Fund. The Agency and Board will continue to monitor our fund balance to ensure it remains adequate to ensure stability of continuity of essential services and mitigation of legal risks and costs.

2025 Renewal and CPE Extension Request Report

The Deputy Director presented and led the discussion on the 2025 Renewal and CPE Extension Request Report. Discussion points included:

- CPE extensions approved 693
- CPE Deficiency Reason:
 - o Missed reporting period only − 272
 - Missed annual requirement only 227
 - o Missed both 194
- The percentage of individuals requesting a CPE extension with their renewal has decreased over the last 3 years.
 - o 2023 17.2%
 - o 2024 12.8%
 - o 2025 8.0%

Enforcement Report

Quarterly Enforcement and Resolved Complaint Reports

Taylor Shahon, CPA, presented the following reports:

- Quarterly Report April 1, 2025, through June 30, 2025
- Twelve-Month Lookback July 1, 2024, through June 30, 2025
- All Complaints Resolved with and without discipline for periods July 2024 to June 2025 and July 2023 to June 2024
- CBM Report April 1, 2025, through June 30, 2025

Taylor reported the following on enforcement activities:

- Complaints filed for the quarter 24, which is a slight uptick.
- The complaints were primarily regarding non-communication and records.

 The enforcement team is working on improving processes with the new Executive Director. The Executive Director stated that she appreciates the hard work of Taylor, Jennifer, and Kelly.

The Board Members asked that Taylor re-evaluate the current enforcement report and potentially expand on the categories, including non-compliance and negligence. Another considered addition was a geographical breakdown of where the complaints originate from.

Executive and/or Closed Session with Legal Counsel

No executive or closed sessions were held.

Public Input

The Board received public input from Jeremy Saladino of the Washington Association of Accounting and Tax Professionals (WAATP). Jeremy thanked the Board for allowing the Deputy Director to come speak at their annual meeting about the additional pathways to licensure.

Adjournment

The Board meeting adjourned at 12:02 p.m.

Member			
Member	4 1 1 1	-	
Member			
Member	1 1 1 1 1		
Member			

Washington State Board of Accountancy 2025 Committees and Task Forces (October 2025)

		Executive	Peer Review	Request Oversight	Scholarship Oversight	Board/AICPA Rules
	Term	Committee	Oversight Committee	Committee	Committee	Committee
Member	Expires		(PROC)	(ROC)	(SOC)	(BARC)
Tonia L. Campbell, CPA	2028	Chair				
Thomas P. Sawatzki, CPA	2028	Vice Chair	Member	Member	Member	
Brooke Stegmeier, CPA	2026	Secretary				Chair
Brian R. Thomas, CPA	2027			Chair		Member
Kate Dixon	2026		Member		Chair	
Scott S. Newman	2028		Chair			Member
Angela Bever, CPA	2028					
Thomas Dingus, CPA	2027					
Rica Herrera	2028					
Nonboard Volunteers	<u></u>					
Laura Lindal, CPA			Member			
Tom Neill, CPA			Member			



STATE OF WASHINGTON

DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson Street SE, Olympia, WA 98501

September 22, 2025

TO: Washington State Board of Accountancy

FROM: Ian Shelley, Senior Financial Consultant

DES Small Agency Financial Services

SUBJECT: August 2025 Financial Reports

August 2025 highlights

- \$76k in revenue this month.
- \$177k in expenses this month.
- Fund 02J ended the month with a balance of \$3.128 million.

Biennium to date highlights

- Expenses: \$320k to date.
 - \$11k underspend against allotments year to date. Underspend largely composed of:
 - CD IT maintenance contracts: \$5.5k underspend to date.
 - EZ credit card fees: \$3k overspend to date.
 - G* travel categories: \$4k underspend to date.
 - AT vacation buyout: \$2k underspend to date.
- Revenues: \$234k to date.
 - July through Aug FY26 has been 43% higher than FY23. \$234k versus \$163k.
 - FY26 and FY27 projections are being held at 10% increases over prior cohorts. July's 65% increase is skewing year to date percentage increase. Expecting this to trend back towards a 10% increase.
 - September 2025 revenues through 9/19/25 are \$47k. September 2022 revenues totaled \$58k.

