ANNUAL BOARD MEETING AGENDA

Date, Time: Friday, October 19, 2018 – Annual Board Meeting – 9:00 a.m.
Location: J.A. Cherberg Building, Capital Campus
           Senate Hearing Room 3
           304 15th Avenue SW
           Olympia, WA 98501
           (360) 786-7189

Notices: None

Chair Introductions

ANNUAL MEETING AGENDA

Attachments at tab:

1. Minutes
   a. July 19, 2018, Regular Board Meeting .................................................................A
   b. August 15, 2018, Special Board Meeting ...............................................................B

2. Chair’s Report
   a. Election of Officers for Calendar Year 2019
   b. Board Meeting Schedule and Locations for Calendar Year 2019
   c. Committee Chair and Member Appointments for Calendar Year 2019

3. Rules Review
   a. WAC 4-30-010 Definitions ......................................................................................C
   b. WAC 4-30-132 What are the program standards for CPE?........................................D
   c. WAC 4-30-133 Limitations on continuing professional education (CPE) credit ..........E
   d. WAC 4-30-134 What are the continuing professional education (CPE) requirements
      for individuals?.........................................................................................................F
   e. WAC 4-30-136 How do I report my CPE to the board?................................................G
   f. WAC 4-30-138 What documentation must I retain to support my eligibility for CPE
      credit? ........................................................................................................................H

4. NASBA Update
   a. NASBA Proposal to Implement Continuous Testing and Related Changes to WAC
      4-30-062

The Board of Accountancy schedules all public meetings at barrier free sites. Persons who need special assistance, such as enlarged type materials, please contact the Board’s Americans with Disabilities Act contact person:
Kirsten Donovan, Washington State Board of Accountancy
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
5. Executive Director’s Report
   b. Update on IT Projects
   c. Firm Licensing Bill Update
   d. CPE Audit Sampling Plan ......................................................................................................J
   e. Peer Review Oversight Committee (PROC) Appointment
   f. Peer Review Referral to Enforcement for Double Fails
   g. New Public Board Member Search
   h. Other Items as Needed

6. Committee/Task Force Reports
   a. Executive – Karen R. Saunders, CPA, Chair – Verbal Report
   b. Compliance Assurance Oversight – Thomas G. Neill, CPA, Committee Chair – Verbal Report..........................................................................................................................K
   c. Legislative Review – Favian Valencia, Committee Chair – No Report
   d. Request Review – Elizabeth D. Masnari, CPA, Committee Chair – Verbal Report.............L
   e. State Ethics Compliance – Joel Cambern, Ethics Advisor – Verbal Report .........................M
   f. Qualifications – Rajib Doogar, Committee Chair – No Report
   g. Performance Review and Succession – Joel Cambern, Committee Chair – No Report
   h. Social Media – Favian Valencia, Committee Chair – No Report
   i. WSCPA Education Fund – Elizabeth D. Masnari, CPA, Committee Chair – Verbal Report..N
   j. CPE Task Force – Rajib Doogar, Public Member, Mark Hugh, CPA, and Thomas G. Neill, CPA, Members – Report given during Rules Review Agenda Section

7. Legal Counsel’s Report

8. Enforcement Report .........................................................................................................................O

9. Executive and/or Closed Sessions with Legal Counsel

10. Public Input – The public has an opportunity to address its concerns to the Board, and the Board has an opportunity to ask questions of the public. Individual speakers will be provided 10 minutes each.
Date and Time: Friday, October 19, 2018 - 9:00 a.m.
Location: J.A Cherberg Building, Capitol Campus
Senate Hearing Room 3
304 15th Avenue SW
Olympia, WA 98501
(360) 786-7189

Notices: None

Chair’s Opening Announcements: 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 sign the sign-up sheet.

October 19, 2018 – ANNUAL BOARD MEETING

1. Minutes

Board staff presents the draft minutes of the July 19, 2018, regular Board meeting at Tab A for the Board’s consideration.

Does the Board approve the minutes as drafted?

Board staff presents the draft minutes of the August 15, 2018, special Board meeting at Tab B for the Board’s consideration.

Does the Board approve the minutes as drafted?

2. Chair’s Report

a. Election of Officers for Calendar Year 2019

The Board must vote in officers for calendar year 2019:

Chair ........................................
Vice Chair ..................................
The newly elected officers will assume their duties on January 1, 2019.

b. **Board Meeting Schedule and Location for Calendar Year 2019** - 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. Board staff has selected the following meeting dates and locations:

- January 18, 2019 – DoubleTree by Hilton Hotel Seattle Airport, Seattle
- April 26, 2019 – DoubleTree by Hilton Hotel Seattle Airport, Seattle
- July 26, 2019 – Hilton Garden Inn Spokane Airport, Spokane
- October 18, 2019 – Capitol Event Center, Tumwater

Does the Board approve the selected dates and locations?

c. **Committee Chair Appointments for Calendar Year 2019**

The Board adopted a governance structure that includes the Executive Committee consisting of the Board officers and nine other committees. The Board needs to appoint chairs and members for each of the nine committees at its annual meeting. The current members are listed for your convenience:

**Compliance Assurance Oversight Committee**

Chair: ________________________________

Members: ________________________________

Current Members:
- Thomas G. Neill, CPA, Committee Chair
- Karen R. Saunders, CPA
- Joel Cambern, Public Member

**Legislative Review Committee**

Chair: ________________________________

Member: ________________________________

Current Members:
- Favian Valencia, Public Member, Committee Chair
- Mark Hugh, CPA
Request Review Committee

Chair: ________________________________

Member: ______________________________

Current Members:
  Elizabeth D. Masnari, CPA, Committee Chair
  Joel Cambern, Public Member

State Ethics Compliance Committee

Ethics Advisor: ________________________________

Current Member:
  Joel Cambern, Public Member, Ethics Advisor

Qualifications Committee

Chair: ________________________________

Member: ________________________________

Current Members:
  Rajib Doogar, Public Member, Committee Chair
  Elizabeth D. Masnari, CPA
  Jacqueline Meucci, CPA

Performance Review and Succession Committee

Chair: ________________________________

Member: ________________________________

Current Members:
  Joel Cambern, Public Member, Committee Chair
  Brian R. Thomas, CPA

Social Media Task Force

Chair: ________________________________

Member: ________________________________

Current Members:
  Favian Valencia, Public Member, Committee Chair
  Jennifer Sciba, Deputy Director
WSCPA Education Fund Committee

Chair: 

Member: 

Current Members:
  Elizabeth D. Masnari, CPA, Committee Chair
  Favian Valencia, Public Member

CPE Task Force

Chair: 

Member: 

Current Members:
  Rajib Doogar, Public Member
  Mark Hugh, CPA
  Thomas G. Neill, CPA

3. Rules Review

a. WAC 4-30-010 Definitions

Tab C contains a draft revision of the rule which adds a definition for nano learning.

The Executive Director will lead a discussion on the proposed change.

b. WAC 4-30-132 What are the program standards for CPE?

Tab D contains a draft revision of the rule which will incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules, reorganize the CPE requirements between the various CPE rule sections for clarity, and rename the rule.

The Executive Director will lead a discussion on the proposed changes.

c. WAC 4-30-133 Limitations on continuing professional education (CPE) credit

Tab E contains a draft of a proposed new rule which will incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules and reorganize the CPE requirements between the various CPE rule sections for clarity.

The Executive Director will lead a discussion on the proposed changes.
d. **WAC 4-30-134** What are the continuing professional education (CPE) requirements for individuals?

*Tab F* contains a draft revision of the rule which will incorporate aspects of the Uniform Accountancy Act (UAA) CPE model rules, reorganize the CPE requirements between the various CPE rule sections for clarity, and rename the rule.

The Executive Director will lead a discussion on the proposed changes.

e. **WAC 4-30-136** How do I report my CPE to the board?

*Tab G* contains a draft revision of the rule which will simplify the rule language and rename the rule.

The Executive Director will lead a discussion on the proposed changes.

f. **WAC 4-30-138** What documentation must I retain to support my eligibility for CPE credit?

*Tab H* contains a draft revision of the rule which will simplify the rule language, remove the information and reference related to a retired board policy, and rename the rule.

The Executive Director will lead a discussion on the proposed changes.

