

ANNUAL BOARD MEETING AGENDA

Date, Time: Friday, October 20, 2023 – Annual Board Meeting – 9:00 a.m.

Location: Capital Event Center
6005 Tye Drive SW
Tumwater, WA 98512
or by Microsoft Teams Meeting

Notices: Public Rules Hearing

Chair Introductions

PUBLIC RULE-MAKING HEARING

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- a. Board’s deliberation on proposed rules considered at the public rule-making hearing. See listing above under Public Rule-Making Hearing – Item 2

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- a. Kate Reynolds, Executive Director, Washington State Ethics Board

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- a. Tim Madeley, PhD, CPA, Saint Martin’s University

8. CPA Evolution

- a. Patricia Hartman, Director of Client Services, NASBA

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14. Executive and/or Closed Sessions with Legal Counsel

15. Public Input - 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.

The Board of Accountancy schedules all public meetings at barrier free sites. Persons who need special assistance, such as enlarged type materials, please contact the Board's Americans with Disabilities Act contact person:

Kirsten Donovan, Board Clerk
PO Box 9131, Olympia, WA 98507-9131
Phone: 360-664-9191 Email: kirsten.donovan@acb.wa.gov

7-1-1 or 1-800-833-6388 (TTY) - 1-800-833-6385 (Telebraille)
(TTY and Telebraille service nationwide by Washington Relay www.washingtonrelay.com)

**WASHINGTON STATE
BOARD OF ACCOUNTANCY
ANNUAL BOARD MEETING – OCTOBER 20, 2023
SUMMARY**

Date and Time: Friday, October 20, 2023 - 9:00 a.m.

Location: Capital Event Center
6005 Tye Drive SW
Tumwater, WA 98512
or by Microsoft Teams Meeting

Notices: Public Rules Hearing

Chair's Opening Announcements: The Board of Accountancy Annual Board meeting is now in session. The date is Friday, October 20, 2023. The time is ____.

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, or if attending by Teams meeting advise me now, and your name will be added to the public input roster.

Chair Introductions: My name is Brian Thomas, CPA Member; I am the Chair of the Board of Accountancy. (Go down the roster in order, including those attending virtually; then the staff present, then virtually, then Leo Roinila, Assistant Attorney General, Board Advisor).

October 20, 2023 - 9:00 a.m. – PUBLIC RULE-MAKING HEARING

Rules Hearing - First the Board will hold its scheduled rules hearing to obtain public input on the proposed changes to Board rules. Individuals wishing to comment must sign in on the rule-making public input roster at the back of the room. If you are attending by Teams meeting and wish to provide input, advise the Board Chair now, and your name will be added to the roster.

- 1. Public Rule-Making Hearing Outline** – The script the Chair will use as a guide during the hearing is at **pages 16-19** of the meeting materials.

2. Rules Under Consideration –

WAC 4-30-056 Form of organization and name.

See **pages 20-22** for the CR-102, Proposed Rule Making Notice.

Page 23 contains the draft language filing for the proposed rule changes. The proposed changes:

- Establish licensee name use parameters

The Executive Director will provide a summary of the proposed rule changes.

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

See **pages 24-26** for the supplemental (amended) CR-102, Proposed Rule Making Notice.

Pages 27-28 contain the amended draft language filing for the proposed rule changes. The proposed changes:

- Extend the time period (testing window) in which all sections of the CPA examination must be passed to 36 months
- Eliminate outdated subsections which no longer apply after the implementation of continuous testing

The original CR-102 filing with draft language is included at **pages 29-33**. The original filing was sent to stakeholders, and a stakeholder notified the Board that the draft contained language inconsistent with the Board's intent to not have the rule applied retroactively. The supplemental CR-102 with corrected language was timely filed with the Office of the Code Reviser for publication after email approval from a quorum of Board Members, which allowed for the Rules Hearing date to remain as originally scheduled. A second stakeholder notification was sent for the supplemental CR-102.

The Executive Director will provide a summary of the amended proposed rule changes.

Rules Alignment for CPA-Inactive Certificate Legislation Passed

See **pages 34-37** for the CR-102, Proposed Rule Making Notice.

- **WAC 4-30-010 Definitions. – pages 38-42**
- **WAC 4-30-020 What are the authority for and the purpose of the Board's rules? – page 43**
- **WAC 4-30-028 Rules governing the formal adjudicative proceedings and the brief adjudicative proceedings before the board. – page 44**

- **WAC 4-30-030 What are the requirements for communicating with the board and staff? – pages 45-46**
- **WAC 4-30-032 Do I need to notify the board if I change my address? – page 47**
- **WAC 4-30-034 Must I respond to inquiries from the board? – page 48**
- **WAC 4-30-036 What enforcement actions must be reported to the board? – page 49**
- **WAC 4-30-038 Fees. – pages 50-51**
- **WAC 4-30-082 How does a CPA-Inactive certificate holder apply for licensure? – page 52**
- **WAC 4-30-084 Converting from certificate to license. (New section) – page 53**
- **WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-inactive certificate holder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty? – pages 54-56**
- **WAC 4-30-094 How do I renew my individual license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner? – pages 57-58**
- **WAC 4-30-104 How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity? (Repealed section) – page 59**
- **WAC 4-30-120 I am a CPA-Inactive certificate holder – Prior to July 1, 2001, I held a license – How do I apply to return to my previous status as a licensee? – page 60**
- **WAC 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or CPA-Inactive certificate out of retirement? – page 61**
- **WAC 4-30-124 How do I reinstate a lapsed license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner? – pages 62-63**
- **WAC 4-30-126 How do I reinstate a revoked or suspended license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner? – pages 64-65**
- **WAC 4-30-134 Continuing professional education (CPE) requirements. – pages 66-68**
- **WAC 4-30-136 Reporting continuing professional education (CPE) to the board. – page 69**
- **WAC 4-30-142 What are the bases for the board to impose discipline? – pages 70-73**

Pages 38-73 contain the draft language filings for the proposed rule changes (page numbers for each rule are individually listed above). The proposed changes:

- Ensure consistency with the Public Accountancy Act (RCW 18.04) for legislation passed (SB5519) on March 17, 2022, with an effective date of July 1, 2024
- Remove references to certificate holders
- Allow the remaining population of certificate holders to transition to a CPA license in an inactive status and provide the opportunity for the certificate holders to become fully licensed
- Create a new inactive license status
- Align Board rules with other CPA jurisdictions
- Rename some of the rules

The Executive Director will provide a summary of the proposed rule changes.

Page 74 contains the CPA-Inactive Rule Making memo from the Executive Committee.

3. **Written Stakeholder Comments** – None were received by the time the Board meeting packet was compiled and posted to the website. If any are received by the written comment deadline of October 18, 2023, they will be provided during the Rules Hearing.

October 20, 2023 – BOARD MEETING

The annual Board meeting is now back in session, and the time is _____.

4. Rules Review

- a. **Board deliberation on the proposed rule considered at the public rule-making hearing.**

WAC 4-30-056 Form of organization and name. – pages 20-23

The Executive Director is prepared to summarize the proposed rule changes and answer any questions for the Board during deliberation.

Does the Board wish to:

- **Adopt the rule as proposed; or**
- **Adopt the rule with minor changes that do not change the general subject matter of the proposed rule; or**
- **Amend the rule proposal and set another rules hearing date; or**
- **Withdraw the rule proposal?**

Effective date: If the Board decides to adopt the rule, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rule effective 31 days after filing.

Does the Board wish to make the rule effective:

- 31 days after filing; or
- Another date?

WAC 4-30-062 Applying to take the CPA examination. – pages 24-33

The Executive Director is prepared to summarize the proposed rule changes and answer any questions for the Board during deliberation.

Does the Board wish to:

- Adopt the rule as proposed; or
- Adopt the rule with minor changes that do not change the general subject matter of the proposed rule; or
- Amend the rule proposal and set another rules hearing date; or
- Withdraw the rule proposal?

Effective date: If the Board decides to adopt the rule, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rule effective 31 days after filing.

Does the Board wish to make the rule effective:

- 31 days after filing; or
- Another date?

Rules Alignment for CPA-Inactive Certificate Legislation Passed

- WAC 4-30-010 Definitions. – pages 38-42
- WAC 4-30-020 What are the authority for and the purpose of the Board's rules? – pages 43
- WAC 4-30-028 Rules governing the formal adjudicative proceedings and the brief adjudicative proceedings before the board. – pages 44
- WAC 4-30-030 What are the requirements for communicating with the board and staff? – pages 45-46
- WAC 4-30-032 Do I need to notify the board if I change my address? – pages 47
- WAC 4-30-034 Must I respond to inquiries from the board? – pages 48
- WAC 4-30-036 What enforcement actions must be reported to the board? – pages 49

- **WAC 4-30-038 Fees. – pages 50-51**
- **WAC 4-30-082 How does a CPA-Inactive certificate holder apply for licensure? – pages 52**
- **WAC 4-30-084 Converting from certificate to license. – pages 53**
- **WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-inactive certificate holder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty? – pages 54-56**
- **WAC 4-30-094 How do I renew my individual license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner? – pages 57-58**
- **WAC 4-30-104 How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity? – pages 59**
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- **WAC 4-30-136 Reporting continuing professional education (CPE) to the board. – pages 69**
- **WAC 4-30-142 What are the bases for the board to impose discipline? – pages 70-73**

The Executive Director is prepared to summarize the proposed rule changes and answer any questions for the Board during deliberation.

Does the Board wish to:

- **Adopt the rule as proposed; or**
- **Adopt the rule with minor changes that do not change the general subject matter of the proposed rule; or**

- **Amend the rule proposal and set another rules hearing date; or**
- **Withdraw the rule proposal?**

Effective date: If the Board decides to adopt the rule, the Board must determine the effective date. Rules generally become effective 31 days after filing. The Executive Director recommends making the rule effective July 1, 2024, to correspond with the legislation effective date.

Does the Board wish to make the rule effective:

- **July 1, 2024;**
- **31 days after filing; or**
- **Another date?**

5. Minutes – July 21, 2023, Board Meeting

Board staff presents the draft minutes of the July 21, 2023, Board meeting at **pages 75-84** for the Board's consideration.

Does the Board approve the minutes as drafted?

Do the Board Members attending virtually authorize the use of their electronic signatures on file for the signing of the approved meeting minutes?

6. Washington State Executive Ethics Board – Board Member Training

Training is scheduled to begin at 10:00 a.m., so flexibility within the agenda is needed to accommodate the start time.

The Executive Director will provide an introduction.

Kate Reynolds, Executive Director, Washington State Executive Ethics Board, will conduct this training, including a question-and-answer session at the end. **Pages 85-104** contain the PowerPoint slide presentation, Ethics in Public Service Act.

7. Post-secondary Accounting Education Racial and Equity Gaps

Kate Dixon will provide an introduction.

Tim Madeley, PhD, CPA, Saint Martin's University, will report on his research regarding post-secondary accounting education racial and equity gaps.

Pages 105-118 contain the PowerPoint slide presentation, Understanding the Racial/Ethnic Equity Gaps in Accounting Education at Two-Year Colleges.

8. CPA Evolution

The Deputy Director will provide an introduction.

Patricia Hartman, Director of Client Services, NASBA, will provide an update on CPA Evolution.

9. Chair’s Report

a. Election of Officers for Calendar Year 2024

Page 119-120 contains the Proposed Board Officers for Calendar Year 2024 report.

The Board must vote in officers for calendar year 2024:

Chair _____

Vice Chair _____

Secretary _____

The newly elected officers will assume their duties on January 1, 2024.

b. Board Meeting Schedule and Locations for Calendar Year 2024 - Board meeting dates are set by Board rule as the last Friday of the month in the months of January, April, July, and October, or as otherwise determined by the Board. The meeting dates and locations for consideration are:

- January 26, 2024 – SeaTac Area
- April 26, 2024 – SeaTac Area
- July 19, 2024 – Spokane, WA
- October 18, 2024 – Tumwater, WA, Capital Event Center

The 2024 Board meetings will be hybrid with options to attend in-person or virtually through Microsoft Teams.

Does the Board approve the selected dates and locations?

c. Committee Chair and Member Appointments for Calendar Year 2024

The Board adopted a governance structure that includes the Executive Committee consisting of the Board officers and four other standing committees. Task forces are created when needed and dissolved once their work is done. The Board needs to appoint chairs and members for each of the committees and task forces at its annual meeting. The current committees with members are listed.

Pages 121-122 contain the 2023 committee and task force spreadsheet for

reference and the recommended 2024 committee member spreadsheet.
Pages 123-128 contain an overview of the Board Committees and Task Forces.

Peer Review Oversight Committee (PROC)

Chair: _____

Members: _____

Current Members:

Mark Hugh, CPA, Committee Chair

Brooke Stegmeier, CPA

Kate Dixon, Public Member

Tom Sawatzki, CPA

Non-board Volunteers:

Robert Loe, CPA

Laura Lindal, CPA

Tom Neill, CPA

Request Oversight Committee (ROC)

Chair: _____

Members: _____

Current Members:

Scott Newman, Public Member, Committee Chair

Rajib Doogar, Public Member

Tonia Campbell, CPA

Scholarship Oversight Committee (SOC)

Chair: _____

Members: _____

Current Members:

Tonia Campbell, CPA, Committee Chair

Kate Dixon, Public Member

Jackie Meucci, CPA

Board/AICPA Rules Committee (BARC)

Chair: _____

Members: _____

Current Members:

Brooke Stegmeier, CPA, Committee Chair

Brian Thomas, CPA

Mark Hugh, CPA

Scott Newman, Public Member

10. NASBA Update

a. NASBA Annual Meeting

b. Update on One-time Credit Relief Initiative

Pages 129-133 contain the PowerPoint slides, CPA Exam Credit Relief Initiative Explained.

The Executive Director will provide an update on NASBA's one-time credit relief initiative.

11. Legal Counsel's Report

The Board's legal counsel requests the agenda for regular Board meetings contain a placeholder item allowing for Legal Counsel to report on any current issues related to the Board's activities and/or Washington State law such as: the Administrative Procedures Act, Open Public Meetings Act, Public Disclosure requirements, etc.

12. Executive Director's Report

a. Budget Status

Pages 134-136 contain the Allotment Expenditure/Revenue BTD Flexible Report, the Certified Public Accountant's Account Fund View, and the CPA Scholarship Transfer Account Fund View for transactions through September 30, 2023.

b. 2023 CPE Audit Report

Pages 137-138 contain the 2023 CPE Audit report.

c. Legislative Update

The Executive Director will provide an overview of the legislative process and

provide an update on proposed 2024 legislation brought by the WSCPA.

d. Residency of Washington Licensees

Page 139 contains the 2023 Residency of Washington Licensees report.

13. Committee/Task Force Reports

- a. Executive Committee** – Chair: Brian Thomas, CPA; Vice Chair: Mark Hugh, CPA; Secretary: Kate Dixon, Public Member

Brian will give a verbal report.

- b. Peer Review Oversight Committee (PROC)** – Chair: Mark Hugh, CPA; Members: Kate Dixon, Public Member; Brooke Stegmeier, CPA; Thomas P. Sawatzki, CPA; Non-Board Member Volunteers: Robert Loe, CPA; Laura Lindall, CPA; Tom Neill, CPA

Page 140 contains the 2023 Quality Assurance Review (QAR) Results Report.

Pages 141-142 contain the PROC Report – Peer Review Alternatives.

Mark will give a verbal report.

- c. Request Oversight Committee (ROC)** – Chair: Scott Newman, Public Member; Members: Rajib Doogar, Public Member; Tonia Campbell, CPA

Page 143 contains a report on the 3rd quarter approvals and denials from the committee.

Scott will give a verbal report.

- d. Scholarship Oversight Committee (SOC)** – Chair: Tonia Campbell, CPA; Members: Kate Dixon, Public Member; Jacqueline Meucci, CPA

Pages 144-145 contain the Projected Fund Balance Washington State Certified Public Accounting Scholarship Program and the Estimated Expenses for Administering the WA Certified Public Accounting Scholarship Program reports for year ending September 30, 2024.

Tonia will give a verbal report.

- e. Board/AICPA Rules Clarification Task Force (BARC)** – Chair: Brooke Stegmeier, CPA; Members: Brian Thomas, CPA; Mark Hugh, CPA; Scott Newman, Public Member

Pages 146-147 contain the October 2023 BARC Report.

Brooke will give a verbal report.

13. Enforcement Report

Taylor Shahon, CPA, Lead Investigator, will provide a verbal report on investigations.

Pages 148-149 contain the October 2023 Enforcement Reports.

- Quarterly Report – July 1, 2023, through September 30, 2023
- Twelve-Month Lookback – October 1, 2022, through September 30, 2023
- All Complaints – Resolved with and without discipline for periods October 2022 to September 2023 and October 2021 to September 2022.
- CBM Report – July 1, 2023, through September 30, 2023

14. Executive and/or Closed Sessions 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 an executive or closed session when determined appropriate.

15. 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
RULES HEARING OUTLINE
October 20, 2023**

Presiding officer read or paraphrase BOLD type entries

Italics are explanatory notes to presiding officer

Opening statement:

The Board of Accountancy rules hearing is now in session. The date is Friday, October 20, 2023. The time is _____. My name is Brian Thomas. I am the Chair of the Board of Accountancy.

Copies of the rule proposals are available in the Board packet materials either at the back of the room or online at www.acb.wa.gov.

If you would like to testify, please sign in on the rule-making public input roster at the back of the room. If you are attending by Teams meeting and would like to testify, let me know now, and your name will be added to the roster.