Projected BI27 end highlights

- Revenue projected to reach \$4.986 million by 6/30/27.
- Expenses projected to reach \$4.793 million by 6/30/27. Total authority is \$4.802 million.
- Fund 02J balance projected to end at \$3.407 million on 6/30/27. This is a decrease from the BI27 starting balance of \$4.274 million.

Account: 02J

1650 - State Board of Accountancy

Allotment Expenditure/Revenue BTD Flexible

Report Number: AEF04

Date Run: Sep 30, 2025 11:58PM

Biennium: 2027 As of Fiscal Month: Sep FY1

Allotment Content: Approved & Adjusted

Transactions Through: Sep 30, 2025 8:00PM djusted Expenditure Content: Cash, Accr(all)

Revenue Content: Cash, Accr(all)

(For a complete listing of all input parameter values, please see the last page of the report)

Estimated Revenue Content: Approved & Adjusted

	BTD	BTD	BTD	BTD	BTD	Biennium
	Allotment	Disbursement	Accrual	Encumbrance	Variance	Remaining
By Account/Expenditure Authority						
02J - Certified Public Accountants' Acct						
030 - Salaries and Expenses	475,223	386,249.91	853.02	0.00	88,120.07	4,414,897.07
Total for Agency	475,223	386,249.91	853.02	0.00	88,120.07	4,414,897.07
By Account/Expenditure Authority						
By Object						
A - Salaries and Wages	218,709	177,737.50	0.00	0.00	40,971.50	1,599,975.50
B - Employee Benefits	64,833	59,982.36	0.00	0.00	4,850.64	464,166.64
C - Professional Service Contracts	20,625	12,224.00	0.00	0.00	8,401.00	152,776.00
E - Goods and Services	163,898	136,306.05	853.02	0.00	26,738.93	2,140,728.93
G - Travel	6,033	0.00	0.00	0.00	6,033.00	48,250.00
J - Capital Outlays	1,125	0.00	0.00	0.00	1,125.00	9,000.00
Total for Agency	475,223	386,249.91	853.02	0.00	88,120.07	4,414,897.07
By Object						

Fund View

Sep 2025 🛅

Fund 02J - CERTIFIED PUBLIC ACCOUNTANTS' ACCT

Fund Type
BA - SPECIAL REVENUE FUNDS

Agency 1650 - STATE BOARD OF ACCOUNTANC

Budget Type
A - Appropriated
GAAP Fund Type
B - SPECIAL REVENUE FUNDS

Rollup Fund FBD - CENTRAL ADMIN AND REGULATORY FU

Treasury Type Treasury Statute 18.04.105 Status Active TALS Only DOT Fund

Balance Date ↓	Cash Balance	Book Balance	Outstd. Warrants
09/30/2025	3,123,309.34	3,123,309.34	0.00
09/29/2025	3,127,959.34	3,121,359.34	6,600.00
09/28/2025	3,112,859.34	3,106,259.34	6,600.00
09/27/2025	3,112,859.34	3,106,259.34	6,600.00
09/26/2025	3,112,859.34	3,106,259.34	6,600.00
09/25/2025	3,110,399.34	3,103,799.34	6,600.00
09/24/2025	3,154,434.05	3,147,834.05	6,600.00
09/23/2025	3,154,622.54	3,146,364.05	8,258.49
09/22/2025	3,152,492.54	3,144,234.05	8,258.49
09/21/2025	3,152,878.79	3,144,620.30	8,258.49
09/20/2025	3,152,878.79	3,144,620.30	8,258.49
09/19/2025	3,152,878.79	3,144,620.30	8,258.49
09/18/2025	3,150,238.79	3,141,980.30	8,258.49
09/17/2025	3,148,360.51	3,146,702.02	1,658.49
09/16/2025	3,147,665.51	3,147,665.51	0.00
09/15/2025	3,145,815.51	3,145,815.51	0.00
09/14/2025	3,150,322.86	3,150,322.86	0.00
09/13/2025	3,150,322.86	3,150,322.86	0.00
09/12/2025	3,150,322.86	3,150,322.86	0.00
09/11/2025	3,143,752.86	3,143,752.86	0.00
09/10/2025	3,142,527.86	3,142,527.86	0.00
09/09/2025	3,242,730.59	3,242,250.59	480.00
09/08/2025	3,238,585.59	3,238,105.59	480.00
09/07/2025	3,233,435.59	3,232,955.59	480.00
09/06/2025	3,233,435.59	3,232,955.59	480.00
09/05/2025	3,233,435.59	3,232,955.59	480.00
09/04/2025	3,231,125.59	3,230,645.59	480.00
09/03/2025	3,236,720.59	3,236,240.59	480.00
09/02/2025	3,234,460.59	3,233,980.59	480.00
09/01/2025	3,231,762.30	3,231,282.30	480.00