4. **NASBA Update**

a. **NASBA Proposal to Implement Continuous Testing and Related Changes to WAC 4-30-062**

5. **Executive Director’s Report**

a. **Budget Report and General State of Operations**


b. **Update on IT Projects**

c. **Firm Licensing Bill Update**

d. **CPE Audit Sampling Plan**

*Tab J* contains the Attributes Sampling Plan for CPE Audit of non-PLR Renewals.
e. Peer Review Oversight Committee (PROC) Appointment

f. Peer Review Referral to Enforcement for Double Fails

g. New Public Board Member Search

h. Other Items as Needed

6. Committee/Task Force Reports

a. Executive – Chair: Karen R. Saunders, CPA; Vice Chair: Elizabeth D. Masnari, CPA; Secretary: Mark Hugh, CPA

Karen will give a verbal report.

b. Compliance Assurance Oversight – Chair: Thomas G. Neill, CPA; Members: Karen R. Saunders, CPA; Joel Cambern, Public Member

Tab K contains the 2018 Quality Assurance Review (QAR) Results report.

Tom will give a verbal report.

c. Legislative Review – Chair: Favian Valencia, Public Member; Member: Mark Hugh, CPA

The committee has nothing to report.

d. Request Review – Chair: Elizabeth D. Masnari, CPA; Member: Joel Cambern, Public Member

Tab L contains a report on the 3rd quarter approval and denials from the committee.

Elizabeth will give a verbal report.

e. State Ethics Compliance – Ethics Advisor: Joel Cambern, Public Member

Tab M contains the State Ethics Compliance Committee report.

Joel will give a verbal report.

f. Qualifications – Chair: Rajib Doogar, Public Member; Members: Elizabeth D. Masnari, CPA; Jacqueline Meucci, CPA

Rajib has nothing to report.
g. **Performance Review and Succession** - Chair: Joel Cambern, Public Member; Member: Brian R. Thomas, CPA
   
   Joel has nothing to report.

h. **Social Media** – Chair: Favian Valencia, Public Member; Member: Jennifer Sciba, Deputy Director
   
   The committee has nothing to report.

i. **WSCPA Education Fund** – Chair: Elizabeth D. Masnari, CPA; Member: Favian Valencia, Public Member
   

   Elizabeth will give a verbal report.

j. **CPE Task Force** – Members: Rajib Doogar, Public Member; Mark Hugh, CPA; Thomas G. Neill, CPA
   
   The committee members reported during the Rules Review section of the agenda.

7. **Legal Counsel's Report**
   
   The Board's legal counsel requests the agenda for regular Board meetings contain a placeholder item allowing 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.

8. **Enforcement Report**
   

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

9. **Executive and/or Closed Session 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 into executive or closed session when determined appropriate.

10. **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 10 minutes each.
WASHINGTON STATE BOARD OF ACCOUNTANCY

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

Time and Place of Meeting
9:00 a.m. – 11:55 a.m. Thursday, July 19, 2018
Yakima Valley College
Parker Room, Building 8
S 16th Avenue & Nob Hill Blvd
Yakima, Washington 98902

Attendance
Board Members
Karen R. Saunders, CPA, Chair, Board Member
Elizabeth D. Masnari, CPA, Vice Chair, Board Member
Thomas G. Neill, CPA, Board Member
Rajib Doogar, Public Member
Joel Cambern, Public Member
Brian R. Thomas, CPA, Board Member
Jacqueline Meucci, CPA, Board Member

Staff and Advisors
Charles E. Satterlund, CPA, Executive Director
Bruce L. Turcott, Assistant Attorney General, Board Advisor
Elizabeth Lagerberg, Assistant Attorney General, Board Prosecutor
Jennifer Sciba, Deputy Director
Kirsten Donovan, Board Clerk
Taylor Shahon, CPA, Lead Investigator

Call to Order
Board Chair, Karen Saunders, called the regular meeting of the Board to order at 9:00 a.m.

The Board Chair excused the absences of Favian Valencia, Public Member, and Mark Hugh, CPA, Board Member.

Minutes – April 20, 2018, Regular Board Meeting
The Board approved the minutes of the April 20, 2018, Board meeting as presented.

Chair’s Report
Introduction of New Board Members

The Board Chair introduced new Board Members, Brian R. Thomas, CPA, and Jacqueline Meucci, CPA, and welcomed them to the Board.

Expedited Rule Making

This process allows for rule changes in limited circumstances without the requirement to hold a public rule making hearing -- provided that no public objections are received.
The Board Chair presented the CR-105 filings and drafts of the following Board Rules which are currently in the expedited rule making process:

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

  The suggested rule change corrects the misspelling of the word “knowledgeable” in the rule. If Board staff receives no public objections, the rule change will be adopted August 7, 2018.

- **WAC 4-30-026 How can I contact the board?**

  The suggested rule change updates the Board’s email address, the website URL, and the TTY phone number. If Board staff receives no public objections, the rule change will be adopted August 21, 2018.

The Deputy Director advised the Board that staff has two additional CR-105s to file:

- **WAC 4-30-024 Public Records**

  The suggested rule change updates the Board’s website URL. If Board staff receives no public objections, the rule change will be adopted October 2, 2018.

- **WAC 4-30-062 How do I apply to take the CPA examination?**

  The suggested rule change updates the Board’s customer service email address. If Board staff receives no public objections, the rule change will be adopted October 2, 2018.

The Board voted unanimously to authorize the filings.

**NASBA**

The Executive Director discussed the following NASBA activities from the Western Regional meeting held June 26-28 in Lake Tahoe, CA:

- New pathway to CPA
- NOCLAR
- Deregulation
- Combining Eastern and Western Regional meeting
- Laurie Tish’s election to NASBA Vice-Chair
Minutes, July 19, 2018, Regular Board Meeting

- CPA Exam testing
- Crypto-currency presentation
- Sexual harassment policies and Boards of Accountancy
- Legal report – NC Dental Board fallout

**Legal Counsel’s Report**

Executive Director, Charles Satterlund, CPA, Bruce Turcott, AAG, and Elizabeth Lagerberg, AAG, delivered the PowerPoint presentation, *Complaints, Investigations, and the Adjudicative Process*.

**Review of Board Policy 2011-1**

Board Policy 2011-1 Principles Underlying Board Rules

The Executive Director made a recommendation that the policy be retired and led the subsequent discussion. The Executive Director intends to incorporate sections of the policy into a Board mission statement.

The Board voted unanimously to retire the policy.

**Executive Committee**

The Board Chair reported that she and the Vice Chair had a teleconference to discuss the Board meeting agenda.

The Chair solicited a volunteer to serve as the Secretary. Mark Hugh was nominated and seconded. The Board voted unanimously to elect Mark as the new Secretary.

**Compliance Assurance Oversight Committee**

The Deputy Director reported that staff will begin requesting documentation from firms that receive a peer review rating of pass with a deficiency or fail on system reviews. The firm must submit the Matters for Further Consideration (MFC) and Findings for Further Consideration (FFC) reports for Board review to determine if the Board should take any disciplinary action.

**Legislative Review Committee**

The Board Chair advised that the committee had nothing to report.

**Request Review Committee**

Elizabeth Masnari reported:

**Firm Names:** Approved:

- NORTH KITSAP ACCOUNTING
- ACCOUNTABILITY RESOURCES SAN JUAN ISLAND LLC
- W&K CPA, LLP
- NORTH PACIFIC TAX & ACCOUNTING
Professional/Educational Organization – Recognition Requests

During the 2nd quarter of 2018, the Board did not receive any requests for recognition of an educational organization for purposes of obtaining list requests.

Domestic or Foreign Education Credential Evaluation Services – Applications

During the 2nd quarter of 2018, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

Late Fee Waiver Requests

Late Fee Waiver Requests were received between 05/01/2018 and 06/30/2018.

The Board received 3 late fee waiver requests, and all were approved.

State Ethics Compliance Committee

The Board Chair solicited a volunteer to serve as the Ethics Advisor.

Joel Cambern volunteered and was appointed as the new Ethics Advisor.

Qualifications Committee

The Board Chair solicited volunteers to serve as the committee chair and members.

Rajib Doogar volunteered and was appointed to serve as the committee chair. Elizabeth Masnari remained as a member on the committee, and Jackie Meucci volunteered and was appointed to serve on the committee.

Performance Review and Succession Committee

Joel Cambern reported that the Executive Director performance review was updated by narrowing down the evaluation. The review went out to Board Members, Board staff, and other stakeholders through Survey Monkey. He stated that the results were positive, and he looks forward to going over the results with the Executive Director soon.
The Board Chair solicited volunteers to serve as the committee chair and members.

Joel Cambern volunteered and was appointed to serve as the committee chair. Brian Thomas volunteered and was appointed to serve on the committee.