Explain hearing sequence and ground rules as follows:

The hearing will be conducted as follows:

- 1. I will identify the rules presented for testimony and a brief statement for each proposal will be presented.**
- 2. I will use the attendance roster to invite testimony on the proposal. When you give testimony, please:**
 - State your name and organization if you speak for a group**
 - Limit your testimony to the rule proposal currently before the Board**
 - After you testify, please remain available for questions, and**
 - If you are testifying from text, please provide a copy by email to Kirsten Donovan, Board Clerk at kirsten.donovan@acb.wa.gov.**

Testimony is limited to 10 minutes for each speaker.

- 3. When the testimony is complete the hearing will be closed. The Board will consider the proposed rule changes at its Board meeting later today.**

First Rule Proposal

This rule proposal concerns:

- WAC 4-30-056 Form of organization and name.**

Mike Paquette, Executive Director, will present a brief statement for the proposal.

Mike presents the statement.

The rule proposal has been identified. We will now move to the testimony.

1. TESTIMONY FROM ATTENDANCE ROSTER

Ask for testimony from the audience according to the order on the attendance roster.

Will (name of individual) please present testimony?

After testimony is complete you will invite questions from the Board members.

2. OTHER TESTIMONY

*After all persons on the attendance roster have testified, ask if others wish to testify. **Is there anyone who wishes to testify that has not had the opportunity?***

Second Rule Proposal

This rule proposal concerns:

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

Mike Paquette, Executive Director, will present a brief statement for the proposal.

Mike presents the statement.

The rule proposal has been identified. We will now move to the testimony.

1. TESTIMONY FROM ATTENDANCE ROSTER

Ask for testimony from the audience according to the order on the attendance roster.

Will (name of individual) please present testimony?

After testimony is complete you will invite questions from the Board members.

2. OTHER TESTIMONY

*After all persons on the attendance roster have testified, ask if others wish to testify. **Is there anyone who wishes to testify that has not had the opportunity?***

Third Rule Proposal – Set of Rules

These rule proposals concern:

Rules Alignment for CPA-Inactive Certificate Legislation Passed

- **WAC 4-30-010 Definitions**
- **WAC 4-30-020 What are the authority for and the purpose of the board's rules?**

- **WAC 4-30-028 Rules governing the formal adjudicative proceedings and the brief adjudicative proceedings before the board.**
- **WAC 4-30-030 What are the requirements for communicating with the board and staff?**
- **WAC 4-30-032 Do I need to notify the board if I change my address?**
- **WAC 4-30-034 Must I respond to inquiries from the board?**
- **WAC 4-30-036 What enforcement actions must be reported to the board?**
- **WAC 4-30-038 Fees**
- **WAC 4-30-082 How does a CPA-Inactive certificate holder apply for licensure?**
- **WAC 4-30-084 Converting from certificate to license. (New section)**
- **WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-inactive certificate holder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?**
- **WAC 4-30-094 How do I renew my individual license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?**
- **WAC 4-30-104 How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity? (Repealed section)**
- **WAC 4-30-120 I am a CPA-Inactive certificate holder – Prior to July 1, 2001, I held a license – How do I apply to return to my previous status as a licensee?**
- **WAC 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or CPA-Inactive certificate out of retirement?**
- **WAC 4-30-124 How do I reinstate a lapsed license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?**
- **WAC 4-30-126 How do I reinstate a revoked or suspended license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?**
- **WAC 4-30-134 Continuing professional education (CPE) requirements.**
- **WAC 4-30-136 Reporting continuing professional education (CPE) to the board.**
- **WAC 4-30-142 What are the bases for the board to impose discipline?**

Mike Paquette, Executive Director, will present a brief statement for the proposals.

Mike presents the statement.

The rule proposal has been identified. We will now move to the testimony.

1. TESTIMONY FROM ATTENDANCE ROSTER

Ask for testimony from the audience according to the order on the attendance roster.

Will (name of individual) please present testimony?

After testimony is complete you will invite questions from the Board members.

2. OTHER TESTIMONY

*After all persons on the attendance roster have testified, ask if others wish to testify. **Is there anyone who wishes to testify that has not had the opportunity?***

CLOSING STATEMENT:

Thank you for your testimony.

The Board will deliberate on the oral and written testimony and the proposed rules later today during its Board meeting. The Board's decision regarding the proposed rules will be posted to the Board's rule making section of the website and reflected in the meeting minutes. Thank you all for your participation. The time is _____, and this hearing is now closed.



PROPOSED RULE MAKING

CR-102 (July 2022) (Implements RCW 34.05.320) Do NOT use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 01, 2023

TIME: 11:24 AM

WSR 23-16-121

Agency: Board of Accountancy

Original Notice

Supplemental Notice to WSR _____

Continuance of WSR _____

Preproposal Statement of Inquiry was filed as WSR 23-13-056 ; or

Expedited Rule Making--Proposed notice was filed as WSR _____; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) WAC 4-30-056 Form of organization and name.

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
October 20, 2023	9:00 a.m.	Capital Event Center 6005 Tye Drive SW Tumwater, WA 98512 or Microsoft Teams Meeting	The link to join the meeting will be available on the Board's website approximately 2 weeks before the hearing date at: https://acb.wa.gov/next-board-meeting . A phone number will be provided as well in case you are unable to attend online.

Date of intended adoption: October 20, 2023 (Note: This is NOT the effective date)

Submit written comments to:

Name: Kirsten Donovan, Rules Coordinator
Address: P.O. Box 9131, Olympia, WA 98507
Email: Kirsten.donovan@acb.wa.gov
Fax: 360-664-9190
Other:
By (date) October 18, 2023

Assistance for persons with disabilities:

Contact Kirsten Donovan, Rules Coordinator
Phone: 360-664-9191
Fax: 360-664-9190
TTY: 771
Email: Kirsten.donovan@acb.wa.gov
Other:
By (date) October 18, 2023

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The Board of Accountancy proposes amending the rule to establish licensee name use parameters.

Reasons supporting proposal: See purposes above

Statutory authority for adoption: RCW 18.04.055

Statute being implemented: RCW 18.04.055

Is rule necessary because of a:

- Federal Law? Yes No
- Federal Court Decision? Yes No
- State Court Decision? Yes No

If yes, CITATION:

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

Type of proponent: Private Public Governmental

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

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Implementation:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Enforcement:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

No: Please explain: The Board of Accountancy is not a listed agency in RCW 34.05.328(5)(a)(i).

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570](#)(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(3). Check all that apply:

[RCW 34.05.310](#) (4)(b)
(Internal government operations)

[RCW 34.05.310](#) (4)(e)
(Dictated by statute)

[RCW 34.05.310](#) (4)(c)
(Incorporation by reference)

[RCW 34.05.310](#) (4)(f)
(Set or adjust fees)

[RCW 34.05.310](#) (4)(d)
(Correct or clarify language)

[RCW 34.05.310](#) (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(4) (does not affect small businesses).

This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs.
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Date: August 1, 2023

Name: Michael J. Paquette, CPA

Title: Executive Director

Signature:



WAC 4-30-056 Form of organization and name. (1) A licensee may practice public accounting only in a form of organization permitted by law or regulation.

(2) A firm name that does not consist of the name(s) of one or more present or former owners must be approved in advance by the board as not being deceptive or misleading.

(3) Misleading or deceptive firm names are prohibited. The following are examples of misleading firm names. The board does not intend this listing to be all inclusive. The firm name:

(a) Implies it is a legal entity when it is not such an entity (as by the use of the designations "P.C.," "P.S.," "Inc. P.S.," or "L.L.C.");

(b) Implies the existence of a partnership when one does not exist;

(c) Includes the name of a person who is neither a present nor a past owner of the firm;

(d) Implies educational or professional attainments, specialty designations, or licensing recognition not supported in fact; or

(e) Includes the terms "& Company", "& Associate", or "Group," but the firm does not include, in addition to the named partner, shareholder, owner, or member, at least one other unnamed partner, shareholder, owner, member, or staff employee.

(4) Licensed firms and unlicensed firms.

(a) No licensed firm may operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the board.

(b) A firm not required to be licensed may not operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the secretary of state and/or the department of revenue.

(5) A licensee may not operate under an alias or title that differs from the name that is registered with the board.

(6) For the purposes of this rule, "licensees" includes licensees, CPA firms, nonlicensee firm owners, employees of such persons, out-of-state individuals with practice privileges 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.



PROPOSED RULE MAKING

CR-102 (July 2022) (Implements RCW 34.05.320) Do NOT use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 29, 2023

TIME: 9:21 AM

WSR 23-18-032

Agency: Board of Accountancy

Original Notice

Supplemental Notice to WSR 23-16-122

Continuance of WSR _____

Preproposal Statement of Inquiry was filed as WSR 23-11-065 ; or

Expedited Rule Making--Proposed notice was filed as WSR _____; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) WAC 4-30-062 Applying to take the CPA examination.

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
October 20, 2023	9:00 a.m.	Capital Event Center 6005 Tye Drive SW Tumwater, WA 98512 or Microsoft Teams Meeting	The link to join the meeting will be available on the Board's website approximately 2 weeks before the hearing date at: https://acb.wa.gov/next-board-meeting . A phone number will be provided as well in case you are unable to attend online.

Date of intended adoption: October 20, 2023 (Note: This is NOT the effective date)

Submit written comments to:

Name: Kirsten Donovan, Rules Coordinator
Address: P.O. Box 9131, Olympia, WA 98507
Email: Kirsten.donovan@acb.wa.gov
Fax: 360-664-9190
Other:
By (date) October 18, 2023

Assistance for persons with disabilities:

Contact Kirsten Donovan, Rules Coordinator
Phone: 360-664-9191
Fax: 360-664-9190
TTY: 771
Email: Kirsten.donovan@acb.wa.gov
Other:
By (date) October 18, 2023

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The supplemental notice is filed to further revise the draft language, while remaining consistent with the originally filed purposes included here.

The Board of Accountancy proposes amending the rule to: 1) Extend the time period (testing window) in which all sections of the CPA examination must be passed; 2) Eliminate outdated subsections which no longer apply after the implementation of continuous testing.

Reasons supporting proposal: See purposes above

Statutory authority for adoption: RCW 18.04.055

Statute being implemented: RCW 18.04.055

Is rule necessary because of a:

- Federal Law? Yes No
- Federal Court Decision? Yes No
- State Court Decision? Yes No

If yes, CITATION:

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

Type of proponent: Private Public Governmental

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

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Implementation:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Enforcement:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?

Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

No: Please explain: The Board of Accountancy is not a listed agency in RCW 34.05.328(5)(a)(i).

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:
- | | |
|---|--|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |
- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).
- This rule proposal, or portions of the proposal, is exempt under RCW _____.
- Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs.
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Date: August 29, 2023

Name: Michael J. Paquette, CPA

Title: Executive Director

Signature:



WAC 4-30-062 Applying to take the CPA examination. (1) **Application process and due dates:** Your application to take the CPA examination must be submitted to the board's examination administrator. Applicants must submit all required information, documents, and fees to complete their application within 60 days of the date their application is submitted to the board's examination administrator. Your application is not considered complete until all ~~((of))~~ the following are provided:

- Complete application information and requested documents;
- Fee(s).

(2) **Fee refund and forfeiture:** Upon submission of your application to the examination administrator, no portion of the board's administrative fee is refundable. Upon the examination administrator's authorization to test, no portion of the total exam fee (both administrative fee and section fee(s)) is refundable. If you fail to meet the board's scheduling or admission requirements, you forfeit all ~~((of))~~ the exam fee(s) and you must reapply to take the section(s) of the exam.

(3) **Notice of admittance to the examination or denial of your application:** You must contact the approved test provider to schedule the time and location for your examination. The notice of eligibility to take the examination is called a Notice to Schedule (NTS) ~~((r))~~. The NTS will be valid for one taking of the examination section(s) within the six months following the date of the NTS.

Notice of a denial of your application ~~((r))~~ or notice of your eligibility to take the examination will be sent to you by the examination administrator.

(4) **Examination content ~~((and grading))~~:** The CPA examination shall test the knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the board may require. ~~((The board may accept the advisory grading services of the American Institute of Certified Public Accountants.))~~

(5) **Examination process:**

(a) ~~((Conditions for examinations held prior to January 1, 2004: Contact a customer service representative at customerservice@acb.wa.gov or by phone at 360-753-2586.~~

~~((b) For examinations taken after December 31, 2003:))~~ The board uses all parts of the uniform CPA examination and the advisory grading services of the American Institute of Certified Public Accountants.

~~((i))~~ (b) To satisfy the examination requirement for a license you must have achieved a score of 75 on all sections of the examination within a rolling ~~((18))~~ 36-month period.

~~((ii))~~ (c) You may take the required sections ~~((individually and))~~ in any order. ~~((Credit for any section(s) taken and passed after December 31, 2003, will be valid for 18 months from the actual date you successfully passed any particular section of the examination.~~

~~((iii))~~ (d) You must pass all sections of the examination ~~((within a rolling 18-month period))~~, which begins on the date that the first section(s) is passed. A section is considered passed on the date that your grade is released.

~~((iv) You may not retake a failed section(s) in the same examination window. An examination window refers to a three-month period in which candidates have an opportunity to take the examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the examination is refreshed).~~

~~(v) If the board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, (iv) of this subsection will no longer be effective, and a candidate)~~ (e) You can retake a test section ~~((once their))~~ after the grade for any previous attempt of that same section has been released.

~~((vi))~~ (f) In the event you do not pass all sections of the examination within the rolling ~~((18))~~ 36-month period, credit for any section(s) passed prior to the ~~((18))~~ 36-month period will expire and you must retake any expired section.



PROPOSED RULE MAKING

CR-102 (July 2022) (Implements RCW 34.05.320) Do NOT use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 01, 2023

TIME: 11:25 AM

WSR 23-16-122

Agency: Board of Accountancy

- Original Notice
- Supplemental Notice to WSR _____
- Continuance of WSR _____

- Preproposal Statement of Inquiry was filed as WSR 23-11-065 ; or
- Expedited Rule Making--Proposed notice was filed as WSR _____; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or
- Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) WAC 4-30-062 Applying to take the CPA examination.

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
October 20, 2023	9:00 a.m.	Capital Event Center 6005 Tye Drive SW Tumwater, WA 98512 or Microsoft Teams Meeting	The link to join the meeting will be available on the Board's website approximately 2 weeks before the hearing date at: https://acb.wa.gov/next-board-meeting . A phone number will be provided as well in case you are unable to attend online.

Date of intended adoption: October 20, 2023 (Note: This is NOT the effective date)

Submit written comments to:

Name: Kirsten Donovan, Rules Coordinator
 Address: P.O. Box 9131, Olympia, WA 98507
 Email: Kirsten.donovan@acb.wa.gov
 Fax: 360-664-9190
 Other:
 By (date) October 18, 2023

Assistance for persons with disabilities:

Contact Kirsten Donovan, Rules Coordinator
 Phone: 360-664-9191
 Fax: 360-664-9190
 TTY: 771
 Email: Kirsten.donovan@acb.wa.gov
 Other:
 By (date) October 18, 2023

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The Board of Accountancy proposes amending the rule to: 1) extend the time period (testing window) in which all sections of the CPA examination must be passed; 2) Eliminate outdated subsections which no longer apply after the implementation of continuous testing.

Reasons supporting proposal: See purposes above

Statutory authority for adoption: RCW 18.04.055

Statute being implemented: RCW 18.04.055

Is rule necessary because of a:

- Federal Law? Yes No
- Federal Court Decision? Yes No
- State Court Decision? Yes No

If yes, CITATION:

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

Type of proponent: Private Public Governmental
Name of proponent: (person or organization) Board of Accountancy

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Implementation:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Enforcement:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:
Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

No: Please explain: The Board of Accountancy is not a listed agency in RCW 34.05.328(5)(a)(i).

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:
- | | |
|---|--|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |
- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).
- This rule proposal, or portions of the proposal, is exempt under RCW _____.
- Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs.
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Date: August 1, 2023

Name: Michael J. Paquette, CPA

Title: Executive Director

Signature:



WAC 4-30-062 Applying to take the CPA examination. (1) **Application process and due dates:** Your application to take the CPA examination must be submitted to the board's examination administrator. Applicants must submit all required information, documents, and fees to complete their application within 60 days of the date their application is submitted to the board's examination administrator. Your application is not considered complete until all of the following are provided:

- Complete application information and requested documents;
- Fee(s).

(2) **Fee refund and forfeiture:** Upon submission of your application to the examination administrator, no portion of the board's administrative fee is refundable. Upon the examination administrator's authorization to test, no portion of the total exam fee (both administrative fee and section fee(s)) is refundable. If you fail to meet the board's scheduling or admission requirements, you forfeit all of the exam fee(s) and you must reapply to take the section(s) of the exam.

(3) **Notice of admittance to the examination or denial of your application:** You must contact the approved test provider to schedule the time and location for your examination. The notice of eligibility to take the examination is called a Notice to Schedule (NTS), the NTS will be valid for one taking of the examination within the six months following the date of the NTS.

Notice of a denial of your application, or notice of your eligibility to take the examination will be sent to you by the examination administrator.

(4) **Examination content and grading:** The CPA examination shall test the knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the board may require. The board may accept the advisory grading services of the American Institute of Certified Public Accountants.

(5) **Examination process:**

(a) **Conditions for examinations held prior to January 1, 2004:** Contact a customer service representative at customerservice@acb.wa.gov or by phone at 360-753-2586.

(b) **For examinations taken after December 31, 2003:** The board uses all parts of the uniform CPA examination and the advisory grading services of the American Institute of Certified Public Accountants.

(i) To satisfy the examination requirement for a license you must have achieved a score of 75 on all sections of the examination within a rolling ((18)) 36-month period.

(ii) You may take the required sections individually and in any order. Credit for any section(s) taken and passed after December 31, 2003, will be valid for ((18)) 36 months from the actual date you successfully passed any particular section of the examination.

