

**REGULAR BOARD MEETING AGENDA**

**Date, Time:** Thursday, July 19, 2018 – Regular Board Meeting – 9:00 a.m.  
**Location:** Yakima Valley College  
 Parker Room, Building 8  
 S 16<sup>th</sup> Ave & Nob Hill Blvd  
 Yakima, WA 98902  
 (509) 574-4600  
**Notices:** None

Chair Introductions

**REGULAR MEETING AGENDA**

1. Minutes – April 20, 2018, Regular Board Meeting .....A
2. Chair’s Report
  - a. Introduction of New Board Members
  - b. Expedited Rule Making
    - i. WAC 4-30-072 What are the responsibilities of a verifying CPA? .....B
    - ii. WAC 4-30-026 How can I contact the board? .....C
3. NASBA Update
4. Legal Counsel Report
  - a. Complaints, Investigations, and the Adjudicative Process
5. Review of Policy 2011-1 – Principles Underlying Board Rules .....D
6. Committee/Task Force Reports
  - a. Executive – Karen Saunders, CPA, Chair – Appointment of New Secretary
  - b. Compliance Assurance Oversight – Thomas Neill, CPA, Chair – *Verbal Report*
  - c. Legislative Review – Favian Valencia, Chair – *No Report*
  - d. Request Review – Elizabeth Masnari, CPA, Chair – *Verbal Report*.....E
  - e. State Ethics Compliance – Appointment of New Ethics Advisor
  - f. Qualifications – Appointment of New Chair and/or Committee Members
  - g. Performance Review and Succession – Appointment of New Chair and/or Committee Members
  - h. Social Media – Favian Valencia, Chair – *No Report*
  - i. WSCPA Education Fund – Elizabeth Masnari, CPA, Chair – *No Report*



**WASHINGTON STATE  
BOARD OF ACCOUNTANCY  
REGULAR BOARD MEETING – JULY 19, 2018  
SUMMARY**

**Date and Time:** Thursday, July 19, 2018 - 9:00 a.m.

**Location:** Yakima Valley College  
Parker Room, Building 8  
S 16<sup>th</sup> Ave & Nob Hill Blvd  
Yakima, WA 98902  
(509) 574-4600

**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 public input roster.

**July 19, 2018 – REGULAR BOARD MEETING**

**1. Minutes – April 20, 2018**

Board staff presents the draft minutes of the April 20, 2018, regular Board meeting at **Tab A** for the Board's consideration.

**Does the Board approve the minutes as drafted?**

**2. Chair's Report**

**a. Introduction of New Board Members**

**b. 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.

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

**Tab B** contains a copy of the CR-105 and rule changes. The rule change is

needed to correct a misspelled word. If Board staff receives no public objections, the rule change will be adopted August 7, 2018.

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

**Tab C** contains a copy of the CR-105 and rule changes. The rule change is needed to update 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.

**3. NASBA Update**

The Executive Director will provide an update on topics covered at the NASBA Western Regional Meeting held June 26-28 in Lake Tahoe, CA.

**4. Legal Counsel Report**

**a. Complaints, Investigations, and the Adjudicative Process**

The Board's legal counsel will give an investigation process presentation.

**5. Review of Policy 2011-1 – Principles Underlying Board Rules**

The Executive Director will make a recommendation and lead the discussion on whether the policy is still relevant and should be retained. **Tab D** contains a copy of the current policy.

**Does the Board wish to revise, retain, or retire this policy?**

**6. Committee/Task Force Reports**

**a. Executive** – Chair: Karen Saunders, CPA; Vice Chair: Elizabeth Masnari, CPA; Secretary: Vacant

Karen will give a verbal report.

Karen will solicit a volunteer to serve as the Secretary.

**b. Compliance Assurance Oversight** – Chair: Tom Neill, CPA; Members: Karen Saunders, CPA; Joel Cambern, Public Member

Tom has nothing to report.

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

The committee has nothing to report.

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

**Tab E** contains a report on the 2nd quarter approval and denials from the committee.

Elizabeth will give a verbal report.

- e. **State Ethics Compliance** – Ethics Advisor: Vacant

Karen will solicit a volunteer to serve as the Ethics Advisor.

- f. **Qualifications** – Chair: Vacant; Members: Elizabeth Masnari, CPA; Rajib Doogar, Public Member

Karen will solicit volunteers to serve as the committee chair and members.