<table>
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<tr>
<th>Committee</th>
<th>Description</th>
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<tr>
<td><strong>Social Media Committee</strong></td>
<td>The Board Chair advised that the committee had nothing to report.</td>
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<tr>
<td><strong>WSCPA Education Fund Committee</strong></td>
<td>Elizabeth Masnari provided background information of the fund and its establishment for the new Board Members.</td>
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<td><strong>CPE Task Force</strong></td>
<td>Tom Neill and the Executive Director reported that the committee met to discuss revising the Board rules related to CPE due to UAA changes. The following items are being considered for changes:</td>
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<tr>
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<td>• Definition for nano-learning</td>
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<td>• CPE reciprocity</td>
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<td>• Annual CPE requirement of 20 hours</td>
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<td><strong>Executive Director’s Report</strong></td>
<td>The Executive Director provided reports on the CPE audit failure rates in response to concern from Board Members about the CPE Audit Report at the prior meeting. The reports compared the failure rate for individuals in the audit due to PLR in the prior reporting period vs. the random sample failure rate. The failure rate for PLR individuals is much higher and skews the overall failure rate. He also reported that changes to the random sample pull and CPE reporting requirements may be forthcoming.</td>
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<td><strong>Budget Status</strong></td>
<td>The Executive Director presented the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant’s Account Fund Balance, and the CPA Scholarship Transfer Account Fund Balance for transactions run through June 30, 2018.</td>
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<tr>
<td><strong>Legislative Efforts for 2019 – Discussion of Firm Licensing</strong></td>
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Page 5 of 7
The Executive Director led the discussion on possible changes to firm licensing requirements. The intended legislation will be by agency request and will require that only firms offering/performing attest and compilation services hold a CPA firm license.

The effect on revenue is expected to be minimal. The intended action demonstrates that the Board has taken a serious look at its regulations in the current atmosphere of deregulation.

Email Consent Agreement Voting Discussion

The Executive Director led the discussion on the current process of voting by email. No changes in the process are being implemented. Board staff will continue to send out the votes by email and will only bring specific cases to the next Board meeting if the Board Members have questions (which are not resolved). The Board Members would then be able to discuss the case prior to voting.

Dismissed Case Review – Report and Assignment of Board Member for August/September 2018

Mark Hugh reviewed the past quarter's dismissed cases.

Tom Neill will complete the dismissed case review for the next quarter.

Enforcement Report

Taylor Shahon provided the following report to the Board:

- Enforcement Report – Quarter Report (April 1, 2018 through June 30, 2018)

Taylor Shahon reported on enforcement activities for the second quarter 2018:

- Inclusion of Board Orders in the newsletter per Board Policy 2017-2
- Clarification that administrative sanctions guidelines are followed as outlined in Board Policy 2004-1

Public Input

No public input was received.

Executive and/or Closed Session with Legal Counsel

An executive session was held from 11:32 - 11:41 a.m. regarding litigation or potential litigation under RCW 42.30.110(1)(i).
A closed session was held from 11:42 - 11:53 a.m. regarding an adjudicative proceeding under chapter 34.05 RCW, which is not subject to the Open Public Meeting Act under RCW 42.30.140(3).

**Adjournment**
The Board meeting adjourned at 11:55 a.m.

_____________________________
Secretary

_____________________________
Chair

_____________________________
Vice-Chair

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Member

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Member
WASHINGTON STATE BOARD OF ACCOUNTANCY

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

Time and Place of Meeting
4:02 p.m. – 4:34 p.m. Wednesday, August 15, 2018
Washington State Board of Accountancy Office
Evergreen Plaza
711 Capitol Way South Suite 400
Olympia, Washington

Attendance
Board Members
Elizabeth D. Masnari, CPA, Vice Chair, Board Member
Mark Hugh, CPA, Secretary, Board Member
Thomas G. Neill, CPA, Board Member
Rajib Doogar, Public Member
Brian R. Thomas, CPA, Board Member

Staff and Advisors
Charles E. Satterlund, CPA, Executive Director
Jennifer Sciba, Deputy Director
Taylor Shahon, CPA, Lead Investigator
Kirsten Donovan, Board Clerk

Call to Order
Board Vice Chair, Elizabeth Masnari, called the special meeting of the Board to order at 4:02 p.m.

Board Members attended by teleconference.

The Board Vice Chair excused the absences of Karen Saunders, CPA, Board Member, Joel Cambern, Public Member, Jackie Meucci, CPA, Board Member, and Favian Valencia, Public Member.

Public Accountancy Act Review
The purpose of the proposed changes for all listed RCWs is to clarify and reduce the requirements for firm licensing. These changes will require firm licensing only for firms offering and/or providing attest and compilation services. Firms not providing these services will not be required to hold a firm license, but will have the option to obtain/maintain one if desired.

The proposed changes in the requirements will continue to uphold the Board’s mission of public protection, while simultaneously reducing the amount of regulation.

If the legislation is passed, some Board Rules will require revision to align with the RCW.
RCW 18.04.055 Board – Rules.

The Executive Director presented the draft of the law change and led the discussion on the proposed revisions.

The Board directed staff to file these changes as written for the 2019 legislative session.


The Executive Director presented the draft of the law change and led the discussion on the proposed revisions.

The Board directed staff to file these changes as written for the 2019 legislative session.


The Executive Director presented the draft of the law change and led the discussion on the proposed revisions.

The Board directed staff to file these changes as written for the 2019 legislative session.

RCW 18.04.345 Prohibited practices.

The Executive Director presented the draft of the law change and led the discussion on the proposed revisions.

The Board directed staff to file these changes as written for the 2019 legislative session.

Executive and/or Closed Session with Legal Counsel

No executive or closed sessions with legal counsel held.
Minutes, August 15, 2018, Special Board Meeting

Public Input
Washington Association of Accountants and Tax Preparers (WAATP) teleconference participants provided input in favor of the changes.

Adjournment
The Board meeting adjourned at 4:34 p.m.

______________________________
Secretary

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Chair

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Vice-Chair

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Member

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Member
WAC 4-30-010 Definitions. For purposes of these rules the following terms have the meanings indicated unless a different meaning is otherwise clearly provided in these rules:

"Act" means the Public Accountancy Act codified as chapter 18.04 RCW.

"Active individual participant" means an individual whose primary occupation is at the firm or affiliated entity's business. An individual whose primary source of income from the business entity is provided as a result of passive investment is not an active individual participant.

"Affiliated entity" means any entity, entities or persons that directly or indirectly through one or more relationships influences or controls, is influenced or controlled by, or is under common influence or control with other entities or persons. This definition includes, but is not limited to, parents, subsidiaries, investors or investees, coinvestors, dual employment or management in joint ventures or brother-sister entities.

"Applicant" means an individual who has applied:

(a) To take the national uniform CPA examination;
(b) For an initial individual license, an initial firm license, or initial registration as a resident nonlicensee owner;

(c) To renew an individual license, a CPA-Inactive certificate, a CPA firm license, or registration as a resident nonlicensee firm owner;

(d) To reinstate an individual license, a CPA-Inactive certificate, registration as a resident nonlicensee firm owner, or practice privileges.

"Attest" means providing the following services:

(a) Any audit or other engagement to be performed in accordance with the statements on auditing standards;

(b) Any review of a financial statement to be provided in accordance with the statements on standards for accounting and review services;

(c) Any engagement to be performed in accordance with the statements on standards for attestation engagements; and

(d) Any engagement to be performed in accordance with the public company accounting oversight board auditing standards.
"Audit," "review," and "compilation" are terms reserved for use by licensees, as defined in this section.

"Authorized person" means a person who is designated or has held out as the client's representative, such as a general partner, tax matters partner, majority shareholder, spouse, agent, or apparent agent.

"Board" means the board of accountancy created by RCW 18.04.035.

"Breach of fiduciary responsibilities/duties" means when a person who has a fiduciary responsibility or duty acts in a manner adverse or contrary to the interests of the person to whom they owe the fiduciary responsibility or duty. Such actions would include profiting from their relationship without the express informed consent of the beneficiary of the fiduciary relationship, or engaging in activities that represent a conflict of interest with the beneficiary of the fiduciary relationship.

"Certificate" means a certificate as a CPA-Inactive issued in the state of Washington prior to July 1, 2001, as authorized by the act, unless otherwise defined in rule.
"Certificate holder" means the holder of a valid CPA-Inactive certificate where the individual is not a licensee and is prohibited from practicing public accounting.

"Client" means the person or entity that retains a licensee, as defined in this section, a CPA-Inactive certificate holder, a nonlicensee firm owner of a licensed firm, or an entity affiliated with a licensed firm to perform professional services through other than an employer/employee relationship.

"Commissions and referral fees" are compensation arrangements where the primary contractual relationship for the product or service is not between the client and licensee, as defined in this section, CPA-Inactive certificate holder, nonlicensee firm owner of a licensed firm, or a person affiliated with a licensed firm; and

(a) Such persons are not primarily responsible to the client for the performance or reliability of the product or service; or

(b) Such persons add no significant value to the product or service; or

(c) A third party instead of the client pays the persons for the products or services.
"Compilation" means providing a service to be performed in accordance with statements on standards for accounting and review services that is presenting in the form of financial statements, information that is the representation of management (owners) without undertaking to express any assurance on the statements.