(iii) You must pass all sections of the examination within a rolling ((18)) 36-month period, which begins on the date that the first section(s) is passed. A section is considered passed on the date that your grade is released.

(iv) You ~~((may not retake a failed section(s) in the same examination window. An examination window refers to a three-month period in~~

~~which candidates have an opportunity to take the examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be offered while routine maintenance is performed and the examination is refreshed).~~

~~(v) If the board determines that the examination system changes necessary to eliminate the test window limitations have been implemented, (iv) of this subsection will no longer be effective, and a candidate) can retake a test section once ((their)) the grade for any previous attempt of that same section has been released.~~

~~((vi)) (v) In the event you do not pass all sections of the examination within the rolling ((18)) 36-month period, credit for any section(s) passed prior to the ((18)) 36-month period will expire and you must retake any expired section.~~



PROPOSED RULE MAKING

CR-102 (July 2022)
(Implements RCW 34.05.320)
Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 01, 2023

TIME: 11:32 AM

WSR 23-16-123

Agency: Board of Accountancy

- Original Notice
- Supplemental Notice to WSR _____
- Continuance of WSR _____

- Preproposal Statement of Inquiry was filed as WSR 23-12-046 ; or
- Expedited Rule Making--Proposed notice was filed as WSR _____; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or
- Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) WAC 4-30-010 Definitions.; WAC 4-30-020 What are the authority for and the purpose of the Board's rules?; WAC 4-30-028 Rules governing the formal adjudicative proceedings and the brief adjudicative proceedings before the board.; WAC 4-30-030 What are the requirements for communicating with the board and staff?; WAC 4-30-032 Do I need to notify the board if I change my address?; WAC 4-30-034 Must I respond to inquiries from the board?; WAC 4-30-036 What enforcement actions must be reported to the board?; WAC 4-30-038 Fees.; WAC 4-30-082 How does a CPA-Inactive certificate holder apply for licensure?; WAC 4-30-084 Converting from certificate to license.; WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-inactive certificate holder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?; WAC 4-30-094 How do I renew my individual license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?; WAC 4-30-104 How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity?; WAC 4-30-120 I am a CPA-Inactive certificate holder--Prior to July 1, 2001, I held a license--How do I apply to return to my previous status as a licensee?; WAC 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or CPA-Inactive certificate out of retirement?; WAC 4-30-124 How do I reinstate a lapsed license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?; WAC 4-30-126 How do I reinstate a revoked or suspended license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?; WAC 4-30-134 Continuing professional education (CPE) requirements.; WAC 4-30-136 Reporting continuing professional education (CPE) to the board.; WAC 4-30-142 What are the bases for the board to impose discipline?

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
October 20, 2023	9:00 a.m.	Capital Event Center 6005 Tye Drive SW Tumwater, WA 98512 or Microsoft Teams Meeting	The link to join the meeting will be available on the Board's website approximately 2 weeks before the hearing date at: https://acb.wa.gov/next-board-meeting . A phone number will be provided as well in case you are unable to attend online.

Date of intended adoption: October 20, 2023 (Note: This is **NOT** the **effective** date)

Submit written comments to: Name: Kirsten Donovan, Rules Coordinator Address: P.O. Box 9131, Olympia, WA 98507 Email: Kirsten.donovan@acb.wa.gov Fax: 360-664-9190 Other: By (date) <u>October 18, 2023</u>	Assistance for persons with disabilities: Contact Kirsten Donovan, Rules Coordinator Phone: 360-664-9191 Fax: 360-664-9190 TTY: 771 Email: Kirsten.donovan@acb.wa.gov Other: By (date) <u>October 18, 2023</u>
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Purpose of the proposal and its anticipated effects, including any changes in existing rules: The Board of Accountancy proposes amending the rules due to legislative changes. On March 17, 2022, Governor Inslee signed into law SB5519. SB5519 amends existing laws to remove outdated references to **certificate holders**. The Board of Accountancy (board) has not issued such certificates since the early 2000s. SB5519 allows for the remaining population of certificate holders to transition to a licensed but inactive status while affording such certificate holders the opportunity to become fully licensed. SB5519 also creates this new inactive status which did not previously exist. This new licensed status provides an intermediate step bridging the gap between the licensee statuses of CPA and retired CPA. Because SB5519 removes the certificate holder status and creates an inactive licensee status, board laws now align with other CPA jurisdictions. As a result, many board rules must be amended because "CPA-Inactive certificate holder" and "certificate" references are woven throughout the entirety of WAC 04-30 (board rules). The proposed board rules also further refine the new licensed but inactive status and the processes associated with the new status. The proposed rule changes will ensure consistency with the law as enacted by SB5519 and consistency with other CPA jurisdictions. The proposed changes will rename some of the rules.

Reasons supporting proposal: See purposes above

Statutory authority for adoption: RCW 18.04.055

Statute being implemented: RCW 18.04.055

Is rule necessary because of a:

Federal Law? Yes No

Federal Court Decision? Yes No

State Court Decision? Yes No

If yes, CITATION:

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

Type of proponent: Private Public Governmental

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

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Implementation:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659
Enforcement:	Michael J. Paquette, CPA	711 Capitol Way S Suite 400 Olympia, WA 98501	(360) 485-1659

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

No: Please explain: The Board of Accountancy is not a listed agency in RCW 34.05.328(5)(a)(i).

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:

- | | |
|---|--|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).

This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.

The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):

The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs.

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

Date: August 1, 2023
Name: Michael J. Paquette, CPA
Title: Executive Director

Signature:

A handwritten signature in black ink, reading "Michael J. Paquette". The signature is written in a cursive style with a large initial "M".

WAC 4-30-010 Definitions. For purposes of these rules the following terms have the meanings indicated unless a different meaning is otherwise clearly provided in these rules:

"Act" means the Public Accountancy Act codified as chapter 18.04 RCW.

"Active individual participant" means an individual whose primary occupation is at the firm or affiliated entity's business. An individual whose primary source of income from the business entity is provided as a result of passive investment is not an active individual participant.

"Applicant" means an individual who has applied:

- (a) To take the national uniform CPA examination;
- (b) For an initial individual license, an initial firm license, or initial registration as a resident nonlicensee owner;
- (c) To renew an individual license, (~~a CPA Inactive certificate~~) a CPA firm license, or registration as a resident nonlicensee firm owner;
- (d) To reinstate an individual license (~~(, a CPA Inactive certificate)~~) or registration as a resident nonlicensee firm owner (~~(, or practice privileges)~~);
- (e) To convert an inactive license to an active license.

"Attest" means providing the following services:

- (a) Any audit or other engagement to be performed in accordance with the statements on auditing standards;
- (b) Any review of a financial statement to be provided in accordance with the statements on standards for accounting and review services;
- (c) Any engagement to be performed in accordance with the statements on standards for attestation engagements; and
- (d) Any engagement to be performed in accordance with the public company accounting oversight board auditing standards.

"Audit," "review," and "compilation" are terms reserved for use by licensees, as defined in this section.

"Board" means the board of accountancy created by RCW 18.04.035.

"Breach of fiduciary responsibilities/duties" means when a person who has a fiduciary responsibility or duty acts in a manner adverse or contrary to the interests of the person to whom they owe the fiduciary responsibility or duty. Such actions would include profiting from their relationship without the express informed consent of the beneficiary of the fiduciary relationship, or engaging in activities that represent a conflict of interest with the beneficiary of the fiduciary relationship.

"Certificate" (~~(means a certificate as a CPA Inactive issued in the state of Washington prior to July 1, 2001, as authorized by the act, unless otherwise defined in rule)~~) issued under this act means an alternative license type previously issued by the board indicating that the certificate holder had passed the CPA examination, but had no verified experience, and was not fully licensed to practice public accounting. Certificates remained valid until June 30, 2024, at which time they convert to a CPA license in an inactive status. This definition does not include certificates issued by other jurisdictions which may be substantially equivalent to a Washington CPA license.

~~((**"Certificate holder"** means the holder of a valid CPA-Inactive certificate where the individual is not a licensee and is prohibited from practicing public accounting.))~~

"Client" means the person or entity that retains a licensee, as defined in this section, ~~((a CPA-Inactive certificate holder,))~~ a non-licensee firm owner of a licensed firm~~((,))~~ or an entity affiliated with a licensed firm to perform professional services through other than an employer/employee relationship.

"Compilation" means providing a service to be performed in accordance with statements on standards for accounting and review services that is presenting in the form of financial statements, information that is the representation of management (owners) without undertaking to express any assurance on the statements.

"CPA" or **"certified public accountant"** means an individual holding a license to practice public accounting under chapter 18.04 RCW or recognized by the board in the state of Washington, including an individual exercising practice privileges pursuant to RCW 18.04.350(2).

~~((**"CPA-Inactive"** means an individual holding a CPA-Inactive certificate recognized in the state of Washington. An individual holding a CPA-Inactive certificate is prohibited from practicing public accounting and may only use the CPA-Inactive title if they are not offering accounting, tax, tax consulting, management advisory, or similar services to the public.))~~

"CPE" means continuing professional education.

"Fiduciary responsibility/duty" means a relationship wherein one person agrees to act solely in another person's interests. Persons having such a relationship are fiduciaries and the persons to whom they owe the responsibility are principals. A person acting in a fiduciary capacity is held to a high standard of honesty and disclosure in regard to a principal. Examples of fiduciary relationships include those between broker and client, trustee and beneficiary, executors or administrators and the heirs of a decedent's estate, and an officer or director and the owners of the entity.

"Firm" means a sole proprietorship, a corporation, or a partnership. "Firm" also means a limited liability company or partnership formed under chapters 25.15 and 18.100 RCW and a professional service corporation formed under chapters 23B.02 and 18.100 RCW.

"Firm mobility" means an out-of-state firm that is not licensed by the board and meets the requirements of RCW 18.04.195 (1)(a)(iii)(A) through (D) exercising practice privileges in this state.

"Generally accepted accounting principles" (GAAP) is an accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also detailed practices and procedures. Those conventions, rules, and procedures provide a standard by which to measure financial presentations.

"Generally accepted auditing standards" (GAAS) are guidelines and procedures, promulgated by the AICPA, for conducting individual audits of historical financial statements.

"Holding out" means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person that the person holds a license or practice privileges under the act and that the person offers to perform any professional services to the public. "Holding out" shall not affect or limit a person not required

to hold a license under the act from engaging in practices identified in RCW 18.04.350.

"Inactive" means ~~((the individual held a valid certificate on June 30, 2001, has not met the current requirements of licensure and has been granted CPA-Inactive certificate holder status through the renewal process established by the board. A CPA-Inactive may not practice public accounting nor may the individual use the CPA-Inactive title if they are offering accounting, tax, tax consulting, management advisory, or similar services to the public))~~ a status of a license which prohibits a licensee from practicing public accounting. A person holding an inactive license may apply to the board to convert the license to an active status through an approval process established by the board.

"Individual" means a living, human being.

"Independence" means an absence of relationships that impair a licensee's impartiality and objectivity in rendering professional services for which a report expressing assurance is prescribed by professional standards.

"Interactive self-study program" means a CPE program that provides feedback throughout the course.

"IRS" means Internal Revenue Service.

"License" means a license to practice public accounting issued to an individual or a firm under the act, ~~or ((the act of))~~ a license or certificate to practice public accounting in another state or jurisdiction.

"Licensee" means an individual or firm holding a valid license to practice public accounting issued under the act, ~~((including out-of-state))~~ and individuals ((exercising)) holding licenses or certificates to practice public accounting granted by out-of-state jurisdiction who are allowed to exercise 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) (a) and (b).

"Manager" means a manager of a limited liability company licensed as a firm under the act.

"Nano learning" is a stand-alone continuing professional education (CPE) course that is a minimum of 10 minutes (0.2 CPE credit hours) consisting of electronic self-study with a stated learning objective and a minimum of two final assessment questions.

"NASBA" means the National Association of State Boards of Accountancy.

"Nonlicensee firm owner" means an individual, not licensed in any state to practice public accounting, who holds an ownership interest in a firm permitted to practice public accounting in this state.

"PCAOB" means Public Company Accounting Oversight Board.

"Peer review" means a study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including the "quality assurance review" under this section.

"Person" means any individual, nongovernmental organization, or business entity regardless of legal form, including a sole proprietorship, firm, partnership, corporation, limited liability company, association, or not-for-profit organization, and including the sole pro-

prietor, partners, members, and, as applied to corporations, the officers.

"Practice privileges" are the rights granted by chapter 18.04 RCW to a person who:

(a) Has a principal place of business outside of Washington state;

(b) Is licensed to practice public accounting in another substantially equivalent state;

(c) Meets the statutory criteria for the exercise of privileges as set forth in RCW 18.04.350(2) for individuals or RCW 18.04.195 (1)(b) for firms;

(d) Exercises the right to practice public accounting in this state individually or on behalf of a firm;

(e) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board in this state;

(f) Must comply with the act and all board rules applicable to Washington state licensees to retain the privilege; and

(g) Consents to the appointment of the issuing state board of another state as agent for the service of process in any action or proceeding by this state's board against the certificate holder or licensee.

"Principal place of business" means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

"Professional services" include all services requiring accountancy or related skills that are performed for a client, an employer, or on a volunteer basis. These services include, but are not limited to, accounting, audit and other attest services, tax, bookkeeping, management consulting, financial management, corporate governance, personal financial planning, business valuation, litigation support, educational, and those services for which standards are promulgated by the appropriate body for each services undertaken.

"Public practice" or the **"practice of public accounting"** means performing or offering to perform by a person or firm holding itself out to the public as a licensee, or as an individual exercising practice privileges, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. The "practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.350(10) by persons or firms not required to be licensed under the act.

"Quality assurance review or QAR" is the process, established by and conducted at the direction of the board, to study, appraise, or review one or more aspects of the audit, compilation, review, and other professional services for which a report expressing assurance is prescribed by professional standards of a licensee or licensed firm in the practice of public accounting, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed.

"Reciprocity" means board recognition of licenses, permits, certificates or other public accounting credentials of another jurisdiction that the board will rely upon in full or partial satisfaction of licensing requirements.

"Report," when used with reference to any attest or compilation service, means an opinion, report, or other form of language that

states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to and/or special competence of the part of the person or firm issuing such language; and it includes any other form of language that is conventionally understood to imply such assurance and/or such special knowledge or competence. "Report" does not include services referenced in RCW 18.04.350 (10) or (11) provided by persons not holding a license under this chapter as provided in RCW 18.04.350(14).

"Representing oneself" means having a license, practice privilege, ((certificate)) or registration that entitles the holder to use the title "CPA," "CPA-Inactive," or be a nonlicensee firm owner.

"Rules of professional conduct" means rules adopted by the board to govern the conduct of licensees, as defined in this section, while representing themselves to others as licensees. These rules also govern the conduct of ((CPA-Inactive certificate holders)) licensees with an inactive status, nonlicensee firm owners, and persons exercising practice privileges pursuant to RCW 18.04.350(2).

"SEC" means the Securities and Exchange Commission.

"Sole proprietorship" means a legal form of organization owned by one person meeting the requirements of RCW 18.04.195.

"State" includes the states and territories of the United States, including the District of Columbia, Puerto Rico, Guam, and the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands at such time as the board determines that the Commonwealth of the Northern Mariana Islands is issuing licenses under the substantially equivalent standards of RCW 18.04.350 (2)(a).

"Statements on auditing standards (SAS)" are interpretations of the generally accepted auditing standards and are issued by the Auditing Standards Board of the AICPA. Licensees are required to adhere to these standards in the performance of audits of financial statements.

"Statements on standards for accounting and review services (SSARS)" are standards, promulgated by the AICPA, to give guidance to licensees who are associated with the financial statements of nonpublic companies and issue compilation or review reports.

"Statements on standards for attestation engagements (SSAE)" are guidelines, promulgated by the AICPA, for use by licensees in attesting to assertions involving matters other than historical financial statements and for which no other standards exist.

"Substantial equivalency" or "substantially equivalent" means a determination by the board or its designee that the education, examination, and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed those listed in this chapter.

WAC 4-30-020 (~~(What are the authority for and the)~~) **Authority and purpose of the board's rules(?)**. The Public Accountancy Act (act), chapter 18.04 RCW, establishes the board as the licensing and disciplinary agency for certified public accountants (CPA), (~~(CPA-In-active certificate holders,)~~) CPA firms, and owners of CPA firms. The act authorizes the board to promulgate rules to carry out the purpose of the act, which include:

- Protecting the public interest;
- Enhancing the reliability of information used for guidance in financial transactions or for accounting for or assessing financial status or performance;
- Establishing one set of qualifications to be a licensee of this state;
- Assuring that CPAs practicing in Washington have substantially equivalent qualifications to those practicing in other states;
- Regulating ownership of CPA firms;
- Publishing consumer alerts and public protection information regarding persons and firms who violate the act or board rules; and
- Providing general consumer protection information to the public.

The board's rules, contained in Title 4 WAC, encompass these subjects:

- Definitions;
- Administration of the board;
- Ethics and prohibited practices;
- Entry and renewal requirements;
- Continuing competency; and
- Regulation and enforcement.

WAC 4-30-028 (~~(Rules governing the)~~) **Formal adjudicative proceedings and ((the)) brief adjudicative proceedings before the board.** Except where they are inconsistent with the rules in this chapter and subject to additional rules that the board may adopt from time to time, adjudicative proceedings in and before the board are governed by the Administrative Procedure Act, chapter 34.05 RCW, and the uniform procedural rules codified in the Washington Administrative Code, chapter 10-08 WAC.

