

## The Best Advice I Can Offer...



"It's a government job..." that is my response to anyone that asks me about what I do and who I work for. I've been a government employee for the State of Washington for nearly thirty years as of this writing, and it's been a gratifying but also very challenging experience.

With some humility I will admit that I've not worked in public accounting. However, the last five years of navigating the rocky shoal of the Board's disciplinary process has been an odyssey.

Government, well, it just is what it is. Sometimes we are not in the happiness business and that can't be helped. We work hard to make our agency user friendly for our constituents, while meeting our public protection responsibilities.

I get a lot of calls from CPAs, questions more than complaints, as they attempt to deal with the uncertainties of their practice or position. The ethical framework CPAs work under demands the utmost vigilance. I do what I can to clarify the statutes and rules based on my own and the collective experience of the staff and board members that I routinely pester with questions that usually start out with "What do you think about this?"

Based on this experience here is what I can pass on:

1. Spend some time reading the Public Accountancy Act RCW 18.04 and the associated WAC Chapter 4-30. These aren't especially lengthy, but take it in short bites. Stay updated on changes.
2. Always draft up engagement letters for any engagement that you are doing, tax and bookkeeping engagements included. Seriously. Establish clear understanding with your clients about what you're going to do for them and what it will involve. You might even include a short statement about what is involved with moving their business (and records) to another CPA or bookkeeper should they want or need to do so.



3. If a client does decide to leave you, work hard not to take it personally. There may have been some sort of misunderstanding that prompted this decision, but be courteous and helpful in getting them on their way.
4. Don't get angry with your CPA business partners. Work it out.
5. Don't withhold client records that you are obligated to provide. This is one of the most common causes of disciplinary cases.
6. Avoid conflicts of interest. Conflict of interests are like black ice, you may not be able to see it, but you can be aware of the conditions that cause it.
7. Stay up on your CPE and renewals. The renewal/CPE process has a number of moving parts with different dates and requirements. Call us if you want a rundown on how this all comes together, and yes, we are looking at this. All this is complicated by the vagaries of human i.e. CPA behavior and how they respond, or don't respond, to deadlines.
8. If you are working in private business, or are working with private businesses as clients, insist that they adopt proper controls to the extent that it is appropriate within the context of the engagement. If you are in public practice, don't extend your services to the point of taking on management responsibilities.
9. Don't take casual custody of client assets.

And so it goes.

Wishing you all the best as this year closes and another begins.

Regards,

Charles Satterlund, CPA

Executive Director

### In This Edition

A Message from the Board Chair .....	2
Office Closures.....	3
2018 Renewal: Is It Your Year? .....	3
Board Rule Hearing - January 26, 2018 .....	4
Now You Are on the Map .....	4
Board Meetings.....	5
Washington State Candidates .....	6
Change of Address.....	6
Don't Be That Exam Candidate .....	6

# A MESSAGE FROM THE BOARD CHAIR

## WATCH OUT FOR THE SPEED OF CHANGE....



In my last article, I wrote about the issue of cloud storage of data, and where our rules are with regards to that. I have to admit, I received more comments and questions on that article than just about any topic or issue that I have dealt with during my time on the Board. The good news is that the Board will be considering changes to our rules in this area at our January 26th, 2018 Board meeting. I encourage you all to attend if you are able and participate in the process.

But underlying my last article is a reality that I have been observing over the last few years that does have me a bit concerned. First, is the *speed* with which the professional standards that govern the practice and behavior of CPAs are changing, whether it be tax, accounting/auditing, or ethics standards. Second, the fact that any changes to Washington State rules and regulations often lag from the changes in the standards.

As noted in WAC 4-30-048, "Licensees, 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)(b), CPA-Inactive certificate holders, CPA firms, nonlicensee firm owners, and employees of such persons must comply with rules, regulations, and professional standards promulgated by the appropriate bodies for each service undertaken. However, if the requirements found in the professional standards listed in this section differ from the requirements found in specific board rules, board rules prevail."

The underscore above was placed by me, as I wanted to emphasize this point – there are instances where the professional standards around how we practice as CPAs - whether in business, industry, government, academia or public practice – may differ from what is in Board rule. Case in point from my last article, cloud storage.