"Contingent fees" are fees established for the performance of any service pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service.

"CPA" or "certified public accountant" means an individual holding a license to practice public accounting under chapter 18.04 RCW or recognized by the board in the state of Washington, including an individual exercising practice privileges pursuant to RCW 18.04.350(2).

"CPA-Inactive" means an individual holding a CPA-Inactive certificate recognized in the state of Washington. An individual holding a CPA-Inactive certificate is prohibited from practicing public accounting and may only use the CPA-Inactive title if
they are not offering accounting, tax, tax consulting, management advisory, or similar services to the public.

"CPE" means continuing professional education.

"Fiduciary responsibility/duty" means a relationship wherein one person agrees to act solely in another person's interests. Persons having such a relationship are fiduciaries and the persons to whom they owe the responsibility are principals. A person acting in a fiduciary capacity is held to a high standard of honesty and disclosure in regard to a principal. Examples of fiduciary relationships include those between broker and client, trustee and beneficiary, executors or administrators and the heirs of a decedent's estate, and an officer or director and the owners of the entity.

"Firm" means a sole proprietorship, a corporation, or a partnership. "Firm" also means a limited liability company or partnership formed under chapters 25.15 and 18.100 RCW and a professional service corporation formed under chapters 23B.02 and 18.100 RCW.

"Firm mobility" means an out-of-state firm that is not licensed by the board and meets the requirements of RCW
18.04.195 (1)(a)(iii)(A) through (D) exercising practice privileges in this state.

"Generally accepted accounting principles" (GAAP) is an accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also detailed practices and procedures. Those conventions, rules, and procedures provide a standard by which to measure financial presentations.

"Generally accepted auditing standards" (GAAS) are guidelines and procedures, promulgated by the AICPA, for conducting individual audits of historical financial statements.

"Holding out" means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person that the person holds a license or practice privileges under the act and that the person offers to perform any professional services to the public. "Holding out" shall not affect or limit a person not required to hold a license under the act from engaging in practices identified in RCW 18.04.350.
"Inactive" means the individual held a valid certificate on June 30, 2001, has not met the current requirements of licensure and has been granted CPA-Inactive certificate holder status through the renewal process established by the board. A CPA-Inactive may not practice public accounting nor may the individual use the CPA-Inactive title if they are offering accounting, tax, tax consulting, management advisory, or similar services to the public.

"Individual" means a living, human being.

"Independence" means an absence of relationships that impair a licensee's impartiality and objectivity in rendering professional services for which a report expressing assurance is prescribed by professional standards.

"Interactive self-study program" means a CPE program that provides feedback throughout the course.

"IRS" means Internal Revenue Service.

"License" means a license to practice public accounting issued to an individual or a firm under the act or the act of another state.
"Licensee" means an individual or firm holding a valid license to practice public accounting issued under the act, including out-of-state individuals exercising practice privileges in this state under RCW 18.04.350(2) and out-of-state firms permitted to offer or render certain professional services in this state under the conditions prescribed in RCW 18.04.195 (1)(a) and (b).

"Manager" means a manager of a limited liability company licensed as a firm under the act.

"Nano learning" is a stand-alone continuing professional education (CPE) course that is a minimum of ten minutes (.2 CPE credit hours) consisting of electronic self-study with a stated learning objective and two final assessment questions.

"NASBA" means the National Association of State Boards of Accountancy.

"Nonlicensee firm owner" means an individual, not licensed in any state to practice public accounting, who holds an ownership interest in a firm permitted to practice public accounting in this state.

"PCAOB" means Public Company Accounting Oversight Board.
"Peer review" means a study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including the "quality assurance review" under this section.

"Person" means any individual, nongovernmental organization, or business entity regardless of legal form, including a sole proprietorship, firm, partnership, corporation, limited liability company, association, or not-for-profit organization, and including the sole proprietor, partners, members, and, as applied to corporations, the officers.

"Practice privileges" are the rights granted by chapter 18.04 RCW to a person who:

(a) Has a principal place of business outside of Washington state;

(b) Is licensed to practice public accounting in another substantially equivalent state;
(c) Meets the statutory criteria for the exercise of privileges as set forth in RCW 18.04.350(2) for individuals or RCW 18.04.195 (1)(b) for firms;

(d) Exercises the right to practice public accounting in this state individually or on behalf of a firm;

(e) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board in this state;

(f) Must comply with the act and all board rules applicable to Washington state licensees to retain the privilege; and

(g) Consents to the appointment of the issuing state board of another state as agent for the service of process in any action or proceeding by this state's board against the certificate holder or licensee.

"Principal place of business" means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

"Public practice" or the "practice of public accounting" means performing or offering to perform by a person or firm holding itself out to the public as a licensee, or as an
individual exercising practice privileges, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. The "practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.350(10) by persons or firms not required to be licensed under the act.

"Quality assurance review or QAR" is the process, established by and conducted at the direction of the board, to study, appraise, or review one or more aspects of the audit, compilation, review, and other professional services for which a report expressing assurance is prescribed by professional standards of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed.

"Reciprocity" means board recognition of licenses, permits, certificates or other public accounting credentials of another
jurisdiction that the board will rely upon in full or partial satisfaction of licensing requirements.

"Referral fees" see definition of "commissions and referral fees" in this section.

"Report," when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to and/or special competence of
the part of the person or firm issuing such language; and it
includes any other form of language that is conventionally
understood to imply such assurance and/or such special knowledge
or competence. "Report" does not include services referenced in
RCW 18.04.350 (10) or (11) provided by persons not holding a
license under this chapter as provided in RCW 18.04.350(14).

"Representing oneself" means having a license, practice
privilege, certificate or registration that entitles the holder
to use the title "CPA," "CPA-Inactive," or be a nonlicensee firm
owner.

"Rules of professional conduct" means rules adopted by the
board to govern the conduct of licensees, as defined in this
section, while representing themselves to others as licensees.
These rules also govern the conduct of CPA-Inactive certificate
holders, nonlicensee firm owners, and persons exercising
practice privileges pursuant to RCW 18.04.350(2).

"SEC" means the Securities and Exchange Commission.

"Sole proprietorship" means a legal form of organization
owned by one person meeting the requirements of RCW 18.04.195.
"State" includes the states and territories of the United States, including the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands at such time as the board determines that the Commonwealth of the Northern Mariana Islands is issuing licenses under the substantially equivalent standards of RCW 18.04.350 (2)(a).

"Statements on auditing standards (SAS)" are interpretations of the generally accepted auditing standards and are issued by the Auditing Standards Board of the AICPA. Licensees are required to adhere to these standards in the performance of audits of financial statements.

"Statements on standards for accounting and review services (SSARS)" are standards, promulgated by the AICPA, to give guidance to licensees who are associated with the financial statements of nonpublic companies and issue compilation or review reports.

"Statements on standards for attestation engagements (SSAE)" are guidelines, promulgated by the AICPA, for use by licensees in attesting to assertions involving matters other than
historical financial statements and for which no other standards exist.

WAC 4-30-132 Qualifying continuing professional education

What are the program standards for (CPE) activities?

(1) CPE activities are learning opportunities that contribute directly to an individual’s knowledge, ability, and/or competence to perform his or her professional responsibilities. CPE activities should:

(a) Address the individual’s current and future work environment, current knowledge and skills, and desired or needed knowledge and skills to meet future opportunities and/or professional responsibilities; and

(b) Maintain knowledge of current ethical and other regulatory requirements.

(2) An activity qualifies as acceptable CPE, under RCW 18.04.215, if it follows one of the following formats:

(a) **Nano learning format** – as defined in WAC 4-30-010. A nano learning course shall be considered a qualifying activity once a minimum of ten minutes (.2 credit hours) but less than fifty minutes (1.0 credit hours) has been completed; or

(b) **Formal learning format** – defined herein, as a formal activity of learning that is:
Qualifying program: A program qualifies as acceptable CPE for purposes of RCW 18.04.215(5) if it is a formal program of learning which contributes to the CPA's professional knowledge and competence. A formal program means:

- The program is at least fifty minutes in length with participants signing in to record attendance;
- Attendance is recorded;
- Participants sign in to confirm attendance and, if the program exceeds four credit hours, participants must also sign out during the last hour of the program; and
- Attendees are provided a certificate of completion.

(23) Formal learning formats can include:

- Professional, technical, or education sessions of national, state, and local organizations and their chapters;
- Programs of other organizations (accounting, industrial, professional, etc.);
- Formal employer education programs;
- Dinner, luncheon, and breakfast meetings which are structured as formal education programs;
(e) Undergraduate and graduate courses taken after initial licensure: A graduate or undergraduate course qualifies for CPE credit if it meets the standards in subsections (1) and (5) of this section. For both undergraduate and graduate courses one quarter credit equals 10 CPE credit hours and one semester credit equals 15 CPE credit hours.

