

WASHINGTON STATE BOARD OF ACCOUNTANCY

Minutes of an Annual Meeting of the Board

Time and Place of Meeting	9:00 a.m. – 11:52 a.m. Friday, October 16, 2020 Microsoft Teams Meeting
Attendance	<u>Board Members</u> Mark Hugh, CPA, Chair, Board Member Rajib Doogar, Vice Chair, Public Member Joel Cambern, Secretary, Public Member Brian R. Thomas, CPA, Board Member Jacqueline Meucci, CPA, Board Member Kate Dixon, Public Member Carol A. Morgan, CPA, Board Member Thomas P. Sawatzki, CPA, Board Member Brooke Stegmeier, CPA, Board Member (left at 10:30 a.m.) <u>Staff and Advisors</u> Charles E. Satterlund, 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
Call to Order	Board Chair, Mark Hugh, called the annual meeting of the Board to order at 9:00 a.m.
Minutes – July 31, 2020 Board Meeting	The Board approved the minutes of the July 31, 2020, Board meeting as presented.
Chair’s Report	<u>Election of 2021 Officers</u> – The Chair presented the following slate of officers to serve during 2021: <ul style="list-style-type: none">• Chair – Joel Cambern, Public Member• Vice Chair – Rajib Doogar, Public Member• Secretary – Jackie Meucci, CPA <p>No other nominations were made. The Board cast a unanimous vote for the slate of officers presented.</p> <p>The Executive Director thanked the out-going Chair for his contributions and commitment while serving as the Chair.</p> <p><u>2021 Board Meeting Schedule</u> – The Board established the following schedule for the 2021 Board meetings:</p>

- January 29, 2021 – Virtual Meeting
- April 30, 2021 – Virtual Meeting
- July 30, 2021 – Virtual Meeting
- October 29, 2021 – Virtual Meeting

The meetings will be moved to in-person meeting locations if it becomes safe to do so.

Committee Appointments for 2021

The Board made the following committee appointments for 2021:

- Peer Review Oversight Committee
Chair:
Jackie Meucci , CPA
Members:
Carol Morgan, CPA
Mark Hugh, CPA
Brooke Stegmeier, CPA
Non-Board Volunteers:
Robert Loe, CPA
Laura Lindal, CPA
- Request Oversight Committee
Chair:
Tom Sawatzki, CPA
Members:
Brian Thomas, CPA
Brooke Stegmeier, CPA
- Scholarship Oversight Committee
Chair:
Carol Morgan, CPA
Members:
Brian Thomas, CPA
Jackie Meucci, CPA
Kate Dixon, Public Member
- Title Reform Task Force
Chair:
Mark Hugh, CPA
Members:
Rajib Doogar, Public Member
Kate Dixon, Public Member
Tom Sawatzki, CPA

- Succession Task Force
Chair:
Joel Cambern, Public Member
Members:
Brian Thomas, CPA
Carol Morgan, CPA
Kate Dixon, Public Member

NASBA Annual Meeting Reminder

The Board Chair advised the Board that the NASBA Annual meeting is scheduled to be held virtually from November 2-4, 2020.

Licensee Geographic Location

The Board Chair advised the Board of its credentialed population by country and state.

Board Policy Review

Proposed New Board Policy – 2020-2 Public Officials and Public Employees

The Executive Director presented a draft and led the discussion on the proposed new policy. The Washington State Public Accountancy Act generally does not apply to government officials and employees. The purpose of this policy is to explain both the application and the limitations of this exception.

Scott Woelfle from the Office of the Washington State Auditor asked that the Board consider revisions to 3 sections of the policy. The Board Chair asked Mr. Wolfle to provide his comments in writing for further discussion with the Attorney General's office.

The Board voted unanimously to adopt the policy as written.

The Board will revisit the policy after receiving the Attorney General's opinion (discussed later in the meeting).

2002-4 International Reciprocity

The Executive Director led the discussion on retiring the policy. The information in the policy has already been incorporated into the Board Rules.

The Board voted unanimously to retire the policy.

Washington State Executive Ethics Board – Board Member Training

Kate Reynolds, Executive Director, Washington State Executive Ethics Board, conducted state ethics training, while answering questions throughout the training.

ACB Request for Attorney General Formal Opinion

Michelle Carr, AAG, explained the AG formal opinion process to the Board.

The Board Chair led the discussion on the request for AG formal opinion on:

“Does the Board have disciplinary authority, for violations of the Public Accountancy Act and Board rules, over a Certified Public Accountant licensee who is an employee of a state agency, for acts performed within the scope of employment?”

The Board voted unanimously to submit the request as drafted.

Legal Counsel’s Report

Michelle Carr, the Board’s legal counsel, had nothing to report.

The Executive Director informed the Board that a long-standing lawsuit against the Board has been dismissed.