Fund View

Sep 2025

Fund 20D - CPA SCHOLARSHIP TRANSFER ACCOU

Fund Type
BA - SPECIAL REVENUE FUNDS

Agency 1650 - STATE BOARD OF ACCOUNTANC

Budget Type
N - Nonappropriated/Nonallotted GAAP Fund Type B - SPECIAL REVENUE FUNDS

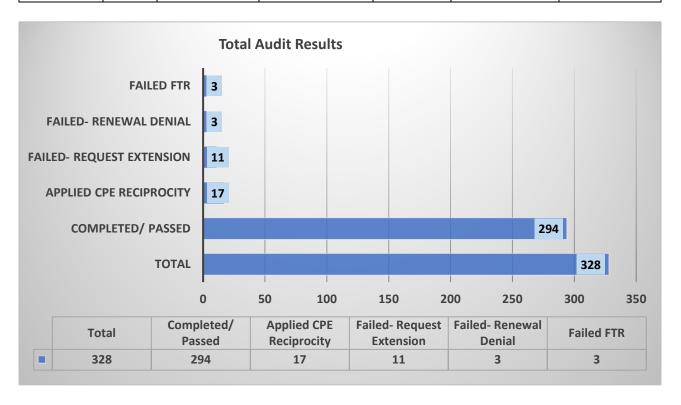
Rollup Fund FBG - HIGHER EDUCATION FUND

Treasury Type Treasury Trust Statute 28B.123.050 Status Active TALS Only
No
DOT Fund
No

Balance Date ↓	Cash Balance	Book Balance	Outstd. Warrants
09/30/2025	70,000.00	70,000.00	0.00
09/29/2025	70,000.00	70,000.00	0.00
09/28/2025	70,000.00	70,000.00	0.00
09/27/2025	70,000.00	70,000.00	0.00
09/26/2025	70,000.00	70,000.00	0.00
09/25/2025	70,000.00	70,000.00	0.00
09/24/2025	70,000.00	70,000.00	0.00
09/23/2025	70,000.00	70,000.00	0.00
09/22/2025	70,000.00	70,000.00	0.00
09/21/2025	70,000.00	70,000.00	0.00
09/20/2025	70,000.00	70,000.00	0.00
09/19/2025	70,000.00	70,000.00	0.00
09/18/2025	70,000.00	70,000.00	0.00
09/17/2025	70,000.00	70,000.00	0.00
09/16/2025	70,000.00	70,000.00	0.00
09/15/2025	70,000.00	70,000.00	0.00
09/14/2025	70,000.00	70,000.00	0.00
09/13/2025	70,000.00	70,000.00	0.00
09/12/2025	70,000.00	70,000.00	0.00
09/11/2025	70,000.00	70,000.00	0.00
09/10/2025	70,000.00	70,000.00	0.00
09/09/2025	70,000.00	70,000.00	0.00
09/08/2025	70,000.00	70,000.00	0.00
09/07/2025	70,000.00	70,000.00	0.00
09/06/2025	70,000.00	70,000.00	0.00
09/05/2025	70,000.00	70,000.00	0.00
09/04/2025	70,000.00	70,000.00	0.00
09/03/2025	70,000.00	70,000.00	0.00
09/02/2025	70,000.00	70,000.00	0.00
09/01/2025	70,000.00	70,000.00	0.00

2025 CPE Audit Report

				Failed-	Failed-	Failed- FTR
Credential		Completed/	Applied CPE	Request	Renewal	
Туре	Total	Passed	Reciprocity	Extension	Denial	
License	328	294	17	11	3	3



Quality Assurance Review Results Total Participation ISE W

Request Oversight Committee Report October 2025

Brian Thomas, CPA, Chair

During the third quarter of 2025, the Executive Director and a Consulting Board Member from the Request Oversight Committee took the following action:

Approved Firm Names:

A.T. CPA
The Tax Office of Joon Park, CPA PLLC
Red-3 CPA and Forensic Accounting
McCone & Associates P.S
Halal CPA, PLLC
AnchorPoint Tax Advisor, Inc
Trailbreaker Accounting PLLC
Veripak Advisors, LLC
Damico Holdings, PLLC
Equity CPA

<u>Professional/Educational Organization – Recognition Requests</u>

During the third quarter of 2025, the Board did not receive any requests for recognition as an educational organization or professional association for purposes of obtaining list requests.