(f) Interactive and non-interactive self-study programs;

(g) Instructor/developer of a college or university course;

(h) Instructor/developer of a CPE course;

(i) Authorship of published articles, books, and other publications relevant to maintaining or improving professional competence;

(j) Group study;

(3) Committee meetings: Generally, CPE credit is not allowed for attending committee meetings. A meeting qualifies for CPE credit only if it meets the standards in subsections (1) and (5) of this section.

(4) CPE credit hours for volunteer service on the Washington state board of accountancy, and its the board’s
committees, and or volunteer service on one of the board approved peer review committees;

You may receive up to sixty-four hours of technical CPE credit each calendar year for actual time spent on board, board committee, or board approved peer review committee activities including actual time you spend preparing for committee meetings.

(1) CPE credit may not be claimed for CPA examination review courses; and

(m) You may not claim CPE credit for preparing for or taking a credential examination unless you complete a formal review course and receive a certificate of completion meeting the requirements of WAC 4-30-138.

(4) Formats other than those listed may be approved by the executive director provided you can demonstrate they contribute to your professional competence.

(5) Subject areas: Programs dealing with activities relating to the following general subject areas are acceptable for all formats so long as they meet provided they follow the standards in subsection (1) of this section:
(a) **Technical subjects include:**

(i) Auditing standards or procedures;

(ii) Compilation and review of financial statements;

(iii) Financial statement preparation and disclosures;

(iv) Attestation standards and procedures;

(v) Projection and forecast standards or procedures;

(vi) Accounting and auditing;

(vii) Management advisory services;

(viii) Personal financial planning;

(ix) Taxation;

(x) Management information services;

(xi) Budgeting and cost analysis;

(xii) Asset management;

(xiii) Professional ethics (other than those programs used to satisfy the requirements of WAC 4-20-131(3));

(xiv) Specialized areas of industry;

(xv) Human resource management;

(xvi) Economics;

(xvii) Business law;
(xviii) Mathematics, statistics, and quantitative applications in business;

(xix) Business management and organization;

(xx) General computer skills, computer software training, information technology planning and management; and

(xxi) Negotiation or dispute resolution courses;

(b) **Nontechnical subjects include:**

(i) Communication skills;

(ii) Interpersonal management skills;

(iii) Leadership and personal development skills;

(iv) Client and public relations;

(v) Practice development;

(vi) Motivational and behavioral courses; and

(vii) Speed reading and memory building.

(6) Subjects other than those listed above may be acceptable provided you can demonstrate they contribute to your professional competence. You are solely responsible for demonstrating that a particular program contributes to your professional competency.

(7) Washington state board approved ethics
Courses must meet the following requirements:

(a) The content of the course must be specific to the laws and rules applicable to the regulatory framework in Washington state including the administrative requirements for an individual's initial and continued use of restricted titles in this state;

(b) All CPE authors must submit course materials for this course to the executive director of the board for approval prior to delivery of the content for credit;

(c) The ethics and regulations course materials must cover all of the following topics, and instructors of approved courses must substantially address these topics in their presentations:

(i) General level information on the AICPA Code of Conduct.

(ii) General level information on the Public Accountancy Act, the board’s rules, policies, including recent or pending changes therein, and the rule-making process.

(iii) Emphasis must be placed on key differences between Washington state law (chapter 18.04 RCW), this board’s rules (Title 4 WAC), and the AICPA Code of Conduct.

(iv) Detailed information on the following:
(A) WAC 4-30-026 How can I contact the board?

(B) WAC 4-30-032 Do I need to notify the board if I change my address?

(C) WAC 4-30-034 Must I respond to inquiries from the board?

(D) WAC 4-30-040 through 4-30-058 Ethics and prohibited practices, including related board policies, if any.

(E) WAC 4-30-130 Series—Continuing competency, including related board policies, if any.

(F) WAC 4-30-142 What are the bases for the board to impose discipline?

(G) Other topics or information as defined by board policy;

(d) The course must also include case study scenarios demonstrating how to comply with the relevant provisions of the AICPA Code of Conduct and the board's statutory or regulatory framework when faced with ethical situations that might occur when offering or performing a specific type of professional service in the practice of public accounting or as a professionally regulated person not in the practice of public accounting; and
(e) At least sixty percent of the course material content, presentation time, and commentary must include general level information on the Public Accountancy Act, the board's rules and policies, including recent or pending changes thereto, variances of key differences between Washington state law (chapter 18.04 RCW), the board's rules (Title 4 WAC), and the AICPA Code of Conduct, and scenarios demonstrating the different compliance outcomes that might result because the board's rules prevail when the board's rules vary from the AICPA Code of Professional Conduct and/or related official AICPA interpretations.

Limits on total hours that can be earned during any single renewal cycle for specified formats are detailed in WAC 4-30-133.

Group programs: You may claim CPE credit for group programs such as the following so long as the program meets the standards in subsections (1) and (5) of this section:

(a) Professional education and development programs of national, state, and local accounting organizations;

(b) Technical sessions at meetings of national, state, and local accounting organizations and their chapters;
(c) Formal in-firm education programs;

(d) Programs of other organizations (accounting, industrial, professional, etc.);

(e) Dinner, luncheon, and breakfast meetings which are structured as formal educational programs;

(f) Firm meetings for staff and/or management groups structured as formal education programs. Portions of such meetings devoted to communication and application of general professional policy or procedure may qualify, but portions devoted to firm administrative, financial and operating matters generally will not qualify.

(7) CPE credit: CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW. Credit is not allowed for programs taken to prepare an applicant for the ethics examination as a requirement for initial licensure. CPE credit is given in half-hour increments only after the first full CPE credit hour has been earned. A minimum of fifty minutes constitutes one CPE credit hour and,
after the first fifty-minute segment has been earned, twenty-five minutes constitutes one-half CPE credit hour. For example:

- Twenty-five minutes of continuous instruction counts as zero CPE credit hour if that instruction is the first CPE course taken;
- Fifty minutes of continuous instruction counts as one CPE credit hour; and
- Seventy-five minutes of continuous instruction counts as one and one-half CPE credit hours.

Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time unless the attendee is the discussion leader for the particular CPE segment or program.

(a) Self-study programs: Credit for self-study programs is allowed for reporting purposes on the date you completed the program as established by the evidence of completion provided by the program sponsor.

(b) Interactive self-study programs: Interactive means electronic or other delivery formats for delivery of CPE in which feedback is provided during the study of the material in a
manner to validate the individual's understanding of the material. The amount of credit allowed for interactive self-study is that which is recommended by the program sponsor on the basis of the average completion time under appropriate "field tests." In order to claim CPE credit for interactive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor. Self-study CPE courses registered with the National Association of State Boards of Accountancy (NASBA) as a Quality Assurance Service (QAS) sponsor may be accepted as interactive.

(b) Noninteractive self-study programs: The amount of credit allowed for noninteractive self-study is one-half the average completion time as determined by the program sponsor on the basis of appropriate "field tests." To claim CPE credit for noninteractive self-study programs, you must obtain evidence of satisfactory completion of the course from the program sponsor.

(c) Instructor, discussion leader, or speaker: If you serve as an instructor, discussion leader or speaker at a program which meets the standards in subsections (1) and (5) of this section, the first time you present the program you may claim
CPE credit for both preparation and presentation time. One hour of credit is allowed for each fifty minutes of instruction. Additionally, you may claim credit for actual preparation time up to two times the presentation hours. No credit is allowed for subsequent presentations. A maximum of seventy-two CPE credit hours are allowed for preparation and presentation during each CPE reporting period.

(10) **Published articles, books:** You may claim CPE credit for published articles and books, provided they contribute to your professional competence. Credit for preparation of such publications may be claimed on a self-declaration basis for up to thirty hours in a CPE reporting period. In exceptional circumstances, you may request additional credit by submitting the article(s) or book(s) to the board with an explanation of the circumstances that justify a greater credit. The amount of credit awarded for a given publication will be determined by the board.

(11) **Carry-forward:** CPE credit hours you complete during one CPE reporting period cannot be carried forward to the next period.

Commented [DK(18): Moved up in this section and to new WAC 4-30-133

Commented [DK(19): Moved to new WAC 4-30-133
Carry-back: As specified in WAC 4-30-134(8), CPE credit hours you complete during one CPE reporting period can be carried back to the previous reporting period only after the board has approved your extension request or has required the carry-back as part of sanctions for failure to complete required CPE.