- g. **Performance Review and Succession** -- Chair: Vacant; Member: Joel Cambern, Public Member

Karen will solicit volunteers to serve as the committee chair and members.

- 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 Masnari, CPA; Member: Favian Valencia, Public Member

Elizabeth has nothing to report.

- j. **CPE Task Force** – Members: Tom Neill, CPA; Mark Hugh, CPA; Rajib Doogar, Public Member

Tom and Rajib will give a verbal report.

## 7. Executive Director's Report

- a. **Budget Report**

**Tab F** contains 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 through June 30, 2018.

- b. CPE Audit Process Discussion**
- c. Legislative Efforts for 2019 – Discussion of Firm Licensing**
- d. Email Consent Agreement Voting Discussion**
- e. Dismissed Case Review – Report and Assignment of Board Member for August/September 2018**
- f. Other Matters as Needed**

**8. Enforcement Report**

**Tab G** contains the Enforcement Report for April 1, 2018, through June 30, 2018.

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

<b>Time and Place of Meeting</b>	9:01 a.m. – 11:48 a.m. Friday, April 20, 2018 Everett Community College Jackson Center, Senate Room, JKC 106 2000 Tower Street Everett, WA 98201
<b>Attendance</b>	<u>Board Members</u> Karen R. Saunders, CPA, Chair, Board Member Elizabeth D. Masnari, CPA, Vice Chair, Board Member James R. Ladd, CPA, Secretary, Board Member Emily R. Rollins, CPA, Board Member (arrived at 10:50 a.m.) Thomas G. Neill, CPA, Board Member Rajib Doogar, Public Member Mark Hugh, CPA, Board Member  <u>Staff and Advisors</u> Charles E. Satterlund, CPA, Executive Director Jennifer Sciba, Deputy Director Kirsten Donovan, Board Clerk Taylor Shahon, Lead Investigator
<b>Call to Order</b>	Board Chair, Karen Saunders, called the regular meeting of the Board to order at 9:01 a.m.  The Board Chair excused the absences of Bruce Turcott, Assistant Attorney General, Board Advisor, Favian Valencia, Public Member, and Joel Cambern, Public Member.
<b>Minutes – January 26, 2018, Regular Board Meeting</b>	The Board approved the minutes of the January 26, 2018, Board meeting as presented.
<b>Board Policies Annual Review</b>	The Board completed its annual review of all Board policies.  The Board voted unanimously to retain the following policies with no revisions: <ul style="list-style-type: none"><li>• 2002-2 Expert Witness Services</li><li>• 2002-4 International Reciprocity</li><li>• 2003-1 Safe Harbor Report Language for Use by Non-CPAs</li><li>• 2004-1 Administrative Violations Guidelines</li><li>• 2012-1 Social Media</li><li>• 2015-1 Board Member Travel and Attendance at Group Gatherings</li></ul>

- 2017-1 Investigative and Disciplinary Process
- 2017-2 Publication and Disclosure of disciplinary Actions

#### Board Policy 2002-1, Substantially Equivalent Jurisdictions

The Executive Director led the discussion on the policy. The information contained in the policy has been incorporated into Board Rule.

The Board voted unanimously to retire Board Policy 2002-1, Substantially Equivalent Jurisdictions, effective immediately.

#### Board Policy 2004-2, Exam Applicant Disability Documentation and Testing Modification Guidelines

The Executive Director led the discussion on the policy. The Board's Exam administrator, CPA Exam Services (CPAES), adheres to the American's with Disabilities Act (ADA) to ensure that the Board's Exam candidates are provided modifications as required. The policy is no longer needed, as CPAES coordinates these services for Washington State CPA Exam candidates.

The Board voted unanimously to retire Board Policy 2004-2, Exam Applicant Disability Documentation and Testing Modification Guidelines, effective immediately.

#### Board Policy 2011-2 Interim Policy Guidelines Pending Rule Changes

The Executive Director led the discussion on the policy. Electronic transcripts are now common practice in the course of business making the policy obsolete.

The Board voted unanimously to retire Board Policy 2011-2, Interim Policy Guidelines Pending Rule Changes, effective immediately.