NASBA Update

The Executive Director reported on the following:

- Remote testing/proctoring for the CPA Exam
- NASBA has scheduled in person meetings for 2021

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

- NASBA has approved the UAA Model Rules changes – the AICPA must now consider the changes
- The potential changes to client records are of particular interest
- Non-compliance with laws and regulations (NOCLAR) is still moving along slowly
- CPA responses to COVID concerns raised by clients – PPP loans and stimulus checks

Executive Director’s Report

Budget Status Report

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 September 30, 2020.

Legislative Update

The Executive Director reported:

- Title reform bill has been entered into the Bill Analysis and Tracking System (BATS)
- Two legislators have been contacted about sponsoring the bill and he is waiting to hear back from them
- The hope is for the bill to be considered in this legislative session, but it may have to wait for the next session
- The bill process will change due to COVID concerns

Retirement

The Executive Director reported that he will be submitting a letter of resignation to the Governor's Office for retirement at the end of January 2021.

IT Modernization Project Update

The Deputy Director reported:

- The project is ahead of schedule and should be completed by December 2020
- The licensing system will be down for one week in December while the new system is being implemented
- Board approved Washington Ethics course authors will now submit their courses for approval through the new system
- The system includes a more robust CPE Tracker and licensees will be required to list their completed CPE starting with the 2021 renewal

The Board Chair requested that staff present a walk-through of the new system at the January Board meeting.

Executive Committee

The Board Chair reported that the committee members met by phone and discussed the agenda content and the new Board policy.

Peer Review Oversight Committee

Jackie Meucci reported on the committee's activities for the 3rd quarter 2020:

- A request was received from NASBA to provide an annual PROC Report for Washington. Plan to provide an annual

report for 2020 in early 2021 summarizing activity for the year.

- Executive Director and PROC Chair attended the AICPA's Review Board Open Session meeting on August 20, 2020, where the primary topic of discussion was around difficulties and delays due to the pandemic and the need to extend deadlines.
- Executive Director and PROC Chair scheduled meeting with PROC volunteers to discuss the current situation with peer review amid the delays and other difficulties associated with the pandemic and any other issues our PROC volunteers are experiencing with the Report Acceptance Bodies (RABs).
- No review of peer review reports since July 29.
- No reports from PROC representatives since July 29.

**Request
Oversight
Committee**

Joel Cambern reported on the 3rd quarter 2020 approval and denials from the committee:

Firm Names: *Approved:*

CAPITAL REMIX PLLC
BAILEY CPA, LLC
MASON ACCOUNTING
DIWAN ACCOUNTING LLP

Professional/Educational Organization - Recognition Requests

During the 3rd quarter 2020, the Board received three requests for recognition as an educational organization for purposes of obtaining list requests with the following actions:

Denied:

Pacific Financial Advisors, Inc.

Approved:

American CPE, Inc.
The Society for Financial Awareness (SOFA)

Domestic or Foreign Education Credential Evaluation Services – Applications

During the 3rd quarter 2020, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

Scholarship Oversight Committee

Brian Thomas presented the Projected Fund Balance and Estimated Expenses for Administering Washington State Certified Public Accounting Scholarship Program – for the Year Ending September 30, 2021.

Brian reported that he had reviewed the final agreement between the Washington State Board of Accountancy (ACB) and the Washington CPA Foundation (Foundation) regarding the Certified Public Accounting Scholarship Program. He provided the final agreement to the other committee members by email. He reported on the following points from the agreement:

- Expires in 20 years or once the funds are gone, whichever comes first, with a renewal clause
- Establishes a \$25,000 yearly administration fee for the program payable to the Foundation by ACB
- Program fiscal year is September 30

Title Reform Task Force

Title reform was covered in the Executive Director section. Mark Hugh added the hope is for the bill to be considered in the upcoming 2021 legislative session, or if not, then the 2022 legislative session. Reform is needed for uniformity in titles amongst the states.

Succession Task Force

Joel Cambern reported that the task force is in a holding pattern until the Executive Director job announcement is posted.

Enforcement Report

Enforcement Reports

Taylor Shahon, CPA, Lead Investigator, presented:

- Quarterly Enforcement Report for July 1, 2020 through September 30, 2020
- Resolved Complaint Report for periods October 2019 through September 2020 and October 2018 through October 2019

Taylor reported:

- Complaints were relatively quiet for the quarter
- Increased phone call volume potentially related to COVID
- Current pattern of complaint and phone calls involve:
 - Clients being unable to get in contact with their CPAs
 - Late or non-filing of tax returns
 - Payment disputes
 - Non-CPAs

Minutes, October 16, 2020, Annual Board Meeting

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

No executive or closed sessions with legal counsel held.

Public Input

The Board received public input throughout the meeting.

Adjournment

The meeting adjourned at 11:52 a.m.

Secretary

Chair

Vice Chair

Member

Member

Member

Member

Member

Member