Credential examination: CPE credit may not be claimed for CPA examination review courses. You may not claim CPE credit for preparing for or taking a credential examination unless you complete a formal review course and receive a certificate of completion meeting the requirements of WAC 4-30-138. CPE credit may not be claimed for CPA examination review courses.

[Statutory Authority: RCW 18.04.055(7) and 18.04.215(5). WSR 12-17-053, § 4-30-132, filed 8/10/12, effective 9/10/12. WSR 10-24-009, amended and recodified as § 4-30-132, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. WSR 09-17-044, § 4-25-831, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 05-01-137, § 4-25-831, filed 12/16/04, effective 1/31/05; WSR 01-22-036, § 4-25-831, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.105(8). WSR 99-23-046, § 4-25-831, filed 11/15/99, effective 1/1/00.]
WAC 4-30-133 Reporting periods, carry forward/back, and limitations on continuing professional education (CPE) credit

(1) CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31 of the subsequent third calendar year.

(2) CPE credit is given in half-hour increments only after the first full CPE credit hour has been earned except for Nano learning.

A minimum of fifty minutes constitutes one CPE credit hour and after the first fifty-minute segment has been earned, twenty-five minutes constitutes one-half CPE credit hour.

(3) Carry-forward: CPE credit hours you complete during one CPE reporting period cannot be carried forward to the next period.

(4) Carry-back: As specified in WAC 4-30-134, CPE credit hours you complete during one CPE reporting period cannot be carried back to the previous reporting period unless the board has approved a request for extension or has required the carry-back as part of sanctions for failure to complete required CPE.

(5) Preparation time for CPE attendance: Attendees obtain CPE credit only for time spent in instruction; no credit is allowed for preparation time unless the attendee is the discussion leader for the particular CPE segment or program.

(6) Limitations on CPE Credit: In any given three year renewal cycle, licensees are limited to the following upper limits of CPE credit for the following formats:

a) Nano learning, as defined in WAC 4-30-010, is limited to no more than 12 CPE credit hours out of the 120 CPE credit total as specified in WAC 4-30-134.
b) No more than 60 hours of CPE can be awarded to any licensee during the three year reporting period for:
   i. Service on the Washington state board of accountancy or the board’s committees or volunteer service on one of the board approved committees
   ii. First time instructor/developer of a college or university course
   iii. First time instructor/developer of a CPE course
   iv. Authorship of published articles, books, and other publications relevant to maintaining or improving professional competence

c) Board service including participation on an approved peer review committee, first time instructor/developer, or authorship of published materials will not count towards the minimum twenty credit hours of CPE required per WAC 4-30-134 during each of the three years of the CPE reporting period.

(7) Further Requirements and Clarifications:
   a) Self-study programs: Credit for self-study programs is allowed for reporting purposes on the date you completed the program as established by the course completion certificate provided by the program sponsor.
      i) Interactive self-study programs: Interactive means electronic or other delivery formats of CPE in which feedback is provided during the study of the material in a manner to validate the individual's understanding of the material. The amount of credit allowed for interactive self-study is that which is recommended and documented by the program sponsor on the basis of the average completion time under appropriate "field tests."
      ii) Non-interactive self-study programs: The amount of credit allowed for non-interactive self-study is one-half the average completion time as determined and documented by the program sponsor on the basis of appropriate "field tests."

   b) Instructor, discussion leader, or speaker: If you serve as an instructor, discussion leader, or speaker at a program which meets the standards of WAC 4-30-132, the first time you present the program you
may claim CPE credit hours for both preparation and presentation time. One hour of credit is allowed for each fifty minutes of instruction. Additionally, you may claim credit for actual preparation time up to two times the presentation hours. No credit is allowed for subsequent presentations of a course constituted of substantially the same material.

c) **Undergraduate and graduate courses**: For both undergraduate and graduate courses one semester credit equals 15 CPE credit hours and one quarter credit equals 10 CPE credit hours.
WAC 4-30-134  What are the continuing professional education (CPE) requirements for individuals?  

(1) Qualifying continuing professional education (CPE) must:

(a) Contribute to the professional competency in the individual's area(s) of professional practice or relative to the individual's current workplace job functions;

(b) Maintain knowledge of current ethical and other regulatory requirements; and

(c) Be completed by individuals during any board specified CPE reporting period. A CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31st of the subsequent third calendar year; for example, if your license was issued any time during calendar year one (2013), the CPE reporting period ends on December 31st of calendar year three (2015).

(2) General CPE requirements for renewal of valid credentials:
(a) CPE requirements for renewal are pursuant to RCW 18.04.215(5).

(b) An individual seeking renewal shall assert in a manner acceptable to the board that they met all of the CPE requirements for renewal during their CPE reporting period ending December 31 of the year prior to their license expiration date.

(c) CPA licensee

(i) must complete Completion of a minimum total of 120 one hundred twenty CPE credit hours within the three-year CPE reporting period, including

(ii) Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132; CPE credit hours in ethics meeting the requirements of subsection (6) of this section. The total 120 CPE hour requirement is limited to

(iii) Completion of a minimum of twenty CPE credit hours during each calendar year included in the three-year CPE reporting period. Restrictions on the type of CPE credit hours
qualifying to meet the twenty credit hour minimum are specified in WAC 4-30-133; and

(iv) Completion of no more than 24 sixty CPE credit hours in nontechnical subject areas as specified in WAC 4-30-132.

Exception: If the licensee qualifies for CPE reciprocity, see the CPE requirements under the provisions of WAC 4-30-134(7).

(db) A CPA-Inactive certificate holder or a resident nonlicensee firm owner must complete a four CPE credit hours Washington state board approved ethics course meeting the requirements of WAC 4-30-132. in ethics meeting the requirements of subsection (6) of this section.

(c) Individuals eligible to exercise practice privileges are exempt from the CPE requirements of this section.

(2) First renewal cycle Exceptions to the general CPE requirements:

(a) After license issuance:
(i) CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW.

(ii) Credit is not allowed for programs taken to prepare an applicant for the CPA examination or the AICPA ethics examination as a requirement for initial licensure.

(b) CPE requirements for the initial CPE renewal period:

(i) After conversion of a CPA-Inactive certificate to a Washington state CPA license:

(ii) If your license was issued during the first calendar year of your CPE reporting period, you must have completed 80 eighty CPE credit hours which is limited to 16 sixteen CPE credit hours in nontechnical subject areas and must include a four CPE credit hour Washington state board approved ethics course in ethics meeting the requirements of WAC 4-30-132, subsection (6) of this section prior to December 31st of the calendar year following the calendar year in which your license was initially issued.

(iii) If your license was issued during the second calendar year of your CPE reporting period, you must have completed 40
forty CPE credit hours which is limited to eight CPE credit hours in nontechnical subject areas and must include four CPE credit hours Washington state board approved in ethics course meeting the requirements of subsection (6) of this sectionWAC 4-30-132.

(iii) If your license was issued during the third calendar year of your CPE reporting period, you must have completed four CPE credit hours Washington state board approved in ethics course meeting the requirements of WAC 4-30-132subsection (6) of this section.

(3) Extension requests for renewal

(a) If an individual has failed to complete the required CPE as defined in WAC 4-30-134 by December 31 of the last year of their three-year CPE reporting period, the individual must notify the board prior to their expiration date to request an extension of time to complete their CPE requirement by their expiration date.

(b) Credits earned during the interim period between January 1 and June 30 of the individual’s renewal year that are used to meet the prior reporting period’s CPE requirement will be
carried back to the CPE reporting period ended December 31. These credits cannot be counted towards the requirement for the individual’s current CPE reporting period.

(c) An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six year period).

(4) Failure to obtain required CPE for renewal

Under the following circumstances an individual will lapse effective July 1 and will need to apply for reinstatement:

(a) An individual who failed to obtain the required CPE credit hours by December 31 of the last year of their CPE reporting period and failed to request an extension by their expiration date;

(b) An individual who failed to obtain the required CPE credit hours by December 31 for the second time in any two consecutive CPE reporting periods; or

(c) An individual who failed to obtain the necessary CPE credit hours by June 30 of their renewal year after submitting an extension request.

(54) Applications other than renewal
(a) For the following circumstances, you must have completed the requirements of subsection (2)(a) of this section within the thirty-six-month period immediately preceding the date an application is submitted to the board; however, the completion of a four CPE credit Washington state board approved ethics course meeting the requirements of subsection (6) of this section must be completed within the six-month period immediately preceding the date your application and the CPE documentation are submitted to the board:

(i) You are applying to reactivate or renew a license out of retirement; or

(ii) You are a CPA-Inactive certificate holder applying for a license; or

(iii) You want to return to your previously held status as a license; or

(iv) You are applying for reinstatement of a lapsed, suspended, or revoked license.

