

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. – 12:17 p.m. Friday, July 30, 2021 Microsoft Teams Meeting
Attendance	<u>Board Members</u> Rajib Doogar, Vice Chair, Public Member Jacqueline Meucci, CPA, Secretary, Board Member Mark Hugh, CPA, CPA, Board Member Brian R. Thomas, CPA, Board Member Kate Dixon, Public Member Carol A. Morgan, CPA, Board Member Thomas P. Sawatzki, CPA, Board Member (arrived at 9:27 a.m.) Brooke Stegmeier, CPA, Board Member <u>Staff and Advisors</u> David Trujillo, CPA, Executive Director Michelle Carr, Assistant Attorney General, Board Advisor Jennifer Sciba, Deputy Director Taylor Shahon, CPA, Lead Investigator Kirsten Donovan, Board Clerk Tia Landry, Data and Systems Administrator The Vice Chair excused Board Chair, Joel Cambern’s absence.
Call to Order	Board Vice Chair, Rajib Doogar, called the meeting of the Board to order at 9:00 a.m.
Executive Director Opening	The Executive Director welcomed all to the meeting and reported the following: <ul style="list-style-type: none">• Jackie Meucci and Brian Thomas have been reappointed to the Board for another term ending June 9, 2024.• Colleen Conrad, CPA, Executive VP and Chief Operating Officer (COO), NASBA, will report at the October Board meeting.• Exam Remote Proctoring Task Force will remain in place until the program is fully ready to implement.• Legislation review:<ul style="list-style-type: none">○ CPA-Inactive certificate holder legislation still in process.○ Discussions with British Columbia colleagues to address next steps regarding legislation sun-setting June 30, 2023.
Minutes – April 30, 2021, Board Meeting	The Board approved the minutes of the April 30, 2021, Board meeting as presented.

Rules Review

Semi-Annual Rules Development Agenda

The Executive Director presented the Semi-Annual Rules Development Agenda that was filed with the Office of the Code Reviser for July through December 2021. He provided background information on the rule-making process.

Discussion on Potential Revision to Rules

- WAC 4-30-028 What rules govern the proceeding before the board?

The Executive Director presented a draft of the rule and led the discussion on the proposed revisions.

Board Members found the draft language unclear. The Executive Director will edit the draft for further discussion.

The Board directed staff to file the CR-101 to begin the rule-making process and add the rule as an agenda item to the next Board meeting.

- WAC 4-30-062 Applying to take the CPA examination.

The Executive Director presented the CR-101 filing and a draft of the rule, and led the discussion on the proposed revisions.

The Board directed staff to file the CR-102 with the edit to the draft language, which removes the word “four” to allow for possible changes to the number of Exam sections without causing the need for a rule change, and schedule a public rule-making hearing in conjunction with the Board’s October meeting.

NASBA Update

The Executive Director reported on the following NASBA activities:

- Mobility – Individual mobility is authorized in all but 2 jurisdictions, while firm mobility is not as unified.
- CPE Reciprocity – 34 jurisdictions have full CPE reciprocity.
- CPA Evolution – Updated CPA Exam in process which will include a technology discipline. Gap analysis indicates the need for a CPA Evolution Model Curriculum to support accounting programs.
- NASBA Annual Meeting will be held in person/virtually October 31 to November 3 in San Diego. In person attendees must be vaccinated. We are still unsure if travel will be authorized for state business.
- Education gaps through the eyes of NASBA and the AICPA article included in our July newsletter.

Thomas Neill, CPA, NASBA Ethics Committee Member and AICPA UAA Committee Chair, former Board Member, advised the Board on the following:

- A new set of auditing standards for quality control in exposure draft review. The changes are projected to affect small firms. The potential changes may cause the need for a Board rule change.
- NOCLAR is back in the picture with a new committee.
- UAA is looking into how to address barriers to entry into the profession.

The Future of the Profession and the Profession of the Future

Rajib Doogar presented the PowerPoint, Preparing for the Future, and led the discussion. Discussion points included:

- How the profession is changing?
- How is the public protection and licensing landscape changing as a result?
- What should be on the Board's radar screen?
- Demand for accounting is exploding
- Scope of accounting itself is being redefined
- Measurement and assurance require ever-expanding toolkits, skill sets, and judgment
- Profession keenly aware that it must respond to these needs or risk being displaced by other, better-adapted, service providers
- These changes have implications for Boards – both WBOA and in general
- Who are they?
- Generalizations/mischaracterizations worth avoiding/rethinking
- Alternative view: Is it sufficiently attractive for these folks to become and remain CPAs?
- What new demands for public protection are likely to emerge as the scope of professional services and licensee attributes evolve?
- What Board policies and processes will need to change? Which have already modified/are in process? Which have not yet been taken up?