#### Board Policy 2011-1 Principles Underlying Board Rules

Tom Neill led the discussion on the policy. Some Members felt that all the material within the policy is contained in the AICPA Code of Professional Conduct and that the policy could potentially be retired. Another Member felt that the policy should be kept, as it succinctly outlines the Board's principles for developing and implementing Board Rules.

The Board voted unanimously to retain the policy without revisions. However, the Board directed staff to review the policy to determine if



everything in the policy is in either the AICPA Code of Professional Conduct or Board Rule. Depending on staff's findings the policy may be reviewed again at a future Board meeting.

**NASBA Update** Dan Dustin, CPA, NASBA Vice President, State Board Relations, provided an update on NASBA activities to include:

- NASBA Tools and Services
- Uniform CPA Exam
- Firm Mobility
- CPE – Blended and Nano Learning Programs
- UAA Committee
- Horizon Issue – Data Analytics and Big Data
- AICPA-NASBA Joint Projects
- Code of Conduct
- CPE Reciprocity
- CPT Ethics Training: An Enforcement Option
- Diversity

**Chair's Report** Farewell to Board Members

The Chair presented plaques of appreciation to Emily Rollins and Jim Ladd and thanked them for their service to the Board and the profession. Emily and Jim's Board service will end June 2018.

**Executive Committee** The Chair reported that she and the other committee members had a teleconference to discuss the Board meeting agenda.

**Compliance Assurance Oversight Committee** Tom Neill reported on the results of the 2017 Continuing Professional Education (CPE) Audit. The Board found the percentage of CPE audit failures alarming and questioned whether staff should be auditing a larger percentage of credentialed individuals in the random sample. Staff will review the CPE audit procedures before the next audit.

Tom Neill led the discussion on peer review procedures regarding peer reviews which receive a pass with deficiency (PWD) or fail grade. Currently, staff is requesting copies of the Matters for Further Consideration (MFC) and Findings for Further Consideration (FFC) from firms receiving a PWD or fail. Staff reviews the MFCs and FFCs to determine if they believe that the Board should do anything beyond the peer review corrective action plan. This could include additional discipline or practice restriction.

The Executive Director asked the Board for their thoughts on the current procedures and what changes, if any, they want made.

The Board decided to request MFCs and FFCs for all system reviews which received a grade of fail.

The Board will review these MFCs and FFCs for possible Board action against the firm beyond the peer review corrective action plan.

**Legislative  
Review  
Committee**

The committee had nothing to report.

**Request Review  
Committee**

Elizabeth Masnari reported:

Firm Names: *Approved:*

FROST & COMPANY, PLLC  
FRIND & ALLEN CPAS PLLC  
CEDAR RIVER ACCOUNTING & TAX  
GORAYA ACCOUNTING & TAX SERVICES, CPA PLLC  
KEVIN R. BONNER, CPA, CFP®, PLLC  
SIMPLE SUMS ACCOUNTING, PLLC  
EMERALD NW CPA  
LAKESIDE CPA  
HDW TAX SERVICES  
ON THE POINT TAX  
ROBERTSON CONSULTING LLC  
GRESHAM FINANCIAL  
TERRY CAFFEY CPA, PLLC  
PNW FINANCIAL CONCIERGE LLC

Professional/Educational Organization – Recognition Requests

During the first quarter of 2018, the Board received and approved the following requests for recognition of an educational organization for purposes of obtaining list requests.

- Clark County Bar Association
- King County Bar Association
- ACE Seminars

Domestic or Foreign Education Credential Evaluation Services –  
Applications

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

**State Ethics Compliance Committee**

Jim Ladd had nothing to report.

**Qualifications Committee**

Emily Rollins had nothing to report.

**Performance Review and Succession Committee**

Emily Rollins reported that the committee has revamped the Executive Director Performance Review. She would like the survey made available to the Board Members, Board staff, and select stakeholders through Survey Monkey.

The Deputy Director will coordinate with Emily to make this happen.

**Social Media Committee**

The committee had nothing to report.