(b) For the following circumstances, you must have completed the four CPE credit Washington state board approved ethics course meeting the requirements of...
subsection (6) of this section within the six-month period immediately preceding the date your application and the CPE documentation is are submitted to the board:

(i) You are applying to reactivate renew a CPA-Inactive certificate out of retirement;

(ii) You are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate;

(iii) You are applying to reinstate a lapsed, suspended, or revoked registration as a resident nonlicensee firm owner.

(6) Individuals operating under mobility

Licensees from other substantially equivalent US states or jurisdictions, eligible to exercise practice privileges under RCW 18.04.195, are exempt from the CPE requirements of this section provided that they have met the CPE requirements of the state in which they are licensed.

(7) CPE Reciprocity

(a) A nonresident licensee seeking renewal of a license in this state shall be determined to have met the CPE requirements of this rule by meeting the CPE requirements for renewal of a
license in a US state or jurisdiction in which the licensee’s principle place of business is located.

(b) Nonresident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the US state or jurisdiction in which the licensee’s principle place of business is located by signing a statement on the renewal application of this state.

(c) If the US state or jurisdiction of residence has no CPE requirements for renewal, the nonresident licensee must comply with all CPE requirements for this state.

(6) CPE in ethics and regulation:

(a) During each CPE reporting period after initial licensing all individuals licensed in this state, including nonresident and individuals from foreign countries who received initial Washington state licenses by reciprocity, CPA-Inactive certificate holders, and individuals initially recognized as resident nonlicensee firm owners are required to complete four qualifying CPE credit hours in approved ethics and regulations in Washington state.
(b) The content of the course must be specific to the laws and rules applicable to the regulatory framework in Washington state including the administrative requirements for an individual's initial and continued use of restricted titles in this state.

(c) All CPE authors must submit course materials for this course to the executive director of the board for approval prior to delivery of the content for credit.

(d) The ethics and regulations course materials must cover all of the following topics, and instructors of approved courses must substantially address these topics in their presentations:

(i) General level information on the AICPA Code of Conduct.

(ii) General level information on the Public Accountancy Act, the board's rules, policies, including recent or pending changes therein, and the rule-making process.

(iii) Emphasis must be placed on key differences between Washington state law (chapter 18.04 RCW), this board's rules (Title 4 WAC), and the AICPA Code of Conduct.

(iv) Detailed information on the following:

(A) WAC 4-30-026 How can I contact the board?
(B) WAC 4-30-032 Do I need to notify the board if I change my address?

(C) WAC 4-30-034 Must I respond to inquiries from the board?

(D) WAC 4-30-040 through 4-30-058 Ethics and prohibited practices, including related board policies, if any.

(E) WAC 4-30-130 Series—Continuing competency, including related board policies, if any.

(F) WAC 4-30-142 What are the bases for the board to impose discipline?

(G) Other topics or information as defined by board policy.

(e) The course must also include case study scenarios demonstrating how to comply with the relevant provisions of the AICPA Code of Conduct and the board's statutory or regulatory framework when faced with ethical situations that might occur when offering or performing a specific type of professional service in the practice of public accounting or as a professionally regulated person not in the practice of public accounting.

(f) At least sixty percent of the course material content, presentation time, and commentary must include general level
information on the Public Accountancy Act, the board's rules and policies, including recent or pending changes thereto, variances of key differences between Washington state law (chapter 18.04 RCW), the board's rules (Title 4 WAC), and the AICPA Code of Conduct, and scenarios demonstrating the different compliance outcomes that might result because the board's rules prevail when the board's rules vary from the AICPA Code of Professional Conduct and/or related official AICPA interpretations.

(7) CPE extension requests:

(a) In order to renew your license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner, you must complete the required CPE by December 31st of the calendar year preceding the calendar year of your renewal unless you can demonstrate your failure to meet the CPE requirements was due to reasonable cause.

(b) The board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment. You must request such an extension in writing by December 31st of the calendar year preceding the
calendar year of your renewal. The request must include justification for the request and identify the specific CPE you plan to obtain to correct your CPE deficiency.

(c) A form useful for this purpose is available from the board's web site or will be provided to you upon request.

Self-reported deficiencies:

(a) If you fail to file a timely request for extension but you self-report a CPE deficiency to the board during the renewal period January 1st through June 30th of the renewal year, you will be permitted to continue to use the restricted title during the renewal period provided you:

(i) Submit to the board, in writing, the specific CPE plan to obtain to correct the CPE deficiency on or before June 30th of the renewal year;

(ii) Timely complete the CPE sufficient to correct the deficiency;

(iii) Timely submit certificates of completion for the subject CPE taken to the board; and

(iv) Pay the fee for reinstatement of a lapsed credential on or before June 30th of the renewal year.
(b) CPE deficiencies taken by June 30th of the renewal year under this subsection will be carried back to the reporting period ending on December 31st of the preceding calendar year and be subject to CPE audit in the next renewal period to ensure that inadvertent double counting does not occur.

WAC 4-30-136 How do I reporting my continuing professional education (CPE) to the board? In order to apply for renewal of your license, certificate, or registration as a resident non-licensee firm owner, you must satisfy the board's CPE and supporting documentation requirements.

The reporting of compliance with CPE requirements is concurrent with filing your renewal application. When you complete your application for renewal, you are required to certify that you complied with the board's CPE requirements as defined in WAC 4-30-134 and supporting documentation requirements as defined in WAC 4-30-138.

The board may verify through audits, on a test basis, compliance with CPE and supporting documentation requirements as certified during the renewal application process. As part of this audit the board may require additional information to demonstrate your compliance with the board's rules.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 10-24-009, amended and recodified as § 4-30-136, filed 11/18/10, effective 12/19/10; WSR 01-22-036, § 4-25-832, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and
18.04.105(8). WSR 99-23-047, § 4-25-832, filed 11/15/99, effective 1/1/00.]
WAC 4-30-138  What documentation requirements must I retain to support my eligibility for CPE credits?  

(1) For each program for which you claim CPE credit you must retain documentation to support all of the following required information:

(a) Program sponsor;

(b) Title of program or description of content;

(c) Date(s) attended;

(d) Number of CPE credit hour(s);

(e) Attendee name; and

(f) Acceptable evidence of completion.

(2) Acceptable evidence supporting the requirements of subsection (1) of this section includes:

(a) For group programs, a certificate of course completion, or other acceptable verification as defined by board policy, that is supplied by the program sponsor;

(b) For self-study programs, a certificate of course completion supplied by the program sponsor after satisfactory completion of a workbook or examination;
(c) For a university or college course taken after initial licensure, a record of the grade you received transcript indicating the completion of the course;

(d) For instruction credit, evidence obtained from the program sponsor of your having been the instructor or discussion leader at the program; or

(e) For published articles or books, evidence of publication.

(3) You are responsible for documenting your entitlement to the CPE credit you claim on your renewal form.

(4) You must retain the supporting documentation for CPE credit claimed for three years after the end of the CPE reporting period in which the credit was claimed.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5). WSR 10-24-009, recodified as § 4-30-138, filed 11/18/10, effective 12/19/10; WSR 01-22-036, § 4-25-833, filed 10/30/01, effective 12/1/01. Statutory Authority: RCW 18.04.055 and 18.04.105(8). WSR 99-23-048, § 4-25-833, filed 11/15/99, effective 1/1/00.]
## 1650 - State Board of Accountancy

### Allotment Expenditure/Revenue BTD Flexible

**Report Number:** AEF04  
**Biennium:** 2019  
**As of Fiscal Month:** Sep FY2  
**Date Run:** Sep 30, 2018 9:52AM  
**Transactions Through:** Sep 28, 2018 8:00PM

**Account:** 02J  
**Revenue Content:** Cash, Accr(all)

- **Allotment Content:** Approved & Adjusted  
- **Estimated Revenue Content:** Approved & Adjusted  
- **Expenditure Content:** Cash, Accr(all)

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

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**By Account/Expenditure Authority**

- **02J - Certified Public Accountants' Acct**
  - **030 - Salaries and Expenses**

**Total for Agency**

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<td>1,569,445.90</td>
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</tbody>
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**By Object**

- **A - Salaries and Wages**
- **B - Employee Benefits**
- **C - Professional Service Contracts**
- **E - Goods and Services**
- **G - Travel**
- **J - Capital Outlays**

**Total for Agency**

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<th>BTD</th>
<th>BTD</th>
<th>BTD</th>
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<tr>
<td>1,917,502</td>
<td>1,542,438.10</td>
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<td>374,947.90</td>
<td>1,569,445.90</td>
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**By Object**
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<td>Roll-Up Fund:</td>
<td>CENTRAL ADMIN AND REGULATORY FUND (FBD)</td>
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<td>DOT Fund:</td>
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Balance As Of: 9/30/2018
Book Balance: 3,423,185.91
Outstanding Warrants: 2,020.71
Cash Balance: 3,425,206.62

Show Balances As Of: 09/30/2018

[Image of the table]
**Fund**

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<tr>
<td>Outstanding Warrants:</td>
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<td>Cash Balance:</td>
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<td>DOT Fund:</td>
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[Print]
Attributes Sampling Plan for CPE Audit of non-PLR Renewals

Discussion
Audits to gauge compliance with Continuing Professional Education requirements as enumerated in WAC 4-30-132 and WAC 4-30-134 are undertaken by Board staff as a part of the agency ongoing public protection mission.