For certain types of decisions, the board has adopted an appeal process authorized by RCW 34.05.482 through 34.05.494 which is called a brief adjudicative proceeding. Decisions to which this appeal process will be applied are:

(1) Denials of initial individual license (~~(applications)~~), renewal(~~s~~), conversion, or (~~(applications for)~~) reinstatement applications;

~~(2) ((Denials of CPA Inactive certificate renewals or applications for reinstatement;~~

~~(3))~~ Denials of initial resident nonlicensee firm owner registration applications, renewals, or applications or requests for reinstatement;

~~((4))~~ (3) Denials of initial firm license applications, renewals, and amendments;

~~((5))~~ (4) Denials of exam applications;

~~((6))~~ (5) A proposed suspension as a result of a determination by a lending agency of nonpayment or default on a federally or state-guaranteed student loan or service conditional scholarship; and

~~((7))~~ (6) Lifts of stays of suspension from a board order.

To appeal a decision you must submit your request for a brief adjudicative proceeding, **in writing**, to the board **within 30 days** after the decision by board staff is posted in the U.S. mail. The board chair or the board vice chair, if the board chair is unavailable, will appoint one member of the board as the presiding officer for brief adjudicative proceedings. The presiding officer renders a decision either upholding or overturning the denial. This decision, called an order, will be provided to you at the last address you furnished to the board.

If you are dissatisfied with the order in the brief adjudicative proceeding, you may appeal to the board's vice chair, or designee. This appeal process is called an administrative review. Your appeal must be received by the board, **orally or in writing, within 21 days** after the brief adjudicative proceedings order is posted in the U.S. mail. The vice chair, or designee, considers your appeal and either upholds or overturns the brief adjudicative proceeding order. The vice chair's, or designee's, decision, also called an order, will be provided to you at the last address you furnished to the board.

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

WAC 4-30-030 ((What are the requirements for)) Communicating with the board and staff(?). Individuals and firms must communicate with the board as follows:

Note: (1) Failure to timely inform the board ((of matters required by WAC 4-30-032, 4-30-036, 4-30-100, and 4-30-110)) can result in late fees and/or board discipline.
 (2) Failure to timely respond to board requests for information may result in board discipline.

Condition	Time Period	Preferred Form of Contact	WAC
Complete and/or submitted applications, including requested information, documents, and fees.	Prior to holding out as a credentialed person.	Online system, board form, letter, or email with required information.	Various
Request for brief adjudicative proceeding (BAP).	Within 30 days after the staff decision is posted in U.S. mail.	Email or written correspondence.	4-30-028
Request for appeal of brief adjudicative proceeding (BAP).	Within 21 days after the BAP decision is posted in U.S. mail.	Oral, email or written correspondence.	4-30-028
1. Change of individual physical address; or	Within 30 days of any change of address.	Online system, board form, letter, or email with required information.	((4-30-32 [4-30-032])) <u>4-30-032</u>
2. Change in the physical address of a firm's main office or branch office(s).			
Board requests for information or documents from licensees, ((certificate holders)) nonlicensee firm owners, or applicants.	Within 20 days after the date of the request.	Email or written correspondence with requested information.	((4-30-34 [4-30-034])) <u>4-30-034</u>
1. Notification of orders or sanctions imposed by the SEC, PCAOB, IRS, or another state board of accountancy for reasons other than payment of a license fee or failure to meet the CPE requirements of another state board of accountancy.	Within 30 days of receipt of an initial notice.	Board form, letter, PDF, or email with required information.	4-30-036
2. Charges filed by the SEC, IRS, PCAOB, another state board of accountancy or a federal or state taxing, insurance or securities regulatory body.			
Licensees ((or certificate holders)) granted issued through foreign reciprocity.	Within 30 days of receiving notice that an investigation has begun or a sanction was imposed.	Board form, letter, PDF, or email with required information.	4-30-036
Any investigations undertaken or sanctions imposed by a foreign credentialing body against a foreign credential.			
Reporting firm changes:	Within 90 days after the condition occurs.	Board form, letter, PDF, or email with required information.	4-30-110
<ul style="list-style-type: none"> • Change in legal form; • Dissolution of a firm; • Change in resident manager(s) or owner(s); 			

Condition	Time Period	Preferred Form of Contact	WAC
<ul style="list-style-type: none"> • Change in branch or main office location(s); • Change in firm name; • Noncompliance with firm ownership requirements. <p>A foreign license, permit, or certificate has lapsed or otherwise becomes invalid.</p>	<p>Within 30 days after the credential issued by the other jurisdiction has lapsed or otherwise becomes invalid.</p>	<p>Board form, letter, PDF, or email with required information.</p>	<p>((4-30-100)) <u>4-30-102</u></p>

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

WAC 4-30-032 (~~(Do I need to notify the board if I change my address?)~~) Change of address. ((Yes.)) 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)~~) 30 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.

AMENDATORY SECTION (Amending WSR 16-17-036, filed 8/9/16, effective 9/9/16)

WAC 4-30-034 (~~(Must I respond to inquiries from the board?)~~) **Re-**
sponding to board inquiries. ((Yes-)) All licensees, including out-
of-state individuals exercising practice privileges in this state un-
der RCW 18.04.350(2) and out-of-state firms permitted to offer or ren-
der certain professional services in this state under the conditions
prescribed in RCW 18.04.195 (1)(a) and (b), ((CPA-Inactive certificate
holders,)) nonlicensee firm owners, and applicants must respond, **in**
writing, to board communications requesting a response. Your response
must be made within ~~((twenty))~~ **20 days of the date** the board's commu-
nication is posted in the U.S. mail. Communications from the board to
you are directed to the last address you furnished the board.

WAC 4-30-036 ((What)) Enforcement actions ((must be reported)) reportable to the board((?)). (1) A licensee(~~(, CPA-Inactive certificate holder,)~~) or nonlicensee firm owner must notify the board, of the following matters, in the manner prescribed by the board, within **((thirty)) 30 days** of the issuance of:

(a) A sanction, order, suspension, revocation, or modification of a license, certificate, permit or practice rights by the SEC, PCAOB, IRS, or another state board of accountancy for any cause other than failure to pay a professional license fee by the due date or failure to meet the continuing professional education requirements of another state board of accountancy; or

(b) Charges filed by the SEC, IRS, PCAOB, another state board of accountancy, or a federal or state taxing, insurance or securities regulatory body that the licensee, (~~(CPA-Inactive certificate holder,)~~) or nonlicensee firm owner committed a prohibited act that would be a violation of board ethical or technical standards.

(2) Licensed CPA firms with more than one licensed owner are not required to report on action taken against owners, principals, partners, or employees.

(3) If you hold a license (~~(or CPA-Inactive certificate)~~) issued through the foreign reciprocity provisions of the act, you must notify the board of any investigations undertaken, or sanctions imposed, by a foreign credentialing body against your foreign credential within **((thirty)) 30 days** of receiving notice that an investigation has begun or a sanction was imposed.

WAC 4-30-038 Fees. RCW 18.04.065 provides that the board shall set fees related to licensure at a level adequate to pay the costs of administering chapter 18.04 RCW. The board has established the following fee schedule:

- (1) Initial application for individual license, individual license through reciprocity, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner \$330
- (2) Renewal of individual license, (~~CPA-Inactive certificate,~~) CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner \$230
- (3) Application for (~~CPA-Inactive certificate holder~~) a licensee to convert (~~(to a license) from an inactive to an active status~~) \$0
- (4) Application for reinstatement of license(~~(; CPA-Inactive certificate,)~~) or registration as a resident nonlicensee owner \$480
- (5) Quality assurance review (QAR) program fee (includes monitoring reviews for up to two years)
 - Firm submits reports for review \$400
 - Firm submits a peer review report for review \$60
 - Firm is exempted from the QAR program because the firm did not issue attest reports \$0
- (6) Late fee * \$100
- (7) Amendment to firm license except for a change of firm address (there is no fee for filing a change of address) \$35
- (8) Replacement CPA wall document \$50
- (9) Dishonored check fee (including, but not limited to, insufficient funds or closed accounts) \$35
- (10) CPA examination. Exam fees are comprised of section fees plus administrative fees. **The total fee is contingent upon which section(s) is/are being applied for and the number of sections being applied for at the same time.** The total fee is the section fee(s) for each section(s) applied for added to the administrative fee for the number of section(s) applied for.
 - (a) Section fees: Section fees for the computerized uniform CPA examination are set by third-party providers for the development and delivery of the exam. These fees are collected and retained by the third-party provider.

(b) Administrative fees: Administrative fees for the qualification and application processes are set by a third-party provider. These fees are collected and retained by the third-party provider.

* The board may waive late filing fees for individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

WAC 4-30-082 (~~(How does a CPA-Inactive certificate holder apply for licensure?)~~) Certificate holder applying for initial licensure. ((CPA-Inactive)) Certificate holders ((are individuals who held a valid certificate on June 30, 2001, but did not hold a valid Washington state license to practice public accounting on that date. Individuals who did not hold a valid certificate on June 30, 2001 and current licensees are not eligible for CPA-Inactive certificate holder status)) who did not hold a valid certificate on the conversion date of June 30, 2024, must apply for a license and meet the requirements for initial licensure.

(1) To qualify for licensure ((a CPA-Inactive certificate holder)) you must meet the following criteria and requirements:

(a) Good character requirements of RCW 18.04.105 (1)(a);

(b) Experience requirements of WAC 4-30-070 within the eight-year period immediately preceding your application; and

(c) CPE requirements of WAC 4-30-134(5).

(2) ((To apply for a license, you must also submit to the board a certification that you meet the requirements of subsection (1) of this section and:

(a) Have not held out in public practice during the time in which you were a CPA-Inactive certificate holder; and

(b) Other required documentation or information deemed necessary by the board.

(3)) You must ((provide)) submit the required information, documents, and fees (if applicable) to the board either by making application through the board's online application system or on a form provided upon request.

((4) You must submit all requested information, documents, and fees (if applicable) to the board before the application will be evaluated.

(5)) (3) Upon assessment of your qualifications and approval of your application, your license status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your ((credential)) license can be provided upon request.

((6) Your CPE reporting period and your renewal cycle will remain the same.

(7)) (4) Your license will expire on June 30th of the third calendar year following initial licensure.

(5) You may not use the title "CPA" or "Certified Public Accountant" until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.

NEW SECTION

WAC 4-30-084 Converting from certificate to license. Previous certificate holders were automatically converted on July 1, 2024, to a license in an inactive status. In order to practice public accounting, you must convert your license to an active status.

(1) To qualify to apply for an active license you must:

(a) Meet the experience requirements of WAC 4-30-070, without regard to the eight-year limitation; and

(b) Meet the CPE requirements of WAC 4-30-134(5); and

(c) Submit the required information, documents, and fees (if applicable) to the board either by submitting an application through the board's online application system or on a form provided upon request.

(2) Upon assessment of your qualifications and approval of your application, your license status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

(3) Your CPE reporting period and your renewal cycle will remain the same.

(4) You may not use the title "CPA" or "Certified Public Accountant" until the date the approval of your license is posted in the board's licensee database and, therefore, made publicly available for confirmation.

WAC 4-30-088 (~~What is the effect on a Washington individual licensee or CPA inactive certificateholder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?~~) **Military service.** (1) **Definitions.** For purposes of this rule:

(a) "Active military duty" means:

(i) Deployed upon order of the President of the United States, the U.S. Secretary of Defense or Homeland Security in the case of a member of the armed forces or armed force reserves; or

(ii) Deployed upon order of the governor of this state in the case of the National Guard.

(b) "Armed forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard and reserves of each branch of the armed forces.

(c) "Active duty" means full-time employment in the armed forces of the United States. Such term does not include National Guard duty.

(d) "Military individual" means a living human being serving full time in the United States armed forces.

(e) "Military spouse" means the husband, wife, or registered domestic partner of a military individual.

(2) **Active military duty.**

(a) An individual fully employed on active duty in the armed forces of the United States applying for an initial license in this state shall receive priority processing of the application for initial licensing.

(b) A military applicant who obtains an initial license or a military individual holding a current license issued by this board, will be classified as "military" if the services provided to the armed forces include services within the definition of the practice of public accounting.

(c) An individual in the armed forces, reserves or National Guard and called to "active military duty" while holding an active or inactive license (~~or CPA inactive certificate~~) issued by this board may apply for a waiver of renewal fees and continuing professional education (CPE):

(i) The request for waiver of renewal fees and continuing professional education may be made through the board's online application and payment system or on a form provided by the board upon request;

(ii) The request for waiver must be supported by submitting documentation to substantiate the military individual's "active military duty" status;

(iii) Upon approval the waiver will serve to classify the individual as "military inactive";

(iv) The CPE reporting period and renewal year will not be affected by this reclassification of status;

(v) The waiver will continue to maintain an individual's military inactive status without fee or CPE until the individual is released from active military duty or discharged from the armed forces, reserves, or National Guard;

(vi) The board must be notified within six months after the date of release from active military duty or discharge from the armed forces. The board must be notified within six months of the date of release from a treatment facility if the individual is or has been in

a treatment facility and a discharge was the result of injury or other reasons.

(3) Return to previously held status after release from "active military duty" or discharge from the armed forces.

(a) If a military individual desires to return to a previously held status after release from active military duty or discharge from the armed forces, all required information, documents, and fees must be submitted to the board before the application will be evaluated. An application for return to previously held status may be made through the board's online application and payment system or on a form provided by the board upon request and must include the following:

(i) Documentation to substantiate:

- Release from "active military duty"; or
- Type of discharge from the armed forces.

(ii) Documentation to substantiate completion of the following qualified CPE:

- If the application is submitted in the last year of the previous CPE reporting period the individual must have completed four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of (~~ninety~~) 90 percent on the board prepared examination available on the board's website. The renewal fee is waived in this circumstance;

- If the application is submitted in the second year of the previous CPE reporting period the individual must have completed (~~forty~~) 40 CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of (~~nine~~) 90 percent on the board prepared examination available on the board's website;

- If the application is submitted in the first year of the previous CPE reporting period the individual must have completed (~~eighty~~) 80 CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of (~~ninety~~) 90 percent on the board prepared examination available on the board's website.

(iii) A military individual may receive an expedited license while completing any specific requirements that are not related to CPE or other board rules.

(b) The previously held status will not become effective until the status has been posted to the board's database and, therefore, made available to the general public.

(4) Military spouses.

(a) A military spouse or state registered domestic partner of an individual in the military may receive an expedited license while completing any specific additional requirements that are not related to training or practice standards for the profession, provided the military spouse or state registered domestic partner:

(i) Holds an unrestricted, active license in another state that has substantially equivalent licensing standards for the same profession to those in Washington; and

(ii) Is not subject to any pending investigation, charges, or disciplinary action by the regulatory body of another state or jurisdiction of the United States.

(b) To receive expedited license treatment, the military spouse or state registered domestic partner of an individual in the military must provide all required information, documents, and fees to the board either by making application through the board's online applica-

tion and payment system or on a form provided by the board upon request before the application will be evaluated.

(c) The application for expedited licensing will not be processed until the applicant submits copies to the board of the military individual's orders and official documents to establish the applicant's relationship to the military individual, such as one or more following documents:

(i) The military issued identification card showing the individual's military information and the applicant's relationship to that individual;

(ii) A marriage license; or

(iii) Documentation verifying a state registered domestic partnership.

(d) A military spouse or state registered domestic partner may only use a restricted title and practice public accounting under another state's license without an expedited license issued by this board for (~~ninety~~) 90 days from the date the spouse entered this state for temporary residency during the military individual's transfer to this state.

WAC 4-30-094 (~~(How do I renew my individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?)~~) **Renewals.** ((A licensee may not renew as a CPA-Inactive certificate holder.))

To renew your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner, you must by April 30th of the year of expiration make application through the board's online application system or on a form provided by the board upon request and provide the board with:

(1) Complete renewal information including:

(a) Your certification that you have complied with the CPE requirements of WAC 4-30-134(~~(+1)~~) and the supporting documentation requirements of WAC 4-30-138; and

(b) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, certificate, or permit to practice;

(2) All required documentation, required information, and other documentation deemed necessary by the board; and

(3) All applicable fees.

A renewal application is not complete and cannot be processed until all required information, documents, and all applicable fees are submitted to the board.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

An individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner renewal expires on June 30 of the third calendar year following the calendar year of renewal.

Late renewal application: Failure to file a complete application for renewal of an individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner by April 30th of the year of expiration will result in late fees. The board may waive, reduce, or extend the due date of renewal and/or late fees based on individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment.

Failure to file a renewal application: If you fail to file a complete application for renewal of an individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner by June 30th of the year of renewal, your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner will lapse.

Failure to complete CPE: If you did not complete the credit hours of continuing professional education (CPE) required to renew (~~(your credential)~~), or did not submit (~~(a timely)~~) an extension request, and/or (~~(was)~~) were not granted an extension of time (~~(for reasonable cause within which)~~) to complete the deficiency, your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner will lapse on June 30th of the year of renewal.

Lapsed credentials: A lapsed credential is subject to reinstatement.

If your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner has lapsed, you may not

use the restricted title(s) or exercise other privileges that are dependent upon the renewal (~~of your credential~~).

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 4-30-104

How do I renew a Washington CPA-
Inactive certificate and/or license
granted through foreign reciprocity?