Projected Fund Balance

Washington State Certified Public Accounting Scholarship Program For the Year Ending September 30, 2026

Beginning Fund Balance (as of July 31, 2025)	\$	1,864,134
Revenues:		
Passive Earnings from Investments (Assumes a 3% return)	\$	55,924
Expenditures:		
WBOA Certified Public Accounting Scholarships		
(25 \$5,000 scholarships will be awarded)	\$	(125,000)
(10 \$5,000 under represented student scholarships will be awarded)	\$	(50,000)
(30 \$10,000 masters scholarships will be awarded)	\$	(300,000)
Projected Fund Balance For the Year Ended 9/30/2026	<u>\$</u>	1,445,058
Weakington Society of CDAs (MCCDA) Approal Advairing to 5 - **		
Washington Society of CPAs (WSCPA) Annual Administration Fee** to be reimbursed by the Washington State Board of Accountancy Annually	\$	30,000
	\$	30,000

Estimated Expenses for Administering the WA Certified Public Accounting Scholarship Program For the Year Ending September 30, 2026

Program Employee Expenses

Shown in hours worked***	Oct-25	Nov-25	Dec-25	<u>Jan-26</u>	Feb-26	Mar-26	Apr-26	May-26	<u>Jun-26</u>	<u>Jul-26</u>	Aug-26	Sep-26	<u>Total</u>
Membership manager	5.00	5.00	3.00	7.00	5.00	2.00	8.00	6.00	2.00	5.00	16.00	7.00	71
Membership Outreach Coordinator	14.50	21.00	31.00	41.00	85.50	48.00	61.00	43.00	33.50	37.00	10.00	20.00	446
CEO	-	1.00	-	-	-	-	-	-	-	1.00	-	-	2
Director of Communications	0.50	0.50	1.00	1.00	-	15.00	-	1.00	-	0.50	-	1.00	21
Manager of Digital Marketing	5.00	1.00	3.00	1.00	3.00	-	6.00	-	-	-	-	-	19
CFO	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications Coordinator	0.50	-	-	1.83	-	-	1.00	3.75	-	0.50	-	1.00	9
Controller	-	1.00	1.00	2.00	2.00	2.00	2.00	1.00	2.50	17.00	1.50	-	32
Membership Coordinator	-	-	-	-	-	-	-	0.50	-	-	-	-	1
Comm. Design/Social Media Coordina	-	0.50	0.50	-	-	-	-	2.50	7.50	7.83	5.00	3.50	27
	-	-	-	- '	-	-	-	-	-	-	-	-	-
TOTAL - In Dollars	\$ 1,386	\$ 2,980	\$ 3,569	\$ 4,920	\$ 3,257	\$ 4,297	\$ 4,505	\$ 3,153	\$ 2,287	\$ 2,287	\$ 2,980	\$ 2,079	\$ 37,699

^{***} This table shows the number of hours worked per position and totals those hours in terms of dollars.

Program Marketing Expenses

	Oct-25	N	lov-25	D	ec-25	Ja	ın-26	Fe	eb-26	M	ar-26	Α	pr-26	May	<u>-26</u>	Jun-	26	Jul-2	6	Au	g-26	Se	p-26	<u>Total</u>
Banners																				\$	-	\$	-	\$ -
Social Media (Facebook and LinkedIn)		\$	300	\$	300	\$	300	\$	300			\$	300									\$	300	\$ 1,800
Brochures and Posters																				\$	400			\$ 400
Promotional Materials																				\$	400			\$ 400
Scholarship Networking Event														\$ I,	600									\$ 1,500
Gift cards and Prizes				\$	500																			\$ 500
TOTAL	\$ -	\$	300	\$	800	\$	300	\$	300	\$	-	\$	300	\$ I,	600	\$	-	\$	-	\$	800	\$	300	\$ 4,700
Total Estimated Program Expenses																								\$ 42,399

September 29, 2025

To: Washington State Board of Accountancy

From: The Board AICPA Rules Committee (BARC)

(Cindy Kay, Scott Newman, Jennifer Sciba, Brooke Stegmeier, Brian Thomas)

RE: Discussion Topics: APS Update, Foreign Firm Licensure, Artificial Intelligence,

CPE Requirements

Following are the topics reviewed and discussed at the BARC meeting on September 25, 2025. The topics require no decision, make no proposal, and are for Board informational purposes and discussion only at this time.

