



Board of Accountancy

Report to the Governor

2020

For the year ending December 31, 2020

Joel Cambern
Board Chair

Jennifer Sciba
Acting Director

March 25, 2021

This document contains the Annual Report to the Governor of the Agency's activities as required by RCW 18.04.045(6). This report includes background information, successes and challenges, budget, and other information about agency activities.

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Introduction

This report is intended to fulfill the requirement of RCW 18.04.045 and serves as the Washington State Board of Accountancy's annual report to the Governor of Washington State. In addition, this report is available to the general public upon request. Any questions regarding this report should be directed to Jennifer Sciba, Acting Director at jennifer.sciba@acb.wa.gov or (360) 586-0952.

Our Mission

The statutory purpose of our agency is embodied in the Washington Public Accountancy Act Revised Code of Washington (RCW) 18.04 and is further developed through rule in Washington Administrative Code (WAC) 4-30.

Broadly speaking, the mission of the agency is to:

1. Promote the reliability of financial and other information used by decision makers in all types of enterprises; and
2. Protect the public by ensuring that:
 - a. Only individuals initially qualified by education, examination, and experience and who possess good character are recognized for the practice of public accounting;
 - b. Only firms meeting the board's criteria for recognition are initially permitted to offer or perform attest or compilation services;
 - c. Individuals and firms recognized by the Board demonstrate continual competency, ethical behavior, and professionalism in the market place; and
 - d. Consumer alerts and public protection information is provided to the general public.

The People We Serve

The Washington State Board of Accountancy serves all of the State's citizens in its public protection capacity. It does so by promoting the dependability of information which is used in financial transactions; and to protect the public by requiring that persons who hold themselves out as CPAs conduct themselves in a competent, ethical, and professional manner.

The Board licenses and regulates CPAs, CPA firms, nonlicensee owners of CPA firms, and CPA-Inactive certificateholders.

In addition, those licensed in our state are able to practice in other states through individual and firm mobility.

Approximately one fifth of our licensee population obtained and maintain their Washington state license while remaining residents of other countries outside the USA. These individuals reside primarily in Pacific Rim countries. The Washington State Board of Accountancy is proud of its part in maintaining this connection to our international neighbors.

Board Members and Staff

Board Members

The Board is composed of nine members appointed by the Governor to serve three-year terms. Our current Board members are:

Mark Hugh, CPA, Board Chair
Rajib Doogar, Public Member, Vice Chair
Joel Cambern, Public Member, Secretary
Brian Thomas, CPA, Member
Carol Morgan, CPA, Member
Tom Sawatzki, CPA, Member
Jacqueline Meucci, CPA, Member
Katherine Dixon, Public Member
Brooke Stegmeier, CPA, Member

Staff Members

The Board staff are currently composed of ten employees:

Charles Satterlund, CPA, Executive Director
Jennifer Sciba, Deputy Director
Lori Mickelson, Chief Administrative Officer
Michelle Tuscher, Chief Information Officer
Tia Landry, Data and Systems Administrator
Taylor Shahon, CPA, Lead Investigator
Kelly Wulfekuhle, Enforcement Administrator
Kirsten Donovan, Confidential Records Manager
Anthony Manfre, Licensing Specialist
Caitlin Upshall, Communications Specialist

Strategic Priorities

Our agency priorities are:

1. Provide outstanding customer service to our constituents, licensees, and applicants.
2. Protect and maintain the security of private personal information that is in the custody of the agency.
3. Ensure technology adds value to the business and leverages opportunities for continuity of operations.
4. Implement the Public Accountancy Act & Board Rules in a fair and equitable manner, consistent with due process, as part of a continual effort to be a model of regulatory best practices.
5. Maintain the frequency and geographic dispersal of agency outreach efforts within the state.
6. Guide the agency in responding to the expanding international focus of public accountancy. Engage with other stakeholders and jurisdictions to craft a regulatory framework that is appropriate to an interconnected world economy.
7. Ensure that the agency is consistently striving to be an organization that focuses on the well-being and safety of the employees through training, process improvements, and a secure workplace.