WAC 4-30-120 ~~((I am a CPA-Inactive certificate holder Prior to July 1, 2001, I held a license How do I apply to return to my previous status as a licensee?)) Converting license status from inactive to active. ((CPA-Inactive certificate holders who held a license at any time prior to July 1, 2001, may apply to return to their previous status as a licensee. If you are a CPA-Inactive certificate holder, you may not use the title "CPA" or "Certified Public Accountant" until you return to your previous status as a licensee.~~

~~If you hold a valid CPA-Inactive certificate, you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, required documentation, fees, and other documentation deemed necessary by the board are submitted to the board.~~

~~To apply to return to your previous)) To convert to an active status as a licensee you must submit to the board:~~

~~(1) Complete application information including your certification that you have:~~

~~(a) Not held out ((in)) or practiced public ((practice)) accounting during the time in which you were ((a CPA-Inactive certificate holder)) inactive; and~~

~~(b) Met the CPE requirements of WAC 4-30-134(5) ((7)).~~

~~(2) ((All other required information, documents, and all fees.)) The required information, documents, and fees (if applicable) to the board either by making application through the board's online application system or on a form provided upon request.~~

Upon assessment of your continued qualifications and approval of your application, your active status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your license can be provided upon request.

~~((You may not use the title CPA until your status as a licensee is posted in the board's licensee database.))~~

WAC 4-30-122 ~~((If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or a CPA-Inactive certificate out of retirement?))~~ Renewal out of retirement. If you notify the board that you wish to retire your license (~~(or CPA-Inactive certificate)~~) prior to the end of your renewal cycle, pursuant to RCW 18.04.215, you may renew your license (~~(or CPA-Inactive certificate)~~) out of retirement at a later date and are not subject to the requirements of reinstatement; however, you may not use the title CPA or CPA-Inactive or exercise the privileges related to those titles until you renew out of retirement.

~~((If you previously held a license and requested that the license be retired, you are not eligible to apply for CPA-Inactive certificate holder status.))~~

To apply to renew a license (~~(or a CPA-Inactive certificate)~~) out of retirement, you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

To apply to renew out of retirement, you must submit to the board:

(1) Complete application information including your certification that you have:

(a) Not used the title CPA or CPA-Inactive during the time in which your license (~~(or CPA-Inactive certificate)~~) was retired; and

(b) Met the CPE requirements to renew out of retirement in WAC 4-30-134(5) (~~(; and)~~).

(2) ~~((All applicable fees.))~~ The required information, documents, and fees (if applicable) to the board either by making application through the board's online application system or on a form provided upon request.

Upon assessment of your continued qualifications and approval of your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

Your license (~~(or CPA-Inactive certificate)~~) will expire on June 30th of the third calendar year following the calendar year of the renewal out of retirement. The CPE reporting period for your next renewal begins on January 1st of the calendar year in which the renewal of your retired license (~~(or CPA-Inactive certificate)~~) was approved by the board and ends on December 31st of the second calendar year following approval of the renewal out of retirement. CPE credit hours utilized to qualify for renewal of a retired license (~~(or CPA-Inactive certificate)~~) cannot be utilized for subsequent renewal (~~(of your credential renewed out of retirement)~~).

You may not use the title CPA (~~(or CPA-Inactive)~~) until your renewal out of retirement application has been approved.

WAC 4-30-124 (~~(How do I reinstate a lapsed individual license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner?)~~) **Reinstatements.** If your individual license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner has lapsed, you may not use the restricted title(s) until your individual credential has been reinstated by the board.

~~((Individuals who held a valid license on June 30, 2001, and individuals obtaining a license after June 30, 2001, are not eligible to reinstate as CPA-Inactive certificate holders.))~~

To reinstate a lapsed individual license(~~(, CPA-Inactive certificate,)~~) or registration as a nonlicensee firm owner you must provide certain information to the board either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information and documents, and fees have been submitted to the board.

To reinstate, you must submit to the board:

(1) Complete reinstatement information including your certification that you have:

(a) *For those who wish to reinstate a license ((or CPA-Inactive certificate)):* Not used the title CPA or CPA-Inactive during the time in which your individual license ((or CPA-Inactive certificate)) was lapsed; or

(b) *For those who wish to reinstate a registration as a resident nonlicensee firm owner:* Not participated as an owner in a CPA firm during the time in which your registration as a resident nonlicensee firm owner was ((suspended or revoked)) lapsed; and

(c) Met the CPE requirements for reinstatement in WAC 4-30-134(5); and

(d) Met the CPE supporting documentation requirements in WAC 4-30-138;

(2) ((~~Source~~)) Provide documents as evidence of eligibility for CPE credit for all courses claimed in order to meet CPE requirements as defined by WAC 4-30-138;

(3) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, certificate, or practice privileges;

(4) Other required documents; and

(5) All applicable fees.

Upon approval of your reinstatement application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your credential can be provided upon request.

Your license(~~(, CPA-Inactive certificate,)~~) or registration as a nonlicensee firm owner will expire on June 30th of the third calendar year following approval of the reinstatement. The CPE reporting period for your next renewal begins on January 1st of the calendar year in which the reinstatement of your license(~~(, CPA-Inactive certificate,)~~) or registration as a nonlicensee firm owner was approved by the board and ends on December 31st of the second calendar year following approval of the reinstatement. CPE credit hours utilized to qualify for reinstatement cannot be utilized for subsequent renewal ((of your reinstated credential)).

You may not use the ~~((restricted title(s)))~~ title CPA or CPA-In-active or hold an interest in a licensed CPA firm as a resident licensee firm owner until your reinstatement application has been approved ~~((and posted to the board's database))~~.

WAC 4-30-126 ((How do I reinstate)) Reinstatement of a revoked or suspended license ((, CPA-Inactive certificate,)) or registration as a resident nonlicensee firm owner((?)). If your license ((~~or CPA-Inactive certificate~~)) was revoked or suspended by the board pursuant to the act, you may not use the title CPA or CPA-Inactive until your license ((~~or CPA-Inactive certificate~~)) is reinstated by the board.

If your registration as a resident nonlicensee firm owner was revoked or suspended by the board pursuant to the act, you may not be a firm owner until your registration is reinstated by the board.

You may request that the board modify the suspension or revocation after three years have elapsed from the effective date of the board's order revoking or suspending your license ((~~, CPA-Inactive certificate,~~)) or registration as a resident nonlicensee firm owner unless the board sets some other period by order. However, if you made a previous request with respect to the same order, no additional request will be considered before the lapse of an additional three years following the board's decision on the last such previous application for reinstatement.

To request reinstatement of a revoked or suspended license ((~~, CPA-Inactive certificate,~~)) or registration as a resident nonlicensee firm owner you must provide the board with certain information either by making application through the board's online application system or on a form provided by the board upon request. An application is not complete and cannot be processed until all required information, documents, and fees are submitted to the board.

To request reinstatement, you must submit to the board:

(1) Complete information including your certification that you have:

(a) *For those who wish to reinstate a license ((~~or CPA-Inactive certificate~~))*: Not used the title CPA or CPA-Inactive during the time in which your license ((~~or CPA-Inactive certificate~~)) was suspended or revoked; or

(b) *For those who wish to reinstate a registration as a resident nonlicensee firm owner*: Not participated as an owner in a CPA firm during the time in which your registration as a resident nonlicensee firm owner was suspended or revoked; and

(c) Met the CPE requirements for reinstatement in WAC 4-30-134((~~(+6)~~)) (5), by submitting the documentation to support the CPE claimed;

(2) A listing of all states and foreign jurisdictions in which you hold or have applied for a license, ((~~CPA-Inactive~~)) certificate, permit, or practice privilege under substantial equivalence;

(3) All applicable fees;

(4) Written substantiation of the reasons constituting good cause for the reinstatement; and

(5) Two supporting recommendations from licensees who have personal knowledge of your activities since the suspension or revocation was imposed.

In considering the reinstatement application, the board may consider all relevant factors, including but not limited to:

(a) The offense for which you were disciplined;

(b) Your activities since the disciplinary penalty was imposed;

(c) Your activities during the time the license(~~(, CPA-Inactive certificate,)~~) or registration as a resident nonlicensee firm owner was in good standing;

(d) Your rehabilitative efforts;

(e) Restitution to damaged parties in the matter for which the penalty was imposed; and

(f) Your general reputation for integrity, objectivity, and ethical commitment.

If the board decides to consider the merits of your application for reinstatement, in the board's discretion, a hearing may be held following such procedures as the board deems suitable for the particular case. If the board decides that it will not consider the merits of your application for reinstatement, then this constitutes final agency action and there is no further administrative review available to you. As a condition of reinstatement, the board may impose such terms and conditions as it deems suitable.

The board will not consider a request for reinstatement while you are under sentence for any criminal offense, including any period during which you are on court-imposed probation or parole.

If the board approves your application, your status will be posted in the board's licensee database and, therefore, made publicly available for confirmation. A hard copy of your reinstated credential can be provided upon request.

Your reinstated license(~~(, CPA-Inactive certificate,)~~) or registration will expire on June 30th of the third calendar year following approval of the reinstatement. The CPE reporting period for your next renewal begins on January 1st of the calendar year in which the reinstatement of your license(~~(, CPA-Inactive certificate,)~~) or registration was approved by the board and ends on December 31st of the second calendar year following approval of the reinstatement. CPE credit hours utilized to qualify for reinstatement of a license(~~(, CPA-Inactive certificate,)~~) or registration cannot be utilized for subsequent renewal (~~(of your credential)~~).

You may not use the title CPA or CPA-Inactive or hold an interest in a licensed CPA firm as a resident nonlicensee firm owner until your reinstatement application has been approved.

WAC 4-30-134 Continuing professional education (CPE) requirements. (1) Renewal.

(a) CPE requirements for renewal are pursuant to RCW 18.04.215(5).

(b) An individual seeking renewal shall assert in a manner acceptable to the board that they met all of the CPE requirements for renewal during their CPE reporting period ending December 31st of the year prior to their license expiration date.

(c) CPA ((licensee)) license in an active status.

(i) Completion of a minimum of (~~one hundred twenty~~) 120 CPE credit hours within the three-year CPE reporting period;

(ii) Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132;

(iii) Completion of a minimum of (~~twenty~~) 20 CPE credit hours during each calendar year included in the three-year CPE reporting period. Restrictions on the type of CPE credit hours qualifying to meet the (~~twenty~~) 20 credit hour minimum are specified in WAC 4-30-133; and

(iv) Completion of no more than (~~sixty~~) 60 CPE credit hours in nontechnical subject areas as specified in WAC 4-30-132.

Exception: If the licensee qualifies for CPE reciprocity, see the CPE requirements under the provisions of subsection (7) of this section.

(d) (~~CPA-Inactive certificate holder~~) CPA license in an inactive status or nonlicensee firm owner. Completion of a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(2) First renewal cycle.

(a) After license issuance:

(i) CPE credit is allowable only for those programs taken in time periods after the first CPA license is issued pursuant to the authority of the board under chapter 18.04 RCW.

(ii) Credit is not allowed for programs taken to prepare an applicant for the CPA examination or the AICPA ethics examination as a requirement for initial licensure.

(b) After conversion of a (~~CPA-Inactive to a CPA license~~) license from an inactive to an active status.

(i) If your (~~license~~) active status was issued during the **first calendar year** of your CPE reporting period, you must have completed (~~eighty~~) 80 CPE credit hours which is limited to (~~forty~~) 40 CPE credit hours in nontechnical subject areas and must include a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(ii) If your (~~license~~) active status was issued during the **second calendar year** of your CPE reporting period, you must have completed (~~forty~~) 40 CPE credit hours which is limited to (~~twenty~~) 20 CPE credit hours in nontechnical subject areas and must include a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(iii) If your (~~license~~) active status was issued during the **third calendar year** of your CPE reporting period, you must have completed a four credit hour Washington state board approved ethics course meeting the requirements of WAC 4-30-132.

(3) **Extension requests for renewal.**

(a) If an individual has failed to complete the required CPE as defined in WAC 4-30-134 by December 31st of the last year of their three-year CPE reporting period, the individual must notify the board prior to their expiration date to request an extension of time to complete their CPE requirement by their expiration date.

(b) Credits earned during the interim period between January 1st and June 30th of the individual's renewal year that are used to meet the prior reporting period's CPE requirement will be carried back to the CPE reporting period ended December 31st. These credits cannot be counted towards the requirement for the individual's current CPE reporting period.

(c) An individual is allowed only one CPE extension in any two consecutive CPE reporting periods (six year period).

(4) **Failure to obtain required CPE for renewal.** Under the following circumstances the board will serve notice that a license(~~(, CPA-Inactive certificate,)~~) or nonlicensee firm owner registration will lapse and the individual will have an opportunity to request a brief adjudicative proceeding:

(a) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31st of the last year of their CPE reporting period and failed to request an extension by their expiration date;

(b) An individual who applied for renewal and failed to obtain the required CPE credit hours by December 31st for the second time in any two consecutive CPE reporting periods; or

(c) An individual who applied for renewal and failed to obtain the necessary CPE credit hours by June 30th of their renewal year after submitting an extension request.

(5) **Applications other than renewal.**

(a) For the following applications, you must have completed the requirements of this section within the (~~(thirty-six)~~) 36-month period immediately preceding the date an application is submitted to the board; however, the completion of a four credit hour Washington state board approved ethics course must be within the six-month period immediately preceding the date your application and the CPE documentation are submitted to the board:

(i) You are applying to renew a license out of retirement;

(ii) You are applying to convert your inactive status to active;

(iii) You are a (~~(CPA-Inactive)~~) certificate holder applying for ((a)) an initial license; or

~~((iii))~~ (iv) You are applying for reinstatement of a lapsed, suspended, or revoked license.

(b) For the following applications, you must have completed a four credit hour Washington state board approved ethics course within the six-month period immediately preceding the date your application and the CPE documentation are submitted to the board: ~~((i) You are applying to renew a CPA-Inactive certificate out of retirement;~~

~~(ii) You are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate; or~~

~~(iii))~~ You are applying to reinstate a lapsed, suspended, or revoked registration as a resident nonlicensee firm owner.

(6) **Individuals operating under mobility.** Licensees from other substantially equivalent U.S. states or jurisdictions, eligible to exercise practice privileges under RCW 18.04.195, are exempt from the CPE requirements of this section provided that they have met the CPE requirements of the state in which they are licensed.

(7) **CPE reciprocity.**

(a) A nonresident licensee seeking renewal of a license in this state shall be determined to have met the CPE requirements of this rule by meeting the CPE requirements for renewal of a license in the state in which the licensee's principal place of business is located.

(b) Nonresident applicants for renewal shall demonstrate compliance with the CPE renewal requirements of the state in which the licensee's principal place of business is located by signing a statement on the renewal application of this state.

(c) If the state of residence has no CPE requirements for renewal, the nonresident licensee must comply with all CPE requirements for this state.

WAC 4-30-136 Reporting continuing professional education (CPE) to the board. In order to apply for renewal of your license(~~, certificate,~~) or registration as a resident nonlicensee firm owner, you must satisfy the board's CPE and supporting documentation requirements.

The reporting of compliance with CPE requirements is concurrent with filing your renewal application. When you complete your application for renewal, you are required to certify that you complied with the board's CPE requirements as defined in WAC 4-30-134 and supporting documentation requirements as defined in WAC 4-30-138.

The board may verify through audit compliance with CPE and supporting documentation requirements as certified during the renewal application process. As part of this audit the board may require additional information to demonstrate your compliance with the board's rules.

WAC 4-30-142 (~~What are the bases for the board to impose discipline?~~) **Disciplinary actions.** RCW 18.04.055, 18.04.295, 18.04.305, and 18.04.350 authorize the board to revoke, suspend, refuse to issue, renew, or reinstate an individual or firm license (~~(, CPA Inactive certificate,)~~) the right to exercise practice privileges in this state, or registration as a resident nonlicensee firm owner; impose a fine not to exceed (~~(thirty thousand dollars)~~) \$30,000; recover investigative and legal costs; impose full restitution to injured parties; impose remedial sanctions; impose conditions precedent to renew; or prohibit a resident nonlicensee from holding an ownership interest in a firm licensed in this state for the specific acts listed below.

The following are specific examples of prohibited acts that constitute grounds for discipline under RCW 18.04.295, 18.04.305, and 18.04.350. The board does not intend this listing to be all inclusive.

(1) Fraud or deceit in applying for the CPA examination, obtaining a license, registering as a resident nonlicensee firm owner, or in any filings with the board.

(2) Fraud or deceit in renewing or requesting reinstatement of a license (~~(, CPA Inactive certificate,)~~) or registration as a resident nonlicensee firm owner.

(3) Cheating on the CPA exam.

(4) Making a false or misleading statement in support of another person's application or request to:

(a) Take the national uniform CPA examination;

(b) Obtain a license or registration required by the act or board;

(c) Reinstate or modify the terms of a revoked or suspended license (~~(, certificate,)~~) or registration as a resident nonlicensee firm owner in this state;

(d) Reinstate revoked or suspended practice privileges of an individual or firm licensed in another state.

(5) Dishonesty, fraud, or negligence while representing oneself as a licensee (~~(, CPA Inactive certificate holder,)~~) or a resident nonlicensee firm owner including, but not limited to:

(a) Practicing public accounting in Washington state prior to obtaining a license required per RCW 18.04.215, obtaining a firm license as required by RCW 18.04.195, or without qualifying to operate under firm mobility;

(b) Offering or rendering public accounting services in this state by an out-of-state individual not qualified for practice privileges under RCW 18.04.350(2);

(c) Offering or rendering public accounting services in this state by an out-of-state firm not qualified for practice privileges under firm mobility per RCW 18.04.195.

(d) Making misleading, deceptive, or untrue representations;

(e) Engaging in acts of fiscal dishonesty;

(f) Purposefully, knowingly, or negligently failing to file a report or record, or filing a false report or record, required by local, state, or federal law;

(g) Unlawfully selling unregistered securities;

(h) Unlawfully acting as an unregistered securities salesperson or broker-dealer;

(i) Discharging a trustee's duties in a negligent manner or breaching one's fiduciary duties, acting in a manner not in compliance with chapter 11.96A RCW; or

(j) Withdrawing or liquidating, as fees earned, funds received by a licensee(~~(, CPA-Inactive certificate holder,)~~) or a resident nonlicensee firm owner from a client as a deposit or retainer when the client contests the amount of fees earned, until such time as the dispute is resolved.