Topic 1: APS Update – Information Only, No Action Required

The Board heard from two expert panels about the Private Equity (PE) ownership of CPA firms (Alternative Practice Structures or APS) in previous Board meetings. Board members individually provided input to the AICPA Professional Ethics Executive Committee (PEEC)'s discussion memorandum on this topic. PEEC met August 6-7 and reviewed comments. They are considering an exposure draft with revisions to the AICPA Code of Conduct for publication in November 2025.

NASBA established a new task force earlier this year to examine private equity ownership in CPA firms. No updated information or findings are yet available from NASBA.

The AICPA's Peer Review Board is seeking public comment on Peer Review Standards Update (PRSU) No. 3 (attached), which would require firms operating with PE backing or as APS business models to have their peer reviews administered by the AICPA's National Peer Review Committee. Comments on this proposal are due by October 25, 2025.

Topic 2: Foreign Firm Licenses – Information Only, No Action Required

State Boards of Accountancy are discussing a trend of foreign-based accounting firms pursuing direct American licensure, reflecting both the globalization of business and the strategic value of the U.S. market. This movement focuses specifically on foreign-headquartered entities seeking to practice directly in the United States without establishing domestic subsidiaries. Washington will need to consider its firm license requirements (e.g., CPA ownership, office location in this state or licensure in other states) if or when presented with this issue.

Topic 3: AI Developments - Information Only, No Action Required

The accounting profession is experiencing rapid technological transformation beyond traditional automation. Current AI applications include document analysis, anomaly detection, risk assessment, and financial statement preparation. Intelligent Process Automation (IPA) now

combines AI, machine learning, and analytics to handle judgment-intensive tasks across multiple systems and workflows.

CPA firms adopt AI for efficiency gains, enhanced quality control, scalability to manage increasing data volumes, competitive differentiation, and risk management capabilities. The next technological frontier involves agentic AI systems that act autonomously, pursue goals independently, and make complex decisions without direct human control—functioning more like autonomous colleagues than tools. This ability presents a direct challenge to the CPA's duty to not subordinate professional judgment.

National Regulatory Response

Federal and Professional Bodies: The PCAOB has issued spotlight guidance on AI in audits and listed AI technology use among 2025 inspection priorities, emphasizing that firms must govern AI use rather than simply adopt tools. The AICPA provides practical guidance and best practice frameworks through resource centers and symposia. NASBA focuses on professional competency, updating continuing education requirements to include AI literacy.

State-Level Development: California leads with comprehensive AI regulation through Executive Order N-12-23 requiring fairness, transparency, and accountability in AI use, plus legislation like SB 942 (AI Transparency Act) and AB 1008 treating AI-generated data as personal information. New York focuses on financial services with AI cybersecurity guidance and state agency monitoring requirements. Most states are developing foundational policies that increasingly affect professional practice.

Emerging Patterns: Regulators emphasize risk-based oversight rather than prohibition, focusing on governance frameworks, quality control measures, and professional competency. Documentation and audit trail requirements receive significant attention, with firms expected to demonstrate validation processes and maintain comprehensive AI work records.

Washington State Context

Washington addresses AI policy questions through ESSB 5838 (2024), establishing a 19-member AI Task Force administered by the Attorney General's Office to examine AI benefits and challenges across industries. State agencies implement governance frameworks emphasizing transparency, accountability, and ethical implementation. This approach prioritizes risk-based rather than prohibitive oversight, stakeholder collaboration, and evidence-based policymaking.