So back to my concerns - what I have been seeing in the past few years is a marked increase in the number of issues that the standards setters have been dealing with, and especially in the area of international ethics standards and resulting changes by the AICPA to its Code of Conduct. The AICPA Professional Ethics Executive Committee, that crafts the Code, has been working on the issue of convergence – namely working to align the AICPA Code of Conduct, where appropriate, to the international ethics standards issued by IESBA, the International Ethics Standards Board for Accountants. The result however is that there can be changes to the Code that may not be incorporated into specific Board rules, creating a disconnect for CPAs. And as noted in WAC 4-30-048, our rule mandates that it is up to the CPA to be aware and cognizant of the standards that are applicable to their area of practice – this disconnect makes that all the more difficult.

As I have been out and about talking with CPAs, I have come to appreciate how difficult it is to keep up with one's day job and all the demands placed by employers, agencies, clients, etc. And into that mix comes the onslaught of new or proposed standards that we now need to be knowledgeable of, and to appropriately incorporate, into our work and lives. Underlying this however is that fact that if one of those standards conflicts with Board rule, the Board rule prevails – then we as CPAs are left trying to figure out what rules to comply with. But the one constant I have noted in my conversations with CPAs is that, in general, CPAs are not aware that there have been changes to the standards, let alone what is going on in our rules. So as we come to the close of another year, and head into a new one, here are some of the standards changes (both proposed and enacted) that you may want to look into.

- The AICPA has enacted changes for members in business and industry, known as the "Pressure To Breach Rules" ET Section 2.170.010, effective 8/31/17
- The AICPA has enacted revisions to some of the Code of Conduct Interpretations, most of which are effective 12/31/17:
  - Revisions to the Interpretation Definition of Attest Client
  - Revisions to the Interpretation on Records Requests
  - Revisions to the Interpretation on Contingent Fees
  - Revisions to the Interpretation on Commissions and Referral Fees
  - Revisions to the Interpretation on Disclosing Information to Persons or Entities Associated with Client
- AICPA Exposure Draft for Members in Business and Industry "Knowing Misrepresentation in the Preparation of Financial Statements or Records"
- AICPA Exposure Draft on Noncompliance with Laws and Regulation (NOCLAR) that would be applicable to all CPAs. This is in response to changes from IESBA.
- AICPA Exposure Draft on Long Association of Senior Personnel with and Attest Client. This is in response to changes from IESBA.
- The AICPA and NASBA Boards have approved changes to the standards for continuing education. Our Board will be considering those changes in the coming year.

There are others, but these are just a few to give you a sense of what is happening from a standards setting standpoint. I encourage each of you to stay on the lookout for standards changes that may impact the area you work in as a CPA. And if you are not sure how a standard may impact you, please call the Board staff or Board members. This will be my last article as Board Chair. I look forward to working with our incoming Chair, Karen Saunders, in the coming year. And last of all, I wish for each of you a Happy New Year.

**WA STATE BOARD OF ACCOUNTANCY  
BOARD MEMBERS**

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**OFFICE CLOSURES**

**Monday, December 25, 2017**  
**Christmas Day**

**Monday, January 1, 2018**  
**New Year's Day Observed**

**Monday, January 15, 2018**  
**Martin Luther King, Jr. Day**

**Monday, February 19, 2018**  
**Presidents' Day**

**Monday, May 28, 2018**  
**Memorial Day**

**Wednesday, July 4, 2018**  
**Independence Day**

**HELP US, HELP YOU,  
ANY SUGGESTIONS?**

Please send your suggestions to  
[customerservice@cpaboard.wa.gov](mailto:customerservice@cpaboard.wa.gov).



# 2018 RENEWAL IS IT YOUR YEAR?



CPE reminder notices went out last month by mail and email for those of you whose individual credentials are up for renewal next year. If you got one, then you are definitely up for renewal in 2018.

Didn't get one? That doesn't necessarily mean that you are not up for renewal. If you have moved and didn't update your address and email, then our messages went to the wrong place. Please take a minute to ensure that we can contact you by logging into your [Secure Access Washington \(SAW\)](#) account and verifying your contact information.

While you are in your SAW account, check your expiration date. You can also check your expiration date through our [licensee search](#). Like to do things the old fashioned way and actually communicate with another human being? Send us an email at [customerservice@cpaboard.wa.gov](mailto:customerservice@cpaboard.wa.gov) or give us a call at (360) 753-2586, and we will happily check to see if you are up for renewal.

If you have a CPA firm license, be sure to check on your firm's contact information and license expiration date. Please remember that you have a separate SAW account for your firm.

Did you determine that you are not up for renewal? You can enjoy your holiday, and we'll see you for your 2019 or 2020 renewal. Don't forget to keep doing your Continuing Professional Education (CPE).