Use of Resources

State Board of Accountancy Agency Summary

BITD as of December 2020 Fund 02J

Category	BI Allotment	BITD Allotment	BITD Expenditure	BITD Variance
Salaries and Wages	1,510,042	1,131,518	1,130,066	1,452
Employee Benefits	545,748	407,736	407,305	431
Professional Service Contracts	231,408	173,556	13,095	160,461
Goods and Services	1,375,130	1,030,306	1,009,714	20,592
Travel	66,672	50,004	29,921	20,083
Capital Outlays	30,000	22,500	0	22,500
Sum:	3,759,000+	2,815,620	2,590,100	225,520*

* In the current biennium, as of December 31, 2020, the agency had underspent its allotments by \$225,520. The current biennium covers the time period from July 1, 2019 to June 30, 2021.

+ The agency's appropriation is \$3,833,000, but only \$3,759,000 is allotted.

Revenue Received

The agency is not funded through the general fund; the agency receives its revenue from CPA exam applicants' administrative fees and licensing fees. It can also recoup costs associated with the investigative process, but fines are contributed directly to the state general fund.

During the period of fiscal years 2016 to 2020, the agency recorded the receipt of the following revenues:

Board of Accountancy Revenue by Fiscal Year

Fund	Major Source	Source	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
001 - General Fund	04 - States Charges & Miscellaneous Revenue	05 - Fines, Forfeits and Seizures	\$29,800	\$20,050	\$18,500	\$25,975	\$52,035
02J - Certified Public Accountants' Acct	02 - Licenses, Permits, and Fees	01 - Accountants	\$1,706,330	\$2,286,140	\$2,186,935	\$1,508,316	\$2,229,925

FTEs allocated/FTEs used

Our agency staff is authorized (and funded) for a total of eleven (11) full time equivalent employees (FTEs). Through leveraging the experience of our current staff, we are successfully operating with ten (10) FTEs. This reserve capacity allows the agency to remain agile in reacting to unexpected workloads.

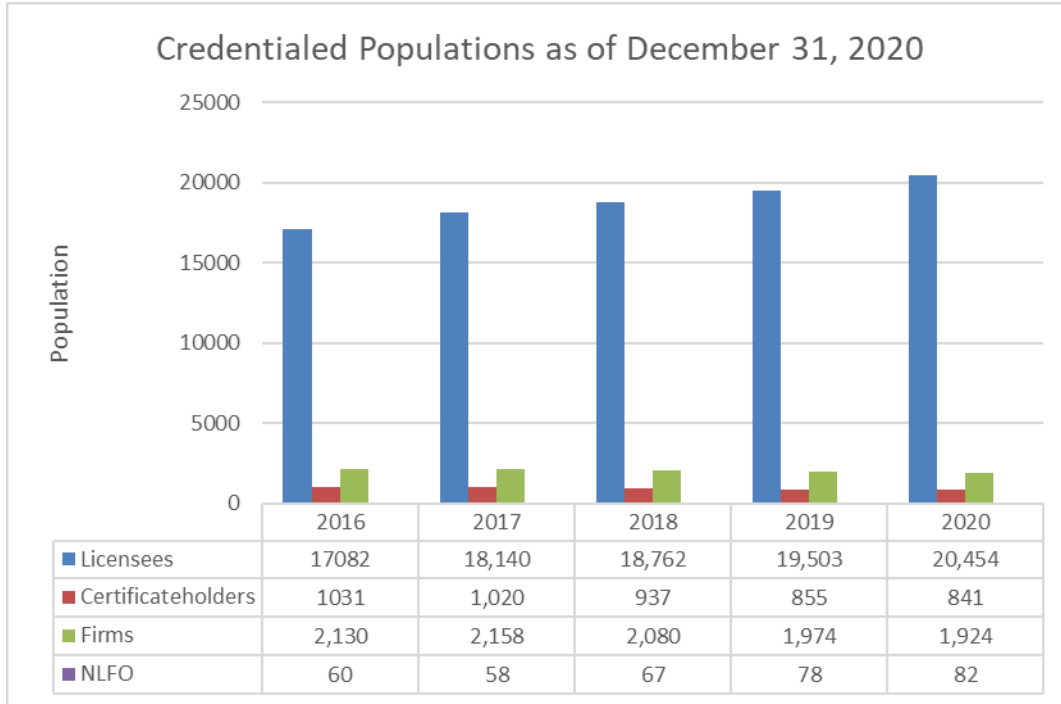
Washington Management Service (WMS) positions - allocated versus filled