All Board Members, the Executive Director, and many in the audience participated in the discussion.

Chair's Report

The Vice Chair had nothing to report.

Legal Counsel's Report

Michelle Carr, the Board's legal counsel, reported that she has taken a position out-of-state and her last day as the Board adviser will be August 13, 2021.

The Vice Chair and the Executive Director expressed gratitude for her help and advice during her time as the Board's legal adviser and wished her well in her new position.

**State Auditor's
Office (SAO)
Audit Results**

The Executive Director summarized the audit results:

- SAO audit report completed in June 2021.
- Board operations complied in all material respects with applicable state laws and regulations, with Board policies and procedures, and provided adequate controls over the safeguarding of public resources.
- The final report is available in this Board agenda packet, on the SAO's website, and on the Board's website.

Carol Morgan commended staff for their participation and attention to detail in the audit and results.

Public comment came from Ken Smith who stated that there is potential conflict of interest in the SAO overseeing the regulatory authority for CPAs.

The Vice Chair stated that the Board will seek legal advice regarding the suggested conflict.

The Executive Director advised that the Board is subject to SAO audit due to state law.

**Executive
Committee
Peer Review
Oversight
Committee
(PROC)**

The Vice Chair had nothing to report.

Jackie Meucci reported the third quarter was quiet for the committee.

**Request
Oversight
Committee
(ROC)**

Tom Sawatzki reported:

Firm Names: *Approved:*

Poulsbo CPA PLLC
G S Steel PLLC
Sound Forensic Economics
ART CPA Solutions, LLC
On The Point Tax
Buller Accounting

Professional/Educational Organization – Recognition Requests

During the second quarter of 2021, the Board received no requests for recognition as an educational organization for purposes of obtaining list requests.

Late Fee Waiver Requests

Late Fee Waiver Requests were received between May 1, 2021 and June 30, 2021. The Board received and approved 20 requests due to technical issues with the new online licensing system.

Scholarship Oversight Committee (SOC)

Carol Morgan reported the third quarter was quiet for the committee.

Kimberly Scott, President and CEO of the WSCPA, commented the scholarship application acceptance period will open in the fall for next year's scholarships.

CPA Exam Remote Proctoring Task Force

Brian Thomas advised that the task force met by Teams meeting and reported the following:

- Colleen Conrad, CPA, NASBA COO, will report at the October Board meeting.
- Pilot testing has been postponed with no proposed start date set.

Executive Director's Report

The Executive Director presented on various topics throughout the meeting. He directed everyone to the July Executive Director's Report in the Board meeting agenda packet for additional information on those topics and others.

Washington State Board of Accountancy Disciplinary Process

The Executive Director and the Board's legal adviser presented and led the discussion on the Board's disciplinary process. The information covered included:

- Legislative intent
- Board authority
- Unlicensed practice
- Actions
- Adjudication
- Hearing process
- Potential sanctions
- Review of order
- Brief adjudicative proceedings
- Emergency actions
- Precautions

Enforcement Report

Enforcement Reports

Taylor Shahon, CPA, Lead Investigator, presented:

- Quarterly Enforcement Report for April 1, 2021 through June 30, 2021
- Resolved Complaint Report for periods July 2020 through June 2021 and July 2019 through July 2020

Taylor reported on the following enforcement activities:

- Third quarter was relatively quiet – 7 new complaints.
- Complaints continue to be primarily regarding:
 - Communications/Inability to contact CPA.
 - Late tax return filing.

Public Input

Thomas Sawatzki, CPA, Board Member, requested an agenda item regarding Prometric Centers be added to the October Board meeting. He wants to ensure the equitable treatment of candidates taking the CPA Exam.

Kenneth Smith, PhD, stated the following:

- The RCW contains a legislative dead end for oversight of local governments. This was brought to the Board's attention 2 years ago with no resolution.
- The Attorney General's formal opinion on the matter has still not been completed.
- Board meetings should be recorded with the video posted to the website.
- The Board is not meeting its obligation to protect the public.

Executive and/or Closed Session with Legal Counsel

No executive or closed session with legal counsel held.

Adjournment

The Board meeting adjourned at 12:17 p.m.

Secretary

Chair

Vice-Chair

Member

Member

Member

Member

Member

Member