If you determined that you are up for renewal next year, here are the dates you need:

- December 31, 2017 – CPE reporting period ends
- January 1 to April 30, 2018 – renewal application dates to avoid paying the late fee
- June 30, 2018 – deadline for renewal applications

We will send additional reminders throughout the renewal period for both individual credentials and CPA firm licenses.

Please don't wait until the last minute to submit your application. Renewal season is our busiest time of year, so contact us early for help to avoid the mad rush that comes at the end of every renewal period.

# BOARD RULE HEARING – JANUARY 26, 2018

The Board of Accountancy will hold a Rules Hearing on Friday, January 26, 2018 at 9:00 a.m. at:

Green River College  
Emerald City Room  
12401 SE 320th Street  
Auburn, WA 98092

The following Rules are being considered for revision:

- **WAC 4-30-010** Definitions
- **WAC 4-30-024** What public records are available?
- **WAC 4-30-038** Fees
- **WAC 4-30-050** What are the requirements concerning records and clients confidential information?
- **WAC 4-30-051** What are the requirements concerning clients records, including response to requests by clients and former clients for records?



- **WAC 4-30-140** What are the authority, structure, and processed for investigations and sanctions?

To view the proposed revisions please see the Office of the Code Reviser website at:

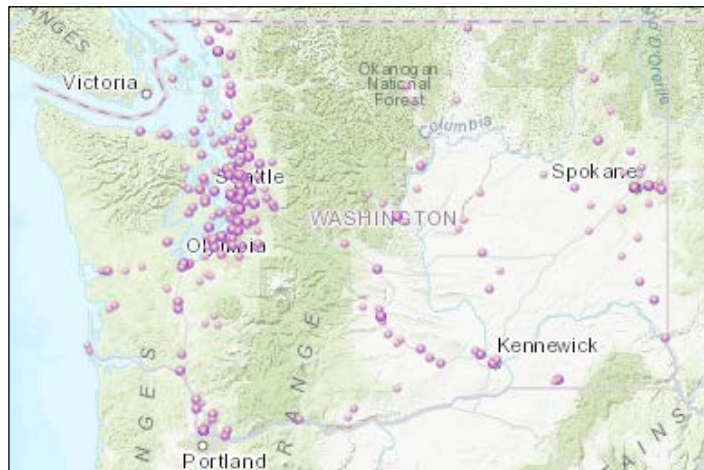
<http://lawfilesexternal.leg.wa.gov/law/wsr/2017/23/17-23-092.htm>

If you have any comments concerning the proposed changes, please email the Board Clerk, Kirsten Donovan, at [kirstend@cpaboard.wa.gov](mailto:kirstend@cpaboard.wa.gov). The public is encouraged to attend the Rules Hearing and is given the opportunity to address the Board. The Rules Hearing is immediately followed by the regular Board meeting.

We hope to see you there!

## NOW YOU ARE ON THE MAP!

WA State Board of Accountancy has been providing a publicly available licensee search tool for many years. It is with excitement we are able to now provide the new feature of mapped firms in the state of WA using the same data we have always provided in the licensee search by showing the firm location by city. To make this possible, the Board has partnered with the Washington State Geospatial Program Office (WA GPO).



The Washington State Geospatial Program Office (WA GPO) works closely with Washington State agencies to “harness the power of where”. WA GPO provides partners and constituents with the geospatial information they require to make informed decisions.

Come see this new functionality using our geospatial Firm Search tool. Visit us at <https://cpaboard.wa.gov/> for the link and guide to viewing a firm’s place on the Washington State map.

## WA STATE BOARD OF ACCOUNTANCY BOARD STAFF:

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Confidential Records Manager

Anthony Manfre  
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## BOARD MEETINGS

The Board holds quarterly meetings to conduct its business. Meetings are held at barrier-free sites, and we attempt to schedule meeting locations throughout the state to give CPAs, students, professors, and other stakeholders a greater opportunity to attend a meeting at a location near them.

The picture above was taken at our July 29, 2017, Board meeting located in Senate Hearing Room 3, J.A. Cherberg Building on the Capitol Campus in Olympia.

Pictured left to right are: James Ladd, CPA, Board Member; Emily Rollins, CPA, Board Member; Joel Cambern, Public Member; Karen Saunders, CPA, Board Member; Rajib Doogar, Public Member; Bruce Turcott, Assistant Attorney General, Board Advisor; Tom Neill, CPA, Board Member; Charles Satterlund, CPA, Executive Director; Elizabeth Masnari, CPA, Board Member; Mark Hugh, CPA, Board Member; Taylor Shahon, Lead Investigator; Jennifer Sciba, Deputy Director; Kirsten Donovan, Board Clerk.