(6) The following shall be prima facie evidence that a licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) a nonlicensee firm owner, or the employees of such persons has engaged in dishonesty, fraud, or negligence while representing oneself as a licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) a nonlicensee firm owner, or an employee of such persons:

(a) An order of a court of competent jurisdiction finding that the person or persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent himself, herself, or itself as a licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) or a nonlicensee firm owner;

(b) An order of a federal, state, local or foreign jurisdiction regulatory body, or a PCAOB, finding that the licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) or nonlicensee firm owner, or employee of such persons committed an act of negligence, fraud, or dishonesty or other act reflecting adversely on the person's fitness to represent himself, herself, or itself as a licensee, as defined in WAC 4-30-010, (~~(a CPA-Inactive certificate holder,)~~) or a nonlicensee firm owner;

(c) Cancellation, revocation, suspension, or refusal to renew the right to practice as a licensee(~~(, certificate holder,)~~) or a nonlicensee firm owner by any other state for any cause other than failure to pay a fee or to meet the requirements of continuing education in the other state; or

(d) Suspension or revocation of the right to practice before any state agency, federal agency, or the PCAOB.

(7) Sanctions and orders entered by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee(~~(, CPA-Inactive certificate holder,)~~) or nonlicensee firm owner;

(8) Any state or federal criminal conviction or commission of any act constituting a crime under the laws of this state, or of another state, or of the United States.

(9) A conflict of interest such as:

(a) Self dealing as a trustee, including, but not limited to:

(i) Investing trust funds in entities controlled by or related to the trustee;

(ii) Borrowing from trust funds, with or without disclosure; and

(iii) Employing persons related to the trustee or entities in which the trust has a beneficial interest to provide services to the trust (unless specifically authorized by the trust creation document).

(b) Borrowing funds from a client unless the client is in the business of making loans of the type obtained by the licensee, as defined in WAC 4-30-010, (~~(CPA-Inactive certificate holder,)~~) or nonlicensee firm owner and the loan terms are not more favorable than loans extended to other persons of similar credit worthiness.

(10) A violation of the Public Accountancy Act or failure to comply with a board rule contained in Title 4 WAC, by a licensee, defined

in WAC 4-30-010, (~~CPA-Inactive certificate holder,~~) or employees of such persons of this state or a licensee of another substantially equivalent state qualified for practice privileges, including but not limited to:

(a) An out-of-state individual exercising the practice privileges authorized by RCW 18.04.350(2) when not qualified;

(b) Submission of an application for firm license on behalf of a firm licensed in another state that does not meet the firm mobility requirements under RCW 18.04.195 (1)(a)(iii)(A) through (D) by an out-of-state individual not qualified under RCW 18.04.350(2) or authorized by the firm to make such application;

(c) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(2) to cease offering or performing professional services in this state, individually or on behalf of a firm, when the license from the state of the out-of-state individual's principal place of business is no longer valid;

(d) Failure of an out-of-state individual exercising the practice privileges authorized under RCW 18.04.350(2) to cease offering or performing specific professional services in this state, individually or on behalf of a firm, when the license from the state of the out-of-state individual's principal place of business has been restricted from performing those specific services;

(e) Failure of an out-of-state firm operating under firm mobility per RCW 18.04.195 (1)(a)(iii), in this state to cease offering or performing professional services in this state through one or more out-of-state individuals whose license from the state of those individuals' principal place(s) of business is (are) no longer valid or is (are) otherwise restricted from performing the specific engagement services;

(f) Failure of a firm licensed in this state, or a firm operating under firm mobility to comply with the ownership requirements of RCW 18.04.195 within a reasonable time period, as determined by the board;

(g) Failure of a firm licensed in this state or another state to comply with the board's quality assurance program requirements, when applicable.

(11) Violation of one or more of the rules of professional conduct included in Title 4 WAC.

(12) Concealing another's violation of the Public Accountancy Act or board rules.

(13) Failure to cooperate with the board by failing to:

(a) Furnish any papers or documents requested or ordered to produce by the board;

(b) Furnish in writing a full and complete explanation related to a complaint as requested by the board;

(c) Respond to an inquiry of the board;

(d) Respond to subpoenas issued by the board, whether or not the recipient of the subpoena is the accused in the proceeding.

(14) Failure to comply with an order of the board.

(15) Adjudication of a licensee, as defined by WAC 4-30-010, (~~CPA-Inactive certificate holder,~~) or a nonlicensee firm owner as mentally incompetent is prima facie evidence that the person lacks the professional competence required by the rules of professional conduct.

(16) Failure of a licensee, as defined by WAC 4-30-010, (~~CPA-Inactive certificate holder,~~) nonlicensee firm owner, or out-of-state person exercising practice privileges authorized by RCW 18.04.195 and 18.04.350 to timely notify the board, in the manner prescribed by the board, of any of the following:

(a) A sanction, order, suspension, revocation, or modification of a license, certificate, permit or practice rights by the SEC, PCAOB, IRS, or another state board of accountancy for any cause other than failure to pay a professional license fee by the due date or failure to meet the continuing professional education requirements of another state board of accountancy;

(b) Charges filed by the SEC, IRS, PCAOB, another state board of accountancy, or a federal or state taxing, insurance or securities regulatory body that the licensee(~~(, CPA-Inactive certificate holder,~~) or nonlicensee firm owner committed a prohibited act that would be a violation of board ethical or technical standards;

(c) Sanctions or orders entered against such persons by a nongovernmental professionally related standard-setting body for violation of ethical or technical standards in the practice of public accounting by a licensee(~~(, CPA-Inactive certificate holder,~~) or nonlicensee firm owner.

To: Washington State Board of Accountancy
From: The Executive Committee (EC) (Brian Thomas, Kate Dixon, Mark Hugh)
Re: CPA-Inactive rule making
Date: October 20, 2023

After further consideration of the CPA-Inactive rules discussed at the July 2023 Board meeting, the EC recommends temporarily halting the rule-making process.

This would allow the Board an opportunity to make changes to other portions of the existing rules with the intention of making them clearer, more organized, and more user-friendly. That is in the best interests of having both informed licensees and a protected public.

The EC recommends a task force revise the rules, circulate new drafts, and present the proposed revisions to the Board at the January 2024 meeting with a rules hearing scheduled for the April 2024 meeting. This would allow adoption well in advance of the effective date for CPA-Inactive status, July 1, 2024.

Examples of suggested changes could include, but not be limited to:

- The four rules on conversions, retirements, and reinstatements, could be simply and elegantly combined into a single rule and redundant language eliminated, making a single user-friendly rule for all license and status transitions. For an example, see Oregon Board of Accountancy Rule OAR 801-010-0130.
- Similarly, the three rules requiring Board notification of certain events could be combined into a single rule of duties to notify the Board.
- WAC 4-30-142, Bases for the Board to impose discipline, is a difficult to read and unorganized four-page rule that has doubled in size from its original source, a two-page NASBA model rule, Rule 10-1. The Board rule contains substantial redundant content from the rules on professional conduct. In addition, its important examples and Board exceptions to AICPA rules (such as the Board exception for borrowing money from a client) are buried in unnecessary volume.

And any other changes determined by the task force to be appropriate.

WASHINGTON STATE BOARD OF ACCOUNTANCY

Unapproved Draft - Minutes of a Meeting of the Board – Unapproved Draft

Time and Place of Meeting 9:00 a.m. – 12:49 p.m. Friday, July 21, 2023
Holiday Inn Express & Suites
Chardonnay/Semillon/Riesling Rooms
4525 Convention Place
Pasco, WA 99301
or by Microsoft Teams Meeting

Attendance Board Members
Brian R. Thomas, CPA, Chair
Mark Hugh, CPA, Vice Chair
Kate Dixon, Public Member, Secretary
Rajib Doogar, Public Member
Jacqueline Meucci, CPA
Thomas P. Sawatzki, CPA
Brooke Stegmeier, CPA
Scott S. Newman, Public Member
Tonia L. Campbell, CPA

Staff and Advisors
Michael Paquette, CPA, Executive Director
Jennifer Sciba, Deputy Director
Leo Roinila, Assistant Attorney General, Board Advisor
Kirsten Donovan, Board Clerk
Tia Landry, Data and Systems Administrator

Call to Order – Board Meeting Board Chair, Brian Thomas, CPA, called the meeting to order at 9:00 a.m. Board Members, staff, and legal counsel introduced themselves.

Public Rule-Making Hearing The Board held a public rule-making hearing from 9:05 a.m. to 9:10 a.m. The Board Chair presided. The Board proposed to amend:

- WAC 4-30-022 What is the board’s meeting schedule and how are officers elected?

The proposed revisions provide guidance for resignations, vacancies, and removal of board officers and rename the rule.

The Executive Director presented a brief statement on the rule.

No written comments were received, and no public input was received during the hearing.

Call to Order – Board Meeting

The Board Chair called the regular Board meeting back to order at 9:10 a.m.

Rules Review

Board Deliberation on Proposed Rules Considered at the Public Rule-making Hearing

- WAC 4-30-022 What is the board's meeting schedule and how are officers elected?

The Board voted unanimously to adopt the rule as proposed.

The Board voted for an effective date of 31 days after filing.

Rules Review/Discussion

Rules Alignment for CPA-Inactive Certificateholder Legislation

- WAC 4-30-010 Definitions.
- WAC 4-30-020 What are the authority for and the purpose of the Board's rules?
- WAC 4-30-028 Rules governing the formal adjudicative proceedings and the brief adjudicative proceedings before the board.
- WAC 4-30-030 What are the requirements for communicating with the board and staff?
- WAC 4-30-032 Do I need to notify the board if I change my address?
- WAC 4-30-034 Must I respond to inquiries from the board?
- WAC 4-30-036 What enforcement actions must be reported to the board?
- WAC 4-30-038 Fees.
- WAC 4-30-082 How does a CPA-Inactive certificate holder apply for licensure?
- WAC 4-30-084 Converting from certificate to license. – New Section
- WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-inactive certificateholder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?
- WAC 4-30-094 How do I renew my individual license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?
- WAC 4-30-104 How do I renew a Washington CPA-Inactive certificate and/or license granted through foreign reciprocity? – Repealed Section

- WAC 4-30-120 I am a CPA-Inactive certificate holder--Prior to July 1, 2001, I held a license--How do I apply to return to my previous status as a licensee?
- WAC 4-30-122 If I retire my license or CPA-Inactive certificate, how do I apply to renew my license or CPA-Inactive certificate out of retirement?
- WAC 4-30-124 How do I reinstate a lapsed individual license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?
- WAC 4-30-126 How do I reinstate a revoked or suspended license, CPA-inactive certificate, or registration as a resident nonlicensee firm owner?
- WAC 4-30-134 Continuing professional education (CPE) requirements.
- WAC 4-30-136 Reporting continuing professional education (CPE) to the board.
- WAC 4-30-142 What are the bases for the board to impose discipline?

The Executive Director led the discussion on the proposed changes.

The intent of the proposed changes is to:

- Ensure consistency with the Public Accountancy Act (RCW 18.04) for legislation passed (SB5519) on March 17, 2022, with an effective date of July 1, 2024
- Remove references to certificate holders
- Allow the remaining population of certificate holders to transition to a CPA license in an inactive status and provide the opportunity for the certificate holders to become fully licensed
- Create a new inactive license status
- Align Board laws with other CPA jurisdictions
- Rename some rule sections

The Board directed staff to file the CR-102 with minor changes for the proposals and schedule a public rule-making hearing in conjunction with the Board's October meeting. The vote was 8 yay votes and 1 nay vote.

Mark Hugh opposed moving forward with the rule changes as proposed. He suggested it was the duty of the Board to make broader changes to the rules rather than limiting them in scope to only changes necessary for the CPA-Inactive certificate legislation.

Minutes – April 28, 2023, Board Meeting

The Board approved the minutes of the April 28, 2023, Board meeting as drafted.

The Board Members attending virtually authorized the use of their electronic signatures for the signing of the meeting minutes.

NASBA Update

The Executive Director provided a report on NASBA activities:

- Topics from the Western Regional meeting included:
 - CPA Exam testing window – many jurisdictions are changing to a 30-month rolling period for passing all Exam sections
 - Potential changes to the 150-hour education rule for licensure
 - Will this affect mobility
 - Will this affect substantial equivalency
- Upcoming NASBA Annual meeting – October 29 – November 1 in New York City

Legal Counsel's Report

Leo Roinila, the Board's legal counsel, had nothing to report.

Chair's Report

CPA Evolution Timeline

The Board Chair presented the NASBA 2023 Timeline (key dates). Brian called attention to the black-out period from December 15, 2023, through January 9, 2024, while the new Exam is being implemented.

Conditional Credit Extension

The Board Chair advised that conditional credit for any non-expired scores as of January 1, 2024, will be given by NASBA/CPAES. The Board approved enactment of this clause in July 2022. The scores will remain valid through June 30, 2025.

Alternate Pathways to Educational Requirement

The Board Chair presented Pathways to Licensure, NASBA slides from the 2023 regional meetings. The slides contained different models for pathways to licensure.

Executive Committee

The Chair reported that the committee met and discussed the meeting agenda. Additionally, it discussed the potential for allocating more scholarship funds should there be excess Board funds..

Peer Review Oversight Committee (PROC)

Mark Hugh presented and discussed the Peer Review Alternatives report.

- Request for Information (RFI) seeking proposals for limited scope peer review program

- Posted on Board website, Washington’s Electronic Business Solutions (WEBS) portal, and emailed to other interested or represent qualified parties
- Only one question received and no other comments
- Board-administrated program is not wanted
- Committee will explore other options – one may be a limited waiver for CPAs performing specific services for specific clients

Robert Loe, CPA, reported on the following:

- Transition of the peer review program to the Colorado Society of CPAs (COCPA) complete
 - Stated that the staff at COCPA is capable, knowledgeable, conscientious, and well-qualified to run the program
- 2 Report Acceptance Body (RAB) meetings attended under COCPA program
- Concerns regarding firms not taking certain engagements and dropping out of the peer review program

**Request
Oversight
Committee (ROC)**

Scott Newman reported:

Firm Names: *Approved:*

PwC US Business Advisory
PwC US Group LLP
PwC US Tax LLP
North Cascades CPA PLLC

Professional/Educational Organization – Recognition Requests

During the second quarter 2023, the Board did not receive any requests for recognition of an educational organization for purposes of obtaining list requests.

Late Fee Waiver Requests

Late Fee Waiver Requests were received between 05/01/2023 and 06/30/2023.

The Board received 2 late fee waiver requests:

- Approved – 1 due to an IT issue
- Denied – 1

Scholarship Oversight Committee (SOC)

Tonia Campbell reported:

- Checks for scholarship recipients are being generated next week
- Review of potentially funding additional scholarships, while being mindful of maintaining adequate funds for enforcement/legal actions
- The Foundation Scholarship did a post-award survey about First Generation College Student and found:
 - 36.1% of students self-identified as first-generation college student
 - 62.5% did not identify as a first generation
 - 1.6% reported unknown

Monette Anderson, Washington CPA Foundation Executive Director, added that the surveys are done post reward in hopes that the individuals will be more willing to share the information. Monette stated that the Foundation continues their commitment to a diverse scholarship candidate pool.

Board/AICPA Rules Committee (BARC)

Brooke Stegmeier presented the BARC report covering:

Acts Discreditable

Brooke presented the AICPA Professional Ethics Executive Committee (PEEC) Proposal for Acts Discreditable Language Change – Exposure Draft. The updates expand acts discreditable to the profession to include sharing CPE test questions and falsifying attendance. These potential updates do not conflict with Board Rules.

Residency and Principal Place of Business

Brooke advised that residency and principal place of business were discussed at a previous Board meeting, and the Board decided to wait on national guidance. These topics are seemingly not a priority at the national level, so the committee revisited them. The BARC is considering recommending the requirement for Washington State licensure if the CPA is both a resident and holding out to practice in Washington State.

Tom Neill advised that the AICPA UAA committee is still talking about the topics and that holding out is not embedded in the Model Rules. Tom recommends caution with moving forward.

Board Members requested that the BARC:

- Review the RCW for potential changes that may need to be completed first
- Consider defining “holding out”

The topics are going to be further reviewed by the BARC.

WAC 4-30-056 Form of organization and name.

Brooke presented a draft of the proposed rule change. The change will add language back which was removed when the ethics and prohibited practice rule sections were revised.

The intent of the proposed changes is to establish licensee name use parameters. A subsection is added which reads: A licensee may not operate under an alias or title that differs from the name that is registered with the board.

The Board directed staff to file the CR-102 as written for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting.

**Window
Extension
Recommendation
Committee
(WERC)**

Kate Dixon presented the WERC report which summarizes the committee's May 26 and July 6 meetings.

Kate stated the WERC recommends a 36-month Exam window which embeds a 6-month extension since the Board does not give extensions to the Exam window. Discussed items included:

- Why not a longer window
 - Other jurisdictions with a shorter window may not consider our Exam candidates for initial licensure
 - Motivation to complete the Exam timely may be gone at longer periods
 - WSCPA poll found that membership is generally not in favor of a longer window
- Washington will be the outlier at 36 months with no extensions – other jurisdictions are mainly going to 30 months with possible extensions
- The change will not apply retroactively to expired scores

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

Kate presented a draft of proposed rule changes. The intent of the proposed changes is to:

- Extend the time period (testing window) in which all sections of the CPA examination must be passed to 36 months
- Eliminate outdated subsections which no longer apply after the implementation of continuous testing

The Board directed staff to file the CR-102 as written for this proposal and schedule a public rule-making hearing in conjunction with the Board's October meeting.