**WSCPA Education Fund Committee**

Elizabeth Masnari reported that she has received the 2018-2019 Scholarship Winners report from the WSCPA. She asked Kimberly Scott, WSCPA President and CEO, to comment. Kimberly reported:

- 55 scholarship winners
- 14 different schools are represented
- Reception for the winners will be held on May 17, and Board Members and staff are invited to attend

**CPE Task Force**

The task force members reported:

- They will have a report for the July Board meeting regarding the differences in CPE requirements between the Board Rules and the CPE Model Rules
- CPE reciprocity will be added to the task force's agenda for review and consideration

**Executive Director's Report**

Budget and Results of Appropriations Request for Electronic Content Management (ECM) System

The Executive Director presented the Allotment Expenditure/Revenue LTD Flexible Report, the Certified Public Accountant's Account Fund

Balance, and the CPA Scholarship Transfer Account Fund Balance for transactions through March 30, 2018.

The Executive Director reported that the appropriation request for the ECM system was approved. Board staff is currently reviewing systems.

#### Significant Bills

The Executive Director reported that SB 5928, regarding the marijuana industry and professionals including CPAs, passed. The Board's guidance statement on the website will be updated to reflect the changes.

The Executive Director also reported that HB 2468 regarding CPA firm mobility with British Columbia passed.

#### Peer Review Issues Discussion – Implications for Enforcement

This subject was discussed during the Compliance Assurance Oversight Committee section of the agenda.

#### Dismissed Case Review – Report and Assignment of Board Member for May/June 2018

Rajib Doogar reviewed the past quarter's dismissed cases. He commented that the Enforcement team has done an excellent job in organizing the case files for review.

Mark Hugh will complete the dismissed case review for the next quarter.

#### Board Member Recruitment

The Executive Director reported that three individuals have applied for the two Board Member positions that are opening in June. Charles will meet with each applicant. The Governor ultimately makes the Board Member appointments.

#### Other Issues

The Executive Director reported:

- The agency hired a new staff member, Caitlin Upshall
- The 2017 Executive Director's Report was submitted to the Governor
- Topics at the NASBA Executive Director's Conference included:

- NOCLAR
- Pathways to CPA
- Executive Director Committee – Charles became a member
- Kelly Wicker from the Governor’s Office visited the Board’s office – all staff has been invited to the State Employee Recognition Reception at the Governor’s Mansion

**Enforcement Report**

Taylor Shahon provided the following report to the Board:

- Enforcement Report – Quarter Report (January 1, 2018 through March 31, 2018)

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

- Complaint form updated – this has led to a reduction in the number of complaints received for which the agency has no jurisdiction
- Caseload update – down to 9 cases since the last report at the end of March
- Non-response to Board inquiries has become an issue

**Executive and/or Closed Session with Legal Counsel**

No executive or closed sessions with legal counsel held.

**Public Input**

Various members of the public provided input throughout the meeting.

**Adjournment**

The Board meeting adjourned at 11:48 p.m.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Vice-Chair

\_\_\_\_\_  
Member

\_\_\_\_\_  
Member

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Member

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Member

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Member

\_\_\_\_\_  
Member



# EXPEDITED RULE MAKING

## CR-105 (December 2017) (Implements RCW 34.05.353)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: June 05, 2018

TIME: 11:27 AM

WSR 18-12-092

**Agency:** Board of Accountancy

**Title of rule and other identifying information:** (describe subject) WAC 4-30-072, What are the responsibilities of a verifying CPA?

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The purpose of the proposal is to correct an existing spelling error in the rule. No effects or changes in existing rules will occur.

**Reasons supporting proposal:** The board of accountancy proposes amending the rule to correct the misspelled word – knowledgeable.

**Statutory authority for adoption:** RCW 18.04.055

**Statute being implemented:** RCW 34.05.353(1)(c)

**Is rule necessary because of a:**

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION:

**Name of proponent:** (person or organization) Board of Accountancy

Private  
 Public  
 Governmental

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586
Implementation:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586
Enforcement:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

**Expedited Adoption - Which of the following criteria was used by the agency to file this notice:**

- Relates only to internal governmental operations that are not subject to violation by a person;
- Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;
- Corrects typographical errors, make address or name changes, or clarify language of a rule without changing its effect;
- Content is explicitly and specifically dictated by statute;
- Have been the subject of negotiated rule making, pilot rule making, or some other process that involved substantial participation by interested parties before the development of the proposed rule; or
- Is being amended after a review under RCW 34.05.328.