Professional Ethics Considerations

The AICPA Code of Professional Conduct applies to AI use but raises complex questions:

- **Responsibilities**: Professional judgment requirements become complex when AI systems make autonomous decisions
- Public Interest: AI systems must prioritize transparency and stakeholder protection over efficiency optimization
- **Integrity**: AI outputs require clear limitation disclosure to avoid selective information presentation
- **Objectivity & Independence**: Systems trained on client data or influenced by management narratives could compromise independence

- **Due Care**: AI systems that bypass standard procedures for efficiency may violate care obligations
- **Scope of Services**: AI operating beyond training parameters raises service scope questions

Disclosure Challenges: While no federal mandate exists, some states require AI use disclosure. Existing privacy laws (Gramm-Leach-Bliley, state consumer protection) intersect with AI usage.

Agentic AI Ethics: Autonomous systems present attribution and responsibility challenges when making independent decisions about procedures or communications. Traditional professional responsibility concepts assume human decision-makers who can explain judgments. Quality control frameworks designed for human work may inadequately address autonomous systems making multiple micro-decisions per engagement.

Risk Categories and Challenges

High-Priority Risks: Data security breaches through model training or cloud processing represent immediate concerns. Professional competency gaps as AI evolves rapidly may lead to over-reliance or inadequate oversight. Quality control failures specific to AI could result in substandard work products or missed audit findings.

Technology Integration Challenges: AI systems create new client data protection vulnerabilities, especially with public large language models designed to learn from inputs. Vendor management requires adaptation for AI-specific risks including data usage, algorithmic bias, and system reliability. Cross-jurisdictional operations face varying AI governance requirements.

Professional Competency Evolution: CPAs need new skills in AI capability assessment, output validation, and appropriate skepticism regarding AI results. Supervisory competencies require evolution for overseeing AI-assisted work. Continuing education must incorporate AI governance, ethics, data privacy, and quality control topics.

Stakeholder Perspectives

Practitioners: Face competitive pressure to adopt AI while managing regulatory uncertainty and resource constraints. Technical expertise varies significantly across the profession, creating implementation challenges. Client demands vary between those seeking AI-enhanced services and those preferring traditional approaches.

Clients and Public: Expect transparency about AI involvement, assurance of continued professional judgment, and confidential information protection. Service quality expectations may increase due to AI analytical capabilities while requiring maintained human oversight and accountability.

Professional Liability: Insurers develop new frameworks for AI-related risk assessment and coverage. Premium adjustments may reflect AI governance practices. Claims handling requires evolution as traditional liability frameworks may inadequately address AI-specific issues.

Topic 4: CPE Requirements – Information Only, No Action Required

There are two topics that periodically surface on CPE requirements, defining hardship (for CPE period extensions) and number of CPE credits required for license renewal.

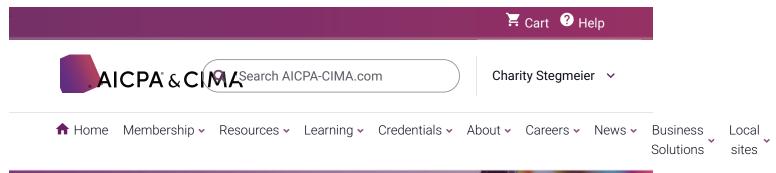
Defining hardship was discussed in the April 2025 Board meeting. BARC was tasked to provide a summary of how other states define or address hardship and propose language to update WAC 4-30-132, 4-30-133, 4-30-134, 4-30-136, and 4-30-138. The summary of the states we considered is represented in the table below. California was the only state to partially define hardship. Both Washington and Oregon use general "good cause" or "reasonable cause" standards without formal definitions. All require documented proof to support extension or waiver requests.

State	Hardship Defined?	Typical Qualifiers
Florida	No	Illness, natural disaster, military service
Michigan	No	Good cause, including illness, military, other hardships
North Carolina	No	Illness, military deployment, extraordinary events
California	Partially	Military duty, disability, extraordinary circumstances
Texas	No	Good cause, including illness, disaster, undue hardship
New York	No	Health, military, other good cause
Washington	No	Extensions granted for "good cause shown"; typical examples include illness, military, or other hardships. Board evaluates individually, no formal definition in WAC.
Oregon	No	"Reasonable cause" extensions for illness, military duty, or other circumstances preventing completion. Case-by-case review; hardship not formally defined in rule text

BARC is recommending this topic be closed with no further changes, as there is no clear way to remove ambiguity. Staff will continue to apply rules as written, and Board members may continue to use judgment during review.