The committee was disbanded with the completion of their objective to bring an Exam testing window recommendation to the full Board.

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 View, and the CPA Scholarship Transfer Account Fund View for transactions through June 30, 2023. The Executive Director reported:

- End of budget biennium – \$300k underspent
- Expenses will increase next year for travel, IT licensing fees, and statewide employee raises
- Fund will not continue to build
- Scholarship funding must come from the legislature
 - Rajib asked for a projection of resources/amount available for scholarships

2023 Renewal and CPE Extension Request Report

The Executive Director presented and led the discussion on the 2023 Renewal and CPE Extension Request report.

Potential Legislation

The Executive Director reported that the WSCPA will potentially bring changes to the Public Accountancy Act, RCW 18.04, to the legislature in 2024.

Enforcement Report

Taylor Shahon, CPA, Lead Investigator, presented the following reports:

- Quarterly Report – April 1, 2023, through June 30, 2023
- Twelve-Month Lookback – July 1, 2022, through June 30, 2023
- All Complaints – Resolved with and without discipline for periods July 2022 to June 2023 and July 2021 to June 2022.
- CBM Report – April 1, 2023, through June 30, 2023

Taylor reported on the following enforcement activities:

- Enforcement is running smoothly
- Many complaints received for the quarter were not within the Board's jurisdiction and the complainants were directed to the

- appropriate authorities
- Thank you to all CBMs
- Rule changes to the ethics and prohibited practice sections allows enforcement staff to direct individuals to the AICPA Code

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

No executive or closed sessions were held.

Public Input

The Board received public input from the following:

Sarah Funk, CPA, stated she was happy we addressed the Exam window extension issue so quickly. She would have liked to have seen an even longer window; however, she believes the Board is doing the right thing with bringing a 36-month window to rule making which goes beyond the nationally recommended testing window.

Randy Fenich, CPA, stated that the meeting was fascinating. He is in favor of the Board's decision to go to rule making with a 36-month Exam window, although he would rather the time be unlimited. Randy also addressed the pipeline issue stating that enrollment in the Washington State University Carson School of Business accounting program is down 45% from 2021 to 2022.

Kimberly Scott, WSCPA President & CEO, advised that the AICPA has created an alternate pathways advisory panel on which she and Tom Neill, CPA will serve. One of the things they will be looking at is internship for education. She is hopeful that the advisory panel will have a recommendation by May 2024.

Tom Neill, CPA, added that the advisory panel will possibly consider state level mutual recognition agreements (MRA).

Atarah, CPA Exam candidate, stated she would like the Board to consider extensions to the Exam testing window as one of her scores will expire prior to the rule change. She will lose credit because of only 2-3 months in timing.

Adjournment

The Board meeting adjourned at 12:49 p.m.

Member

Member

Member

Member

Member

Member

Member

Member

Member

thical

[plural] a set of principles
decide what is right

business/medical

eth·i·cal /'eθɪk(ə)l/

principles that p
is right and wha

issues/standard

≠ UNETHICAL: Is

animals in zoo

Ethics in Public Service Act

RCW 42.52



WHY DO WE HAVE THE ETHICS IN PUBLIC SERVICE ACT?

TO HOLD US ACCOUNTABLE TO THE PUBLIC FOR:

- ✓ ACCESS TO CONFIDENTIAL INFORMATION
- ✓ USE OF EQUIPMENT & TECHNOLOGY
- ✓ USE OF TIME
- ✓ USE OF POSITION



What is covered under the Ethics in Public Service Act?



Complaints & Investigations

- Public
- Agency



- State Auditor Office
- Co-worker

CONFLICT
OF
INTEREST

Types of Conflicts of Interest



Volunteer
Activities



Professional
& Personal



Disclose

How To Manage
a Conflict of
Interest

Abstain

Do this
early-
when it is
a
potential
conflict
of
interest!

Screening
Memo

Procedures
or Policies

Advisory Opinion 96-09 &
Advisory Opinion 96-09A

Special Privilege



Post-state Employment

- **Contract Restriction**
 - Contracts of \$10,000 or more
 - Duties with new employer includes supervising, fulfilling or implementing provisions of that contract
- **Beneficial Interest Restriction**
 - Specific contract or pool of money that you created at the executive or legislative level
 - 2 year wait



- **Continuing Restrictions**
 - Cannot accept job that is meant to influence state duties
- **Section 5**
 - Transaction with the state
 - Personally & substantial involved
 - Duties with new employer involve this transaction

A photograph of a desk with a laptop, a pen, a coffee cup, and a gift box. The text "Anything of economical value" is overlaid in white. The background shows a dark wooden desk with a silver laptop, a black pen, a white coffee cup on a saucer, and a red gift box with white polka dots and a white ribbon.

Anything of economical value

What is the gift worth?



Exceptions

- Items from family members
- Promotional items
- Gifts between co-workers

WHO IS GIVING ME THE GIFT?



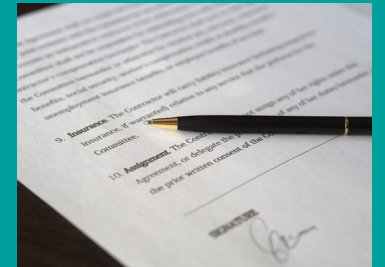
Are you a
Section 4
employee?

Are you
employed by a
regulatory agency
or an agency that
seeks to acquire
goods or
services?



Does your agency
regulate or
contract with the
person giving the
gift?

Did you
participate in the
regulatory or
contractual
matters with that
person?







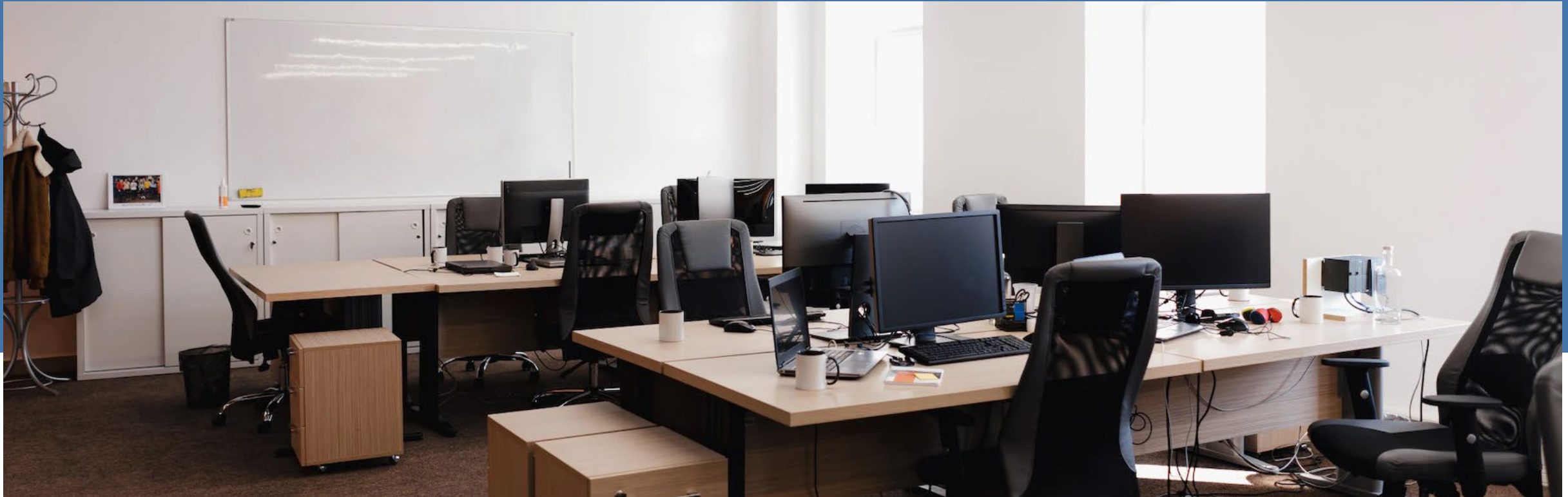
Travel expenses



Plants & Flowers



Food & Beverages



Use of State Resources

- ✓ Little or no cost to the state
- ✓ No interference with official duties
- ✓ Any use is brief
- ✓ Any use is infrequent
- ✓ Does not support your private business
- ✓ Does not support an outside organization
- ✓ Does not compromise the security or integrity of state property, information or software





Political Use

- Classroom Training
- On-line Training
- Materials on-line





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Saint Martin's
UNIVERSITY

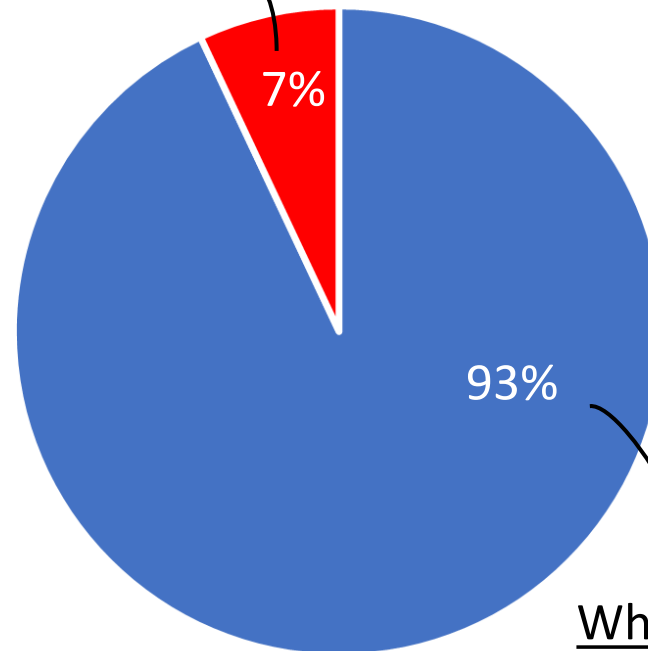
Understanding the Racial/Ethnic Equity Gaps in Accounting Education at Two- Year Colleges

Presenter: Timothy J. Madeley, Ph.D.
October 20, 2023



CPA Demographics:

CPAs of all other races and ethnicities

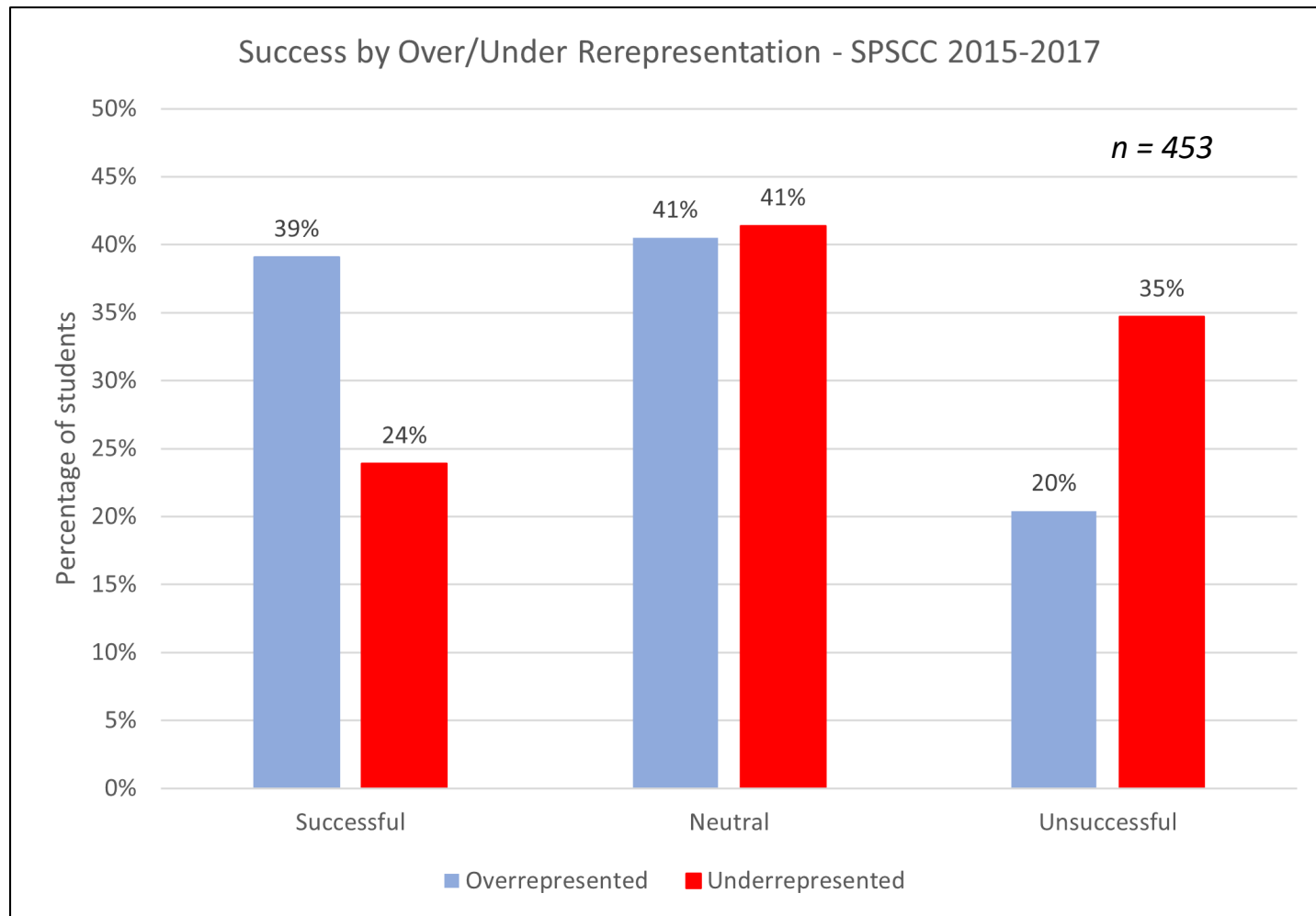


White & Asian CPAs

Source: AICPA Trends Report, 2019



Racial/ethnic equity gap – Intro to Financial Accounting:





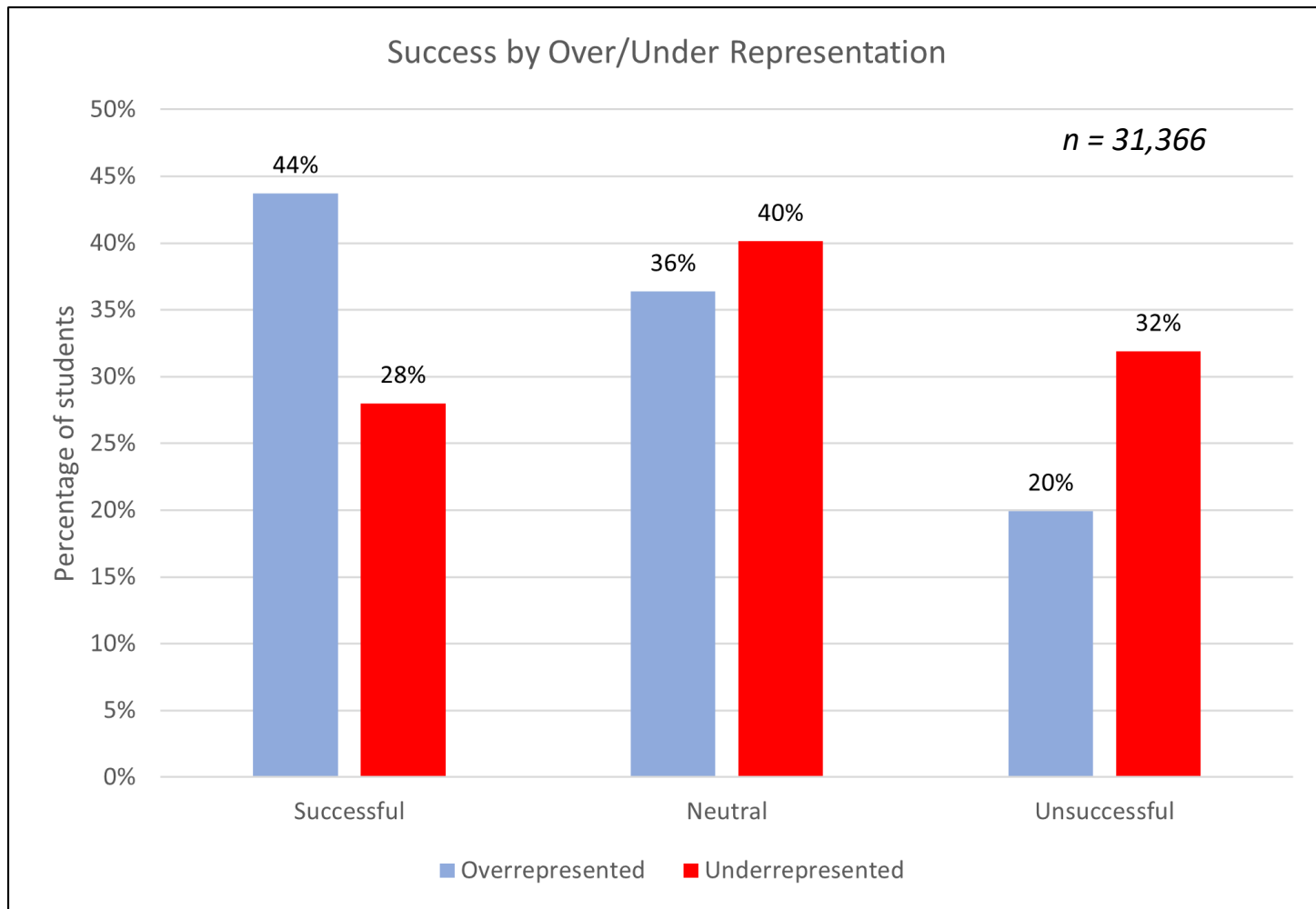
Mixed methods approach

Quantitative Analysis:

- 31,366 accounting students at Washington State two-year colleges over a five-year period
- College (two-digit number)
- Academic year
- Over or underrepresented (self-reported)
- Grade earned
- Pell Grant received

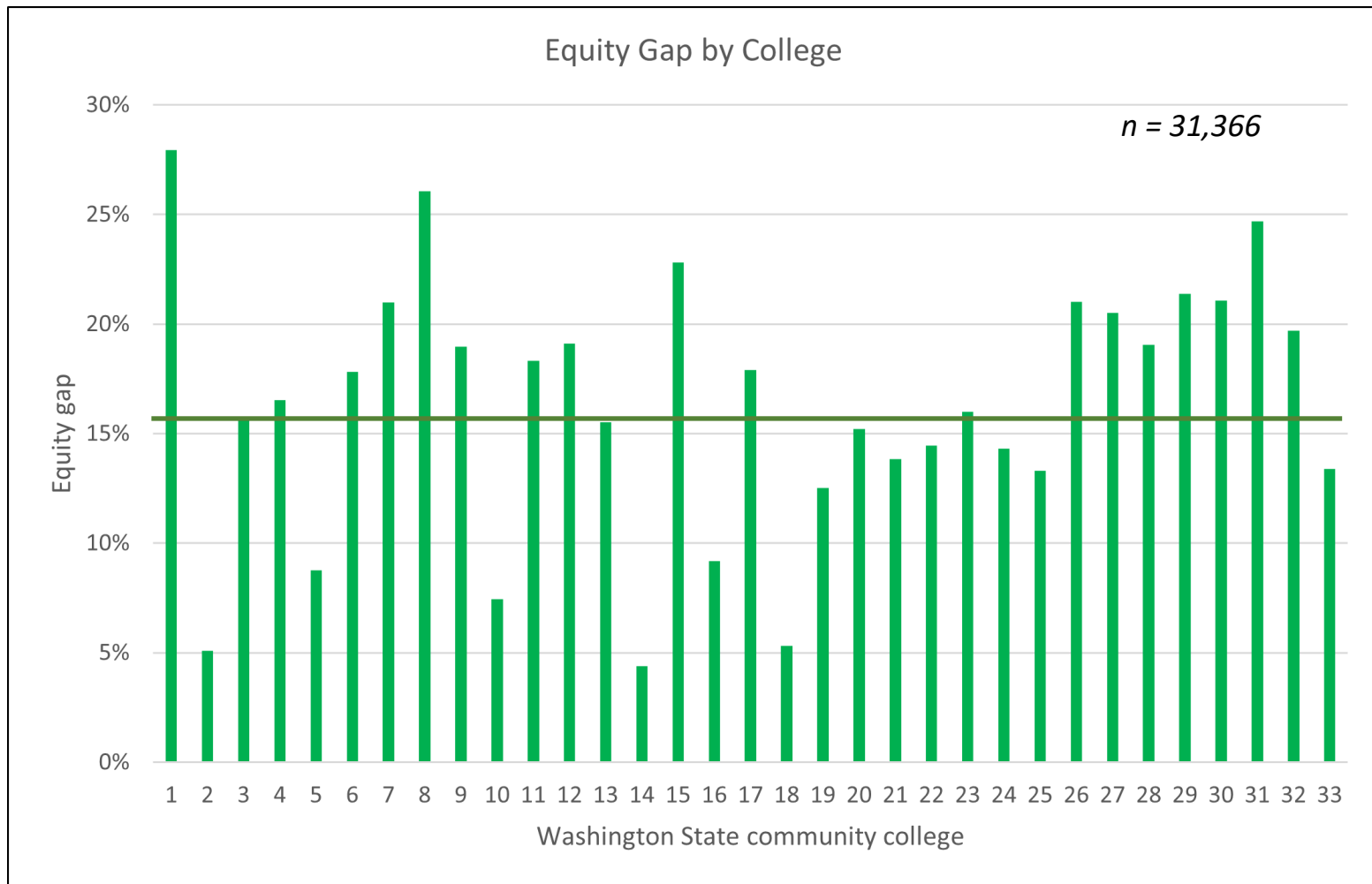


Statewide racial/ethnic equity gap:



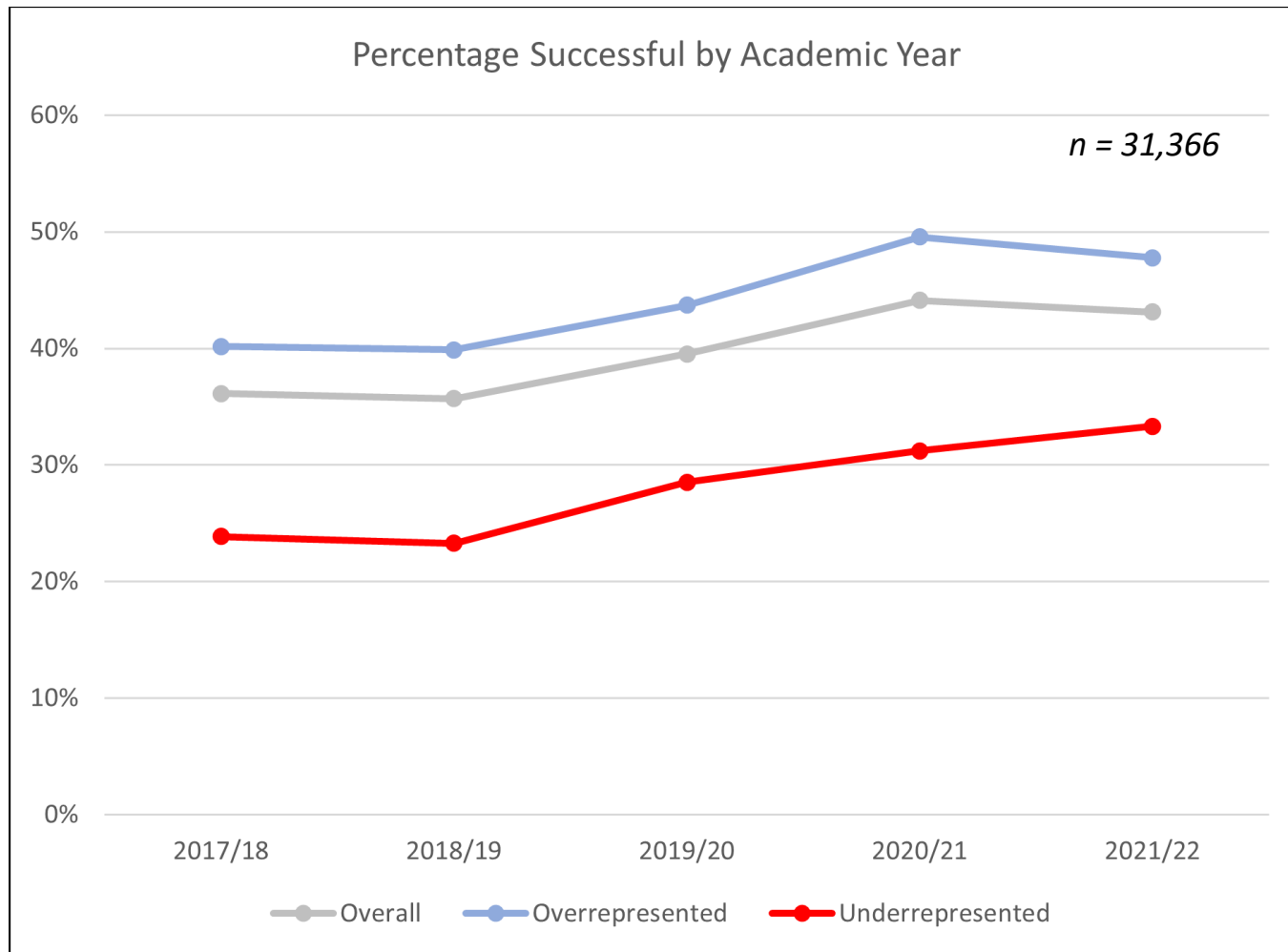


Pervasiveness of racial/ethnic equity gap:





Persistence of racial/ethnic equity gap:





Mixed methods approach

Qualitative Analysis:

- Interviewed successful and unsuccessful accounting students from underrepresented groups
- Anti-deficit perspective
- Experiences and perspectives:
 - Before the class
 - During the class
 - After the class



Insights from students – greater flexibility:

“So, one of the biggest reasons that I’m doing so well, in this class and in college in general, is money. I don’t have to work, and I can focus entirely on my schoolwork, whereas my classmates who have to work part and full-time jobs and also juggle going to school full time, because it’s the only way that financial aid will provide them any kind of assistance. **They’re struggling because there’s just not enough time in their schedule to really dedicate to the classes that they’re taking.**” - Juanita

“I kind of wish it was a little bit more self-paced. Every single day is pretty prescribed, as opposed to some of my other classes that I’ve had where it’s like, you know, **get it done by the end of the week.**” - Juanita



Insights from students – math prerequisite:

Bellevue College

Cascadia College

Centralia College

Clark College

Clover Park Technical College

Everett Community College

Grays Harbor College

Lake Washington Inst. of Technology

Lower Columbia College

Peninsula College

Pierce College Fort Steilacoom

Pierce College Puyallup

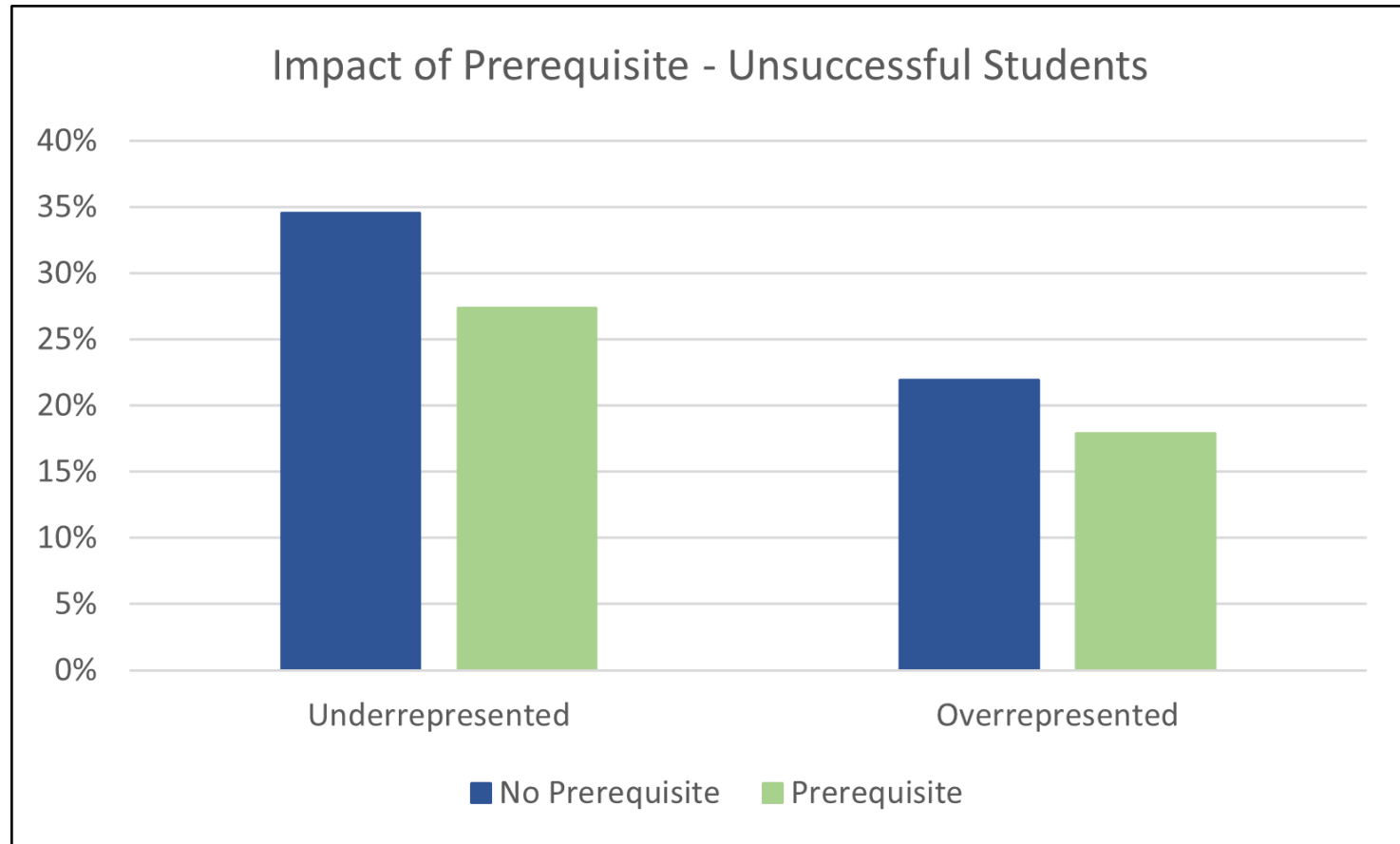
Seattle Central College

South Puget Sound Comm. College

Tacoma Community College



Insights from students – math prerequisite:





Insights from students – relationship with instructor:

“I wished I would have had a better relationship with my instructor because I feel like being able to ask questions is huge.”
- Bethany

- Opportunities to meet outside of class
- Individual versus class-wide communication
- Connections outside of class content



Insights from students – financial pressure:

“So, one of the biggest reasons that I’m doing so well, in this class and in college in general, is money. I don’t have to work, and I can focus entirely on my schoolwork, whereas my classmates who have to work part and full-time jobs and also juggle going to school full time, because it’s the only way that financial aid will provide them any kind of assistance. **They’re struggling because there’s just not enough time in their schedule to really dedicate to the classes that they’re taking.** And you can then pretty quickly make the connection to generational wealth, being a lot more present in some communities compared to others.” “So, I think money is huge.” - Juanita

Count of Success	Column Label	Unsuccessful	Neutral	Successful	Grand Total	
<input type="checkbox"/> Overrepresented		4,525	8,260	9,928	22,713	
No Pell		3,601	6,541	8,023	18,165	80%
Pell		924	1,719	1,905	4,548	20%
<input type="checkbox"/> Underrepresented		2,759	3,472	2,422	8,653	
No Pell		1,798	2,167	1,648	5,613	65%
Pell		961	1,305	774	3,040	35%
Grand Total		7,284	11,732	12,350	31,366	



Insights from students – role models:

“I just know people that are Polynesian, I couldn’t find one or think of one that was in accounting. And that makes a huge difference. **Because you can’t physically see yourself being an accountant, if you don’t see someone like you being an accountant**” - Valerie



To: Washington State Board of Accountancy

From: The Executive Committee (EC) (Brian Thomas, Kate Dixon, Mark Hugh)

Re: Proposed Board officers for calendar year 2024

Date: October 20, 2023

Every October at its annual meeting, the Board elects its officers for the next calendar year and for 2024, the proposed slate of officers is:

Kate Dixon, Public Member, Chair
Tom Sawatzki, CPA Member, Vice Chair
Brooke Stegmeier, CPA Member, Secretary

Officers serve one-year terms and may be elected to the same position for a second term.

Officers are proposed based upon a combination of willingness to serve, appointment seniority, prior Board committee leadership, and industry knowledge from participation in events such as NASBA regional or annual meetings.

As part of Board succession planning, it is preferred that Board members who serve a term as vice chair would also be willing to serve as chair in the subsequent year, and Board members who serve a term as secretary would be willing to serve as vice chair in the subsequent year.

The life cycle of a three-term member

- Board members are term limited to three, three-year successive terms
- The first term is characterized by orientation to Board service, building relationships, understanding the role of a regulator and the agency, learning about regulation at the national level, and active participation and increasing committee leadership
- The second term is characterized by Board leadership and potentially serving as an officer and a member of the Executive Committee
- The third term is characterized by mentorship and serving as a resource to the Executive Committee, the agency, and other Board members

**Washington State Board of Accountancy
2023 Committees and Task Forces**

Member	Term Expires	Executive Committee	Peer Review Oversight Committee (PROC)	Request Oversight Committee (ROC)	Scholarship Oversight Committee (SOC)	Board/AICPA Rules Committee (BARC)	Window Extension Recommendation Committee (WERC)
							Dissolved July 21, 2023
Brian R. Thomas, CPA	2024	Chair				Member	
Mark Hugh, CPA	2025	Vice Chair	Chair			Member	
Kate Dixon	2026	Secretary	Member		Member		Chair
Rajib Doogar	2025			Member			
Brooke Stegmeier, CPA	2026		Member			Chair	Member
Jacqueline Meucci, CPA	2024				Member		
Thomas P. Sawatzki, CPA	2025		Member				
Scott S. Newman	2025			Chair		Member	
Tonia L. Campbell, CPA	2025			Member	Chair		Member

Nonboard Volunteers

Robert Loe, CPA			Member				
Laura Lindal, CPA			Member				
Tom Neill, CPA			Member				Member
Kimberly Scott							Member
Tom Dingus, CPA							Member

2024 Committees and Task Forces (Recommended)

Member	Term Expires	Executive Committee	Peer Review Oversight Committee (PROC)	Request Oversight Committee (ROC)	Scholarship Oversight Committee (SOC)	Board/AICPA Rules Committee (BARC)
Brian R. Thomas, CPA	2024					Member
Mark Hugh, CPA	2025		Chair			Member
Kate Dixon	2026	Chair	Member		Member	
Rajib Doogar	2025			Member		
Brooke Stegmeier, CPA	2026	Secretary	Member			Chair
Jacqueline Meucci, CPA	2024				Member