**Expedited Repeal - Which of the following criteria was used by the agency to file notice:**

- The statute on which the rule is based has been repealed and has not been replaced by another statute providing statutory authority for the rule;
- The statute on which the rule is based has been declared unconstitutional by a court with jurisdiction, there is a final judgment, and no statute has been enacted to replace the unconstitutional statute;
- The rule is no longer necessary because of changed circumstances; or
- Other rules of the agency or of another agency govern the same activity as the rule, making the rule redundant.

**Explanation of the reason the agency believes the expedited rule-making process is appropriate pursuant to RCW 34.05.353(4):** The rule proposal is needed to correct a typographical error.

**NOTICE**

**THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO**

Name: Charles Satterlund

Agency: Washington State Board of Accountancy

Address: PO Box 9131  
Olympia, WA 98507-9131  
Phone: 360-586-0785

Fax: 360-664-9190

Email: customerservice@acb.wa.gov

Other:

**AND RECEIVED BY** (date) August 6, 2018

**Date:** June 5, 2018

**Name:** Charles E. Satterlund

**Title:** Executive Director

**Signature:**





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

The verifying CPA is expected to:

(1) Obtain 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 was provided the opportunity to obtain each specific competency (this expectation may be met if the applicant is employed by the verifying CPA's firm or organization);

(2) Verify the applicant's relevant employment history;

(3) Interview the candidate 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;

(4) Assess whether the skill sets applied, tasks performed, and time spent would likely provide an opportunity to obtain each specific competency, excluding knowledge of the Washington state Public Accountancy Act and related board rules;

(5) Determine, by interview or course completion certificate, etc., that the applicant is (~~knowledgeable~~) knowledgeable of the Public Accountancy Act and related board rules applicable to individuals licensed in the state of Washington;

(6) Document 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.



# EXPEDITED RULE MAKING

## CR-105 (December 2017) (Implements RCW 34.05.353)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: June 18, 2018

TIME: 9:28 AM

WSR 18-13-083

**Agency:** Board of Accountancy

**Title of rule and other identifying information:** (describe subject) WAC 4-30-026, How can I contact the board?

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The purpose of the proposal is to correct board contact information due to recent changes. No effects or changes in existing rules will occur.

**Reasons supporting proposal:** The board of accountancy proposes amending the rule to correct the customer service email address, the website URL, and the TTY service phone number.

**Statutory authority for adoption:** RCW 18.04.055, 42.56.055

**Statute being implemented:** RCW 18.04.055, 34.05.353(1)(c)

**Is rule necessary because of a:**

- |                         |                              |  |
|-------------------------|------------------------------|--|
| Federal Law?            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If yes, CITATION:

**Name of proponent:** (person or organization) Board of Accountancy

- Private  
 Public  
 Governmental

**Name of agency personnel responsible for:**

	Name	Office Location	Phone
Drafting:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586
Implementation:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586
Enforcement:	Charles Satterlund	711 Capitol Way S Suite 400 Olympia, WA 98501	360-753-2586

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

**Expedited Adoption - Which of the following criteria was used by the agency to file this notice:**

- Relates only to internal governmental operations that are not subject to violation by a person;
- Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;
- Corrects typographical errors, make address or name changes, or clarify language of a rule without changing its effect;
- Content is explicitly and specifically dictated by statute;
- Have been the subject of negotiated rule making, pilot rule making, or some other process that involved substantial participation by interested parties before the development of the proposed rule; or
- Is being amended after a review under RCW 34.05.328.

**Expedited Repeal - Which of the following criteria was used by the agency to file notice:**

- The statute on which the rule is based has been repealed and has not been replaced by another statute providing statutory authority for the rule;
- The statute on which the rule is based has been declared unconstitutional by a court with jurisdiction, there is a final judgment, and no statute has been enacted to replace the unconstitutional statute;
- The rule is no longer necessary because of changed circumstances; or
- Other rules of the agency or of another agency govern the same activity as the rule, making the rule redundant.

**Explanation of the reason the agency believes the expedited rule-making process is appropriate pursuant to RCW 34.05.353(4):** The rule proposal is needed to correct the board's customer service email address, the website URL, and the TTY phone number.