The second item under this topic is CPE requirements for license renewal. Changing these requirements is a growing trend as legislators, regulatory bodies and advocacy groups work to remove barriers to CPA licensure. Washington State requires 120 credits every three years (with a minimum of 20 credits per year). The below tables summaries the current CPE requirements for several states, along with comments if any are looking to change these. One proposal in a couple of states is to reduce required CPEs or allow work experience (such as serving on a nonprofit Board) to count as CPE credits. The additional states we looked at are not listed here as they are addressing this issue in the context of alternative pathways to licensure. This may raise issues of reciprocity for Washington State. We will continue to monitor; no action is recommended at this time.

State	CPE Requirement	Notes
Florida	80 hours every 2 years	Proposed legislation (HB 991) seeks to eliminate all CPE requirements and licensing boards, but has not progressed beyond the House as of May 2025. (ficpa.org)
Texas	120 hours every 3 years	Proposed rule revisions limit the total number of hours a licensee may apply toward CPE. (tsbpa.texas.gov)
California	80 hours every 2 years	Drafting legislative proposals to allow work experience to replace school credits as a CPA requirement. (wsj.com)
New York	24 hours annually	Proposed legislation to remove the current three-year exemption from mandatory CPE for new licensees. (wsj.com)
Washington	120 hours every 3 years	No current proposals to reduce or eliminate CPE requirements. (acb.wa.gov)







AICPA Seeks Comment on Administrative Peer Review Proposal for Firms with Private Equity Backing and Other Alternative Practice Structures

Sep 15, 2025 · 2 min read







Change is Designed to Promote Consistency Among Peer Reviews

NEW YORK (Sept. 16, 2025) - The American Institute of CPAs' Peer Review Board is seeking public comment on a change to its peer review program that would centralize the administration of peer reviews of firms operating under alternative practice structures (APS), including those with private equity investments.

The change, outlined in the proposed Peer Review Standards Update (PRSU) No. 3, , would require firms operating under non-traditional business models to have their peer reviews administered by the AICPA's National Peer Review Committee, rather than one of the 23 state

administering entities. The update is designed to promote the consistency of how a peer review is conducted and evaluated as the profession adjusts to new operating structures, a critical factor in promoting quality and protecting the public.

The proposed change to the standards allows the Peer Review Board discretion to require certain peer reviews be administered by the National Peer Review Committee – a panel of 15 to 17 practitioners with broad, national experience and expertise – through the issuance of application guidance.

"Changing business structures create both opportunity and risk for the profession," said Susan Coffey, CPA, CGMA, the AICPA's CEO of public accounting. "Making sure firms have quality management systems designed to comply with professional standards is foundational to protecting the public interest. The administration of these reviews by the National Peer Review Committee assures the appropriate and consistent degree of oversight of APS audit practices over the next several years, as more firms take on private equity investment."

The comment period for the proposed update will be open until Oct. 25 this year. If approved by the Peer Review Board, it would be effective for peer reviews with years ending on or after Dec. 31, 2025.

Under the AICPA Peer Review Program, firms are reviewed every three years, a process designed to provide reasonable assurance they are adhering to AICPA and other professional standards in their work and have robust quality systems in place. Firms are rated "pass," "pass with deficiencies" or "fail." A primary emphasis of the program is on detecting deficiencies and remediation of problem areas.

The exposure draft for the proposed update notes some of the concerns raised by stakeholders about private equity investment, including the challenges of operating separate attest and nonattest entities, monitoring compliance with independence and other professional standards, and maintaining quality of services. The National Peer Review Committee administration of APS reviews will allow time for the development of guidance and training for the state administering entities.

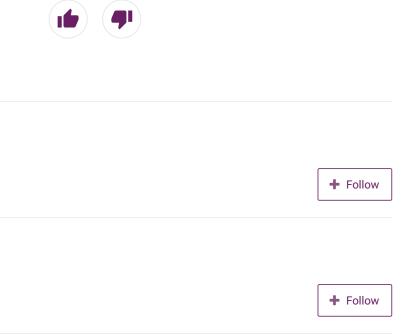
Besides the APS-related provision, the proposed standards update also includes a change to qualifications for peer reviewers of firms that perform or assist in engagements under Public Company Accounting Oversight Board (PCAOB) standards. The change is designed to ensure

that practitioners who have a deeper familiarity with those standards are assigned to those

review teams.
Media Contact:
Jeff May
jeffrey.may@aicpa-cima.com

What did you think of this?