The 2018 meeting dates and locations are as follows:

<p><b>January 26, 2018, Friday</b></p> <p><b>Green River College</b> Emerald City Room 12401 SE 320th Street Auburn, WA 98092</p>	<p><b>July 19, 2018, Thursday</b></p> <p><b>Yakima Valley College</b> Parker Room, Building 8 S. 16th Ave &amp; Nob Hill Blvd Yakima, WA 98902</p>
<p><b>April 20, 2018, Friday</b></p> <p><b>Everett Community College</b> Jackson Center, Senate Room, JKC 106 2000 Tower Street Everett, WA 98201</p>	<p><b>October 19, 2018, Friday</b></p> <p><b>J.A. Cherberg Building, Capitol Campus</b> Senate Hearing Room 3 304 15th Ave SW Olympia, WA 98501</p>

All meetings start promptly at 9:00 a.m. To encourage citizen participation the Board meeting agenda specifically includes a public input section.

We welcome your attendance and participation at the Board meetings. Hope to see you there!

# WASHINGTON STATE CANDIDATES

Prometric has added a new test center in Yakima, Washington. The test center is available as of November 17, 2017. This new location will add 17 additional testing stations and one testing administrator's station for the CPA examination tester of Washington.

The other Prometric testing centers in Washington are located at:

- Mountlake Terrace
- Tacoma-Fife
- Spokane



*Remember when . . . these were the only items used when sitting and taking all sections of the Uniform CPA Examination during the months of May and November?*

## FUN FACTS

As of November 30, 2017

**12,413**

Washington State Licensees Who Reside In-State

**2,273**

Washington State Licensees Who Reside Out-of-State

**3,461**

Washington State Licensees Who Reside Out-of-Country

Japan - 1,494  
Hong Kong - 518  
China - 446  
Other - 1,003

**18,147**

Washington State Licensees Who Are Credentialed

## DO I NEED TO NOTIFY THE BOARD IF I CHANGE MY ADDRESS?

Yes. Per WAC 4-30-032 all individuals licensed in this state, CPA-Inactive certificate holders, CPA firms licensed in this state, individuals registered with the board as resident nonlicensee firm owners, and applicants must notify the board in writing within thirty days of any change of address. Firms licensed in this state must notify the board of any opening, closing, or relocation of the main office or a branch office in this state.

## DON'T BE THAT EXAM CANDIDATE

As a Uniform CPA Exam candidate, you know that reviewing the Exam tutorial and sample tests before taking the Exam is very important. But do you know that reading the Candidate Bulletin and knowing the regulations applicable to Exam candidates at Prometric Testing Centers are just as important? While there are some obvious prohibited items and behaviors (cheating, bringing study material into the testing room, and communicating with other candidates during testing), there are some less obvious items and behaviors that are prohibited. Did you know that you can't wear a watch or a fitness tracker in the testing room?

Consequences of misconduct include, but are not limited to, a warning from test center staff, confiscation of the prohibited item (whether or not in use), expulsion from the test center, invalidation of Exam scores, and the pursuit of civil or criminal charges.

Don't be that candidate whose test-day behavior ruins all your hard work. Reading the Candidate Bulletin (<https://nasba.org/exams/exam-resources/>) and reviewing the Prometric test center regulations and lists of prohibited and permitted items ([www.prometric.com](http://www.prometric.com)) can keep you out of trouble and on your path to becoming a CPA.

Source: *Activity Review, No. 07-2017, North Carolina State Board of Certified Public Accountant Examiners*

**\*\*UPDATE\*\***

### ELIJAH WATTS SELLS AWARD FOR 2016

In our July 2017, Newsletter we failed to acknowledge Leighton Mark Smith as a 2016 Elijah Watts Sells award winner. Our sincere apologies for this oversight.

The American Institute of CPAs (AICPA) announced the winners of the 2016 Elijah Watt Sells Award. The Elijah Watt Sells Award program was established by the AICPA in 1923 to recognize outstanding performance on the CPA Examination.

The award is given to candidates who have obtained a cumulative average score above 95.50 across all four sections of the Uniform CPA Examination, completed testing during the 2016 calendar year, and passed all four sections of the Examination on their first attempt. A total of 102,323 individuals sat for the Examination in 2016, with 58 candidates meeting the criteria to receive the Elijah Watt Sells Award.

The Board would like to congratulate Leighton Mark Smith a Washington State Candidate who received the 2016 Elijah Watts Sells award.