**NOTICE**

**THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO**

Name: Kirsten Donovan, Board Clerk

Agency: Washington State Board of Accountancy

Address: PO Box 9131  
Olympia, WA 98507-9131  
Phone: 360-664-9191

Fax: 360-664-9190

Email: Kirsten.Donovan@acb.wa.gov

Other:

**AND RECEIVED BY** (date) August 20, 2018

**Date:** June 18, 2018

**Name:** Charles E. Satterlund

**Title:** Executive Director

**Signature:**



AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

**WAC 4-30-026 How can I contact the board?** The board's administrative office, executive director and staff are located in Olympia, Washington. You may utilize the following numbers or addresses to contact the board:

- 711 Capitol Way South, Suite 400, Olympia, WA 98501 (physical address);
- P.O. Box 9131, Olympia, Washington 98507-9131 (mailing address);
- 360/753-2586 (telephone);
- 360/664-9190 (fax);
- (~~800/833-6388~~ (TT)) 7-1-1 (TTY service);
- 800/833-6385 (Telebraille services);
- ((customerservice@cpaboard.wa.gov)) customerservice@acb.wa.gov (email address); and
- (~~www.cpaboard.wa.gov~~) www.acb.wa.gov (web site address).




# Washington State Board of Accountancy

**Policy Number:** 2011-1

**Title:** Principles Underlying Board Rules

**Revised:** April 17, 2014\*

**Approved:**   
Emily R. Rollins, CPA, Chair

\*This policy rescinds and supersedes any previous Board policy.

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## PURPOSE:

The purpose of this policy is to provide and communicate the Board's principles underlying the development and implementation of Board rules.

## PRINCIPLES:

Board rules are intended to promote the following professional obligations:

- (1) **Serve the public interest** -A person representing oneself as a CPA, CPA-Inactive certificate holder, or using the CPA or CPA-Inactive title, CPA firms or firm owner and professional employees of such persons must accept the obligation to act in a way that will serve the public interest, honor the public trust, and demonstrate a commitment to professionalism.
- (2) **Exercise Reasoned Professional Judgment** -In carrying out their responsibilities, a person representing oneself as a CPA, CPA-Inactive certificate holder or firm owner and professional employees of such persons must exercise reasoned professional judgment in all their activities.
- (3) **Demonstrate Integrity** - To maintain and broaden public confidence a person representing oneself as a CPA, CPA-Inactive certificate holder or firm owner and professional employees of such persons must perform all professional responsibilities with the highest sense of honesty.
- (4) **Maintain Personal Objectivity** – A person representing oneself as a CPA, CPA-Inactive certificate holder or firm owner and professional employees of such persons must maintain objectivity at all times when rendering professional services.

Specifically, a person representing oneself as a CPA or CPA-Inactive, firm owners, and professional employees of such persons must:

- (a) Avoid rendering professional services where actual or perceived conflicts of interest exist;
- (b) Be independent in fact and appearance when required by professional standards.

In sum, a person representing oneself as a CPA or CPA-Inactive certificate holder, firm owners, and professional employees of such persons must exercise due professional care to:

- (a) Comply with federal and state laws and the profession's technical and ethical standards;
- (b) Maintain competence and strive to improve the quality of services; and
- (c) Personally discharge professional responsibility with the highest sense of integrity, objectivity and ethical commitment.

**POLICY STATEMENTS:**

Board rules should be developed to promote and enhance the forgoing personal qualities as well as ensure that violations of the forgoing principles are adequately addressed.

Implementation of Board rules should ensure that violators of the public trust receive appropriate discipline on a "fair and equitable" basis.

Effective: April 23, 2013

## Request Review Committee Report July 2018

Elizabeth Masnari, CPA, Chair

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

Firm Names: *Approved:*

NORTH KITSAP ACCOUNTING  
ACCOUNTABILITY RESOURCES SAN JUAN ISLAND LLC  
W&K CPA, LLP  
NORTH PACIFIC TAX & ACCOUNTING  
TURQUOISE TAX ADVISORY, LLC  
COUNTER COLUMN ACCOUNTING  
HONGXIN CPA FIRM

Professional/Educational Organization – Recognition Requests – During the 2nd quarter in 2018, the Board did not receive any requests for recognition of an educational organization for purposes of obtaining list requests.

Domestic or International Education Credential Evaluation Services – During the 2nd quarter in 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.