We understand the need to minimize the growth of middle management, and the agency strives to find classified positions that suit our operational requirements. Our agency is allocated for three WMS positions, but currently utilizes only two. Unless there is a sound need to fill the third WMS position, we will strive to remain well within our authorized number of WMS positions.

Performance

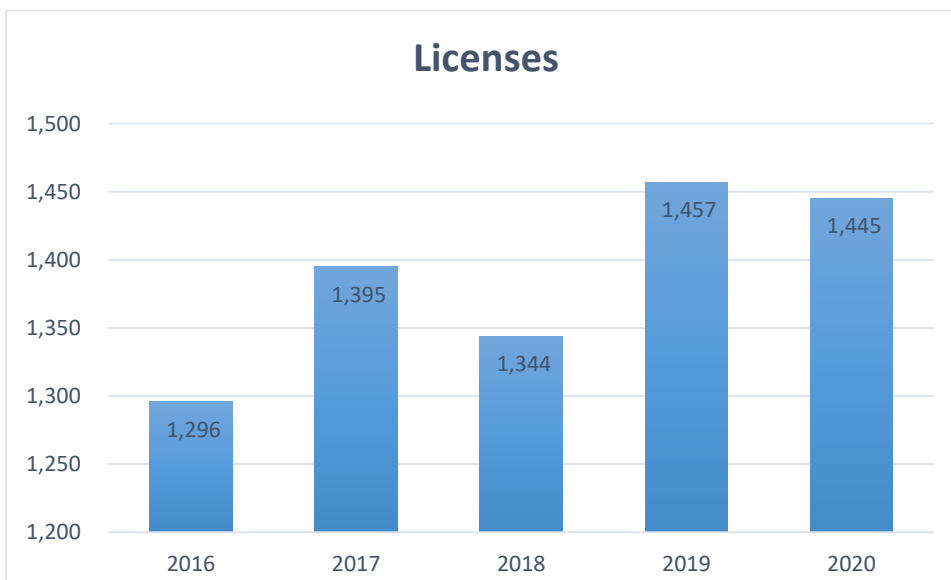
Credentialed Population

Total number of licensees CPAs, CPA-Inactive certificateholders, CPA firms, and Nonlicensee owners of CPA firms (NLFO) for last five calendar years:



New Licensees

Total number of new licensees who obtained their license in Washington State in the past five calendar years:



Enforcement

Regarding our enforcement of the ethical and professional conduct elements of the Public Accountancy Act, we have reduced our backlog of disciplinary complaints and shortened the time needed to resolve them.

Year	2020	2019	2018	2017
Cases received during year	64	89	85	69
Cases resolved during year	60	87	89	71
Average age in days, of resolved cases	77	19	45	88
No. of cases at end of year	31	16	13	17

The Way Forward

The Washington State Board of Accountancy is continuously working to find new opportunities to improve service and maintain our public protection mission focus.

In 2020, all agency staff was able to work remotely as requested by the Governor due to the COVID-19 pandemic. The transition was seamless and the agency was able to provide all services without interruptions.

During this time, the agency continued to work on the IT Modernization Project for the Board's professional licensing system. The new licensing system is expected to be completed in 2021.

Thank you for taking the time to learn more about the Washington State Board of Accountancy. If you have any questions, please do not hesitate to contact us or visit our website at:

<https://acb.wa.gov/>