We are evaluating changes in the manner in which CPE will be reported by licensees upon renewal of a CPA credential, but these are predicated on improved technology which remains in development.

Population
The population from which our selection will be made is composed of all licensed CPAs, non-licensed firm owners (NLFOs), and CPA Inactive Certificateholders (CPA Inactives) who have not requested a Pre-lapsed Reinstatement (PLR) or extension request during the previous three year CPE reporting cycle, or are otherwise included in a mandatory audit because of a disciplinary issue. Individuals in this population are designated as “clean renewals” or general population (Z) in the CPE Audit module of the Board’s licensing system.

It should be noted that CPA Inactives and NLFOs represent only a small fraction of the total individuals constituting the population of renewals noted above. Since we are attempting to gauge overall compliance, we will include both in the general population of our sample even though the compliance requirements differ from those holding a CPA license.

In the current renewal cycle ended June 30, 2018, there were 5810 clean renewals.
Sampling Unit

Individual licensees, NLFOs, or CPA Inactives who compose the population defined above constitute the individual sampling units that will be chosen at random.

Nature of Errors to be Identified

The sample will be tested for compliance with the Continuing Education Requirements (CPE) as defined in WAC 4-30-132 and WAC 4-30-134. CPA licensees will be tested for completion of 120 total CPE credits including completion of the four hours of Board approved Washington State Ethics for CPAs. CPA Inactives and NLFO’s are tested for completion of the four hours of Board approved Washington State Ethics for CPAs.

This audit process includes review of verifying documentation for authenticity, relevancy, and timeframes of completion within the reporting period. Even though the audit process is somewhat complex the results are binary in that the individual credential holder is determined to be either compliant or non-compliant. Overall compliance is reported as a percent of the total.

Method of Selection

Random samples are generated from the Board licensing system audit module. Procedures for selecting the sample are provided on the attached document.

Sampling Risk

We believe that the underlying risk of non-compliance in the population of clean renewals is less than 5%. This is based on an analysis of our previous audit results disaggregated to remove mandatory audit selectees.
We believe that a 90% confidence level with a precision of +- 3% in our audit will be acceptable for our purposes to gauge the overall compliance level.

Sample Size

Given the parameter state above an audit table giving sample sizes for attribute sampling designed for an expected error rate of not more than 5% and a confidence level of 90% indicates that a sample size of 125 will provide the desired +- 2.5% precision.

see particularly slides 20/21 and 34

<table>
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<th><strong>Our scenario</strong></th>
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<tr>
<td>N</td>
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<tr>
<td>p</td>
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<tr>
<td>tolerable</td>
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<tr>
<td>beta</td>
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<tr>
<td>alpha</td>
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<tr>
<td>P</td>
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<tr>
<td>C</td>
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n 124.8205 Sample size
## Quality Assurance Review Results

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<th>Year</th>
<th>Peer Review</th>
<th>Enforcement</th>
<th>Scope Exemption</th>
<th>Limited Scope Exemption</th>
<th>Total Participation</th>
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<td></td>
<td>Pass</td>
<td>Pass W/ Deficiencies</td>
<td>Fail</td>
<td>Peer Review Extension Request</td>
<td>Sub Total</td>
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<td>2018</td>
<td>226</td>
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Elizabeth Masnari, CPA, Chair

During the third quarter 2018, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

Firm Names: Approved:

DRAGONFLY 360, INC
PETE RSON NW CPA INC
MAKING CENTS, INC
TWH CPA LLC
VEGA TAX SERVICES
ACCOUNTOLOGY PLLC
BERUSH CPA, PS
SOUND PAYROLL LLC

Professional/Educational Organization – Recognition Requests – During the 3rd quarter in 2018, the Board received and approved one request for recognition of an educational organization for purposes of obtaining list requests.

- American Center for Continuing Professional Education Inc.

Domestic or International Education Credential Evaluation Services – During the 3rd quarter in 2018, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.
September 27, 2018

As the Ethics Advisor of the Board’s State Ethics Compliance Committee, I have reviewed the 2018 State Ethics Compliance Checklists completed by each staff member of the Board regarding activities that are prohibited or require pre-approval from the Executive Director or the Ethics Advisor. No matters were reported that require further attention or action.

Joel Cambern
Ethics Advisor / Board Member
Projected Fund Balance
Washington State Certified Public Accounting Scholarship Program
For the Year Ending September 30, 2019

Beginning Fund Balance (as of July 31, 2018) $ 3,215,086

Revenues:
Passive Earnings from Investments (Assumes a 3% return) $ 96,453

Expenditures:
WBOA Certified Public Accounting Scholarships
(50 $5,000 scholarships will be awarded) $ (250,000)
(20 $8,000 masters scholarships will be awarded) $ (160,000)

Projected Fund Balance For the Year Ended 9/30/2019 $ 2,901,539

Washington Society of CPAs (WSCPA) Annual Administration Fee**
to be reimbursed by the Washington State Board of Accountancy Annually $ 25,000

**Annual WSCPA Estimated Expense to Administer WACPA Scholarship Program $ 28,836
## Program Employee Expenses

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<td>32</td>
<td>103</td>
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*** This table shows the number of hours worked per position and totals those hours in terms of dollars.

## Program Marketing Expenses

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<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$1,300</td>
</tr>
<tr>
<td>Promotional Materials</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$5,550</td>
</tr>
<tr>
<td>Scholarship Networking Event</td>
<td>$1,300</td>
<td>$1,300</td>
<td>$1,300</td>
<td>$1,300</td>
<td>$1,300</td>
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<td>$1,300</td>
<td>$1,300</td>
<td>$1,300</td>
<td>$1,300</td>
<td>$1,300</td>
<td>$5,550</td>
</tr>
<tr>
<td>Gift cards and Prizes</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$200</td>
<td>$700</td>
<td>$1,000</td>
<td>$200</td>
<td>$100</td>
<td>$100</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$28,836</td>
</tr>
</tbody>
</table>

Total Estimated Program Expenses: $28,836
# Board of Accountancy
## Washington State
### Enforcement Report

#### Quarterly Report (Jul 01, 2018 through Sep 30, 2018)

<table>
<thead>
<tr>
<th>Complaint Workload</th>
<th>Received in Previous Period</th>
<th>Received in Report Period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints Open</td>
<td>18</td>
<td>16</td>
<td>34</td>
</tr>
<tr>
<td>Closed with No Action</td>
<td>(7)</td>
<td>(4)</td>
<td>(11)</td>
</tr>
<tr>
<td>Closed with Action Taken</td>
<td>(3)</td>
<td>(3)</td>
<td>(6)</td>
</tr>
<tr>
<td>Complaints at End of Period</td>
<td>8</td>
<td>9</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Details of Complaint Closures</th>
<th>Administrative</th>
<th>Public Harm</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed Disposition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Action Taken</td>
<td>0</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Revocation, Suspension, Restriction</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Fines, costs, and other sanctions</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Remedial Resolution (Policy 2004-1)</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Total Closed</td>
<td>3</td>
<td>14</td>
<td>17</td>
</tr>
</tbody>
</table>

#### Twelve-Month Lookback (Oct 01, 2017 through Sep 30, 2018)

<table>
<thead>
<tr>
<th>Complaint Workload</th>
<th>Received in Previous Period</th>
<th>Received in Report Period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints Open</td>
<td>20</td>
<td>72</td>
<td>92</td>
</tr>
<tr>
<td>Closed with No Action</td>
<td>(15)</td>
<td>(32)</td>
<td>(47)</td>
</tr>
<tr>
<td>Closed with Action Taken</td>
<td>(5)</td>
<td>(23)</td>
<td>(28)</td>
</tr>
<tr>
<td>Complaints at End of Period</td>
<td>0</td>
<td>17</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Details of Complaint Closures</th>
<th>Administrative</th>
<th>Public Harm</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed Disposition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Action Taken</td>
<td>1</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Revocation, Suspension, Restriction</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Fines, costs, and other sanctions</td>
<td>1</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Remedial Resolution (Policy 2004-1)</td>
<td>15</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Total Closed</td>
<td>19</td>
<td>56</td>
<td>75</td>
</tr>
</tbody>
</table>