1650 - State Board of Accountancy

Allotment Expenditure/Revenue RTD Flexible

Report Number: AEF04

Biennium: 2019

As of Fiscal Month: Jun FY1

Date Run: Jun 30, 2018 9:53AM

Account: 02J

Allotment Content: Approved & Adjusted

Estimated Revenue Content: Approved & Adjusted

Expenditure Content: Cash, Acct(All)

Revenue Content: Cash, Acct(All)

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

By Account/Expenditure Authority	Allotment		Disbursement		Accrual		Encumbrance		Variance		Biennium Remaining
	RTD	RTD	RTD	RTD	RTD	RTD	RTD	RTD	RTD		
02J - Certified Public Accountants' Acct											
030 - Salaries and Expenses	1,514,903	1,207,222.95	2.90	0.00	307,677.15	1,904,774.15					
<b>Total for Agency</b>	<b>1,514,903</b>	<b>1,207,222.95</b>	<b>2.90</b>	<b>0.00</b>	<b>307,677.15</b>	<b>1,904,774.15</b>					
<b>By Account/Expenditure Authority</b>											
<b>By Object</b>											
A - Salaries and Wages	633,523	607,648.56	0.00	0.00	25,874.44	702,313.44					
B - Employee Benefits	236,661	227,766.38	0.00	0.00	8,894.62	260,315.62					
C - Professional Service Contracts	5,000	16,437.50	0.00	0.00	(11,437.50)	(6,437.50)					
E - Goods and Services	598,219	326,308.16	2.90	0.00	271,907.94	894,644.94					
G - Travel	36,500	26,583.27	0.00	0.00	9,916.73	46,416.73					
J - Capital Outlays	5,000	2,479.08	0.00	0.00	2,520.92	7,520.92					
<b>Total for Agency</b>	<b>1,514,903</b>	<b>1,207,222.95</b>	<b>2.90</b>	<b>0.00</b>	<b>307,677.15</b>	<b>1,904,774.15</b>					
<b>By Object</b>											



Fund

Balance As Of:	6/30/2018	Show Balances As Of:	06/30/2018 ▾
Book Balance:	3,590,689.16	<input type="button" value="Retrieve"/>	
Outstanding Warrants:	1,060.71		
Cash Balance:	3,591,749.87		

Fund Code:	02J
Fund Name:	CERTIFIED PUBLIC ACCOUNTANTS' ACCT
Fund Type:	SPECIAL REVENUE FUNDS (BA)
Treasury Type:	Treasury (1)
Budget Type:	Appropriated (A)
Roll-Up Fund:	CENTRAL ADMIN AND REGULATORY FUND (FBD)
Agency:	STATE BOARD OF ACCOUNTANCY (1650)
Statute:	18.04.105
GAAP Fund Type:	SPECIAL REVENUE FUNDS (B)
Active:	Active
DOT Fund:	No

Fund

Balance As Of:	6/30/2018	Show Balances As Of:	06/30/2018
Book Balance:	250,000.00	<input type="button" value="Retrieve"/>	
Outstanding Warrants:	0.00		
Cash Balance:	250,000.00		

Fund Code:	20D
Fund Name:	CPA SCHOLARSHIP TRANSFER ACCOUNT
Fund Type:	SPECIAL REVENUE FUNDS (BA)
Treasury Type:	Treasury Trust (2)
Budget Type:	Nonappropriated/Nonallotted (N)
Roll-Up Fund:	HIGHER EDUCATION FUND (FBG)
Agency:	STATE BOARD OF ACCOUNTANCY (1650)
Statute:	28B.123.050
GAAP Fund Type:	SPECIAL REVENUE FUNDS (B)
Active:	Active
DOT Fund:	No

# Board of Accountancy Washington State

## Enforcement Report

Quarter Report (Apr 01, 2018 through Jun 30, 2018)

	Complaints	Investigations	Period Total
Ongoing at start of period	12	8	20
Received during period	17		17
Total	29	8	37
Complaints opened as investigations	0	0	
Total	29	8	37
Complaints Dismissed (Administrative)	0		0
Complaints Dismissed (investigated <= 180 days)	(13)		(13)
Complaints Dismissed (investigated > 180 days)	(1)		(1)
Total	15	8	23
Cases Dismissed (Administrative)		0	0
Cases Dismissed (investigated <= 180 days)		0	0
Cases Dismissed (investigated > 180 days)		0	0
Total	15	8	23
Cases Closed (Administrative)		(1)	(1)
Cases Closed (investigated <= 180)		(6)	(6)
Cases Closed (investigated > 180)		0	0
Total	15	1	16