Every bit of feedback you provide will help us improve your experience



Manage preferences

Mentioned in this article

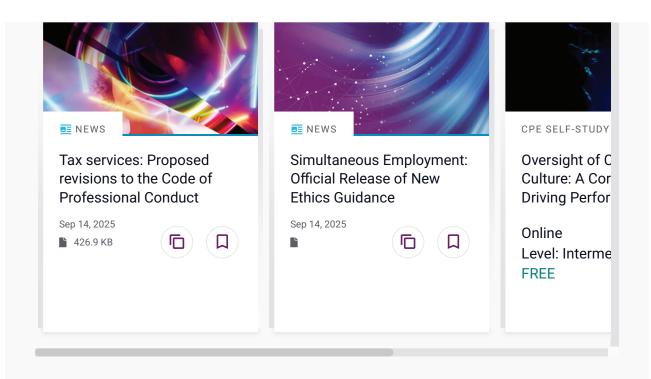
Topics

Subtopics

Professional Ethics

Ethics

Related content



This site is brought to you by the Association of International Certified Professional Accountants, the global voice of the accounting and finance profession, founded by the American Institute of CPAs and The Chartered Institute of Management Accountants.

About | Terms & Conditions | Accessibility |
Privacy Policy | Contact | Help | Site Map

CA Do Not Sell or Share My Personal
Information



Board of Accountancy Washington State

Enforcement Report

Quarterly Report (Jul 01, 2025 through Sep 30, 2025)						
Complaint Workload						
	Received in Previous Period	Received in Report Period	Total			
Complaints Open	28	12	40			
Closed with No Action	(12)	0	(12)			
Closed with Action Taken	(1)	0	(1)			
Complaints at End of Period	15	15 12				
Details of Complaint Closures						
Closed Disposition	Administrative	Public Harm	Total			
No Action Taken	0	12	12			
Revocation, Suspension, Restriction	0 0		0			
Fines, costs, and other sanctions	0 1		1			
Remedial Resolution (Policy 2004-1)	0 0		0			
Total Closed	0	13	13			

Twelve-Month Lookback (Oct 01, 2024 through Sep 30, 2025)							
Complaint Workload							
	Received in Previous Period	Received in Report Period	Total				
Complaints Open	17	74	91				
Closed with No Action	(6)	(41)	(47)				
Closed with Action Taken	(11)	(6)	(17)				
Complaints at End of Period	0	0 27					
Details of Complaint Closures							
Closed Disposition	Administrative	Public Harm	Total				
No Action Taken	0	43	43				
Revocation, Suspension, Restriction	0	5	5				
Fines, costs, and other sanctions	0	0 6					
Remedial Resolution (Policy 2004-1)	2	3	5				
Total Closed	2	57	59				

Board of Accountancy Washington State

All complaints - resolved with and without discipline

	Oct 2024 to Sep 2025		Oct 2023 to Sep 2024	
	All	Action Only	All	Action Only
Public Harm				
Negligence - Attest related	1	1	1	0
Negligence, Disregard of standards	44	9	36	0
Use of Restricted Titles	7	4	6	2
Embezzlement, Theft, Breach of Fid. Duty	0	0	4	2
Breach of Confidentiality	0	0	0	0
Records Retention Causing Harm	2	0	1	0
<u>Subtotal</u>	54	14	48	4
Administrative				
Peer Review	1	1	0	0
<u>Subtotal</u>	1	1	0	0
Total	55	15	48	4

<u>Jul 01, 2025 through Sep 30, 2025</u>						
CBM Report						
	BAP	Action	No Action	Total		
Rajib Doogar	0	0	0	0		
Brooke Stegmeier	0	0	4	4		
Cindy Kay	0	0	0	0		
Tonia Campbell	0	0	0	0		
Kate Dixon	0	0	1	1		
Mark Hugh	0	0	0	0		
Scott Newman	0	0	1	1		
Thomas Sawatzki	0	1	3	4		
Brian Thomas	1	0	3	4		
None (2024-1 or no jurisdiction)	0	0	0	0		
Total	1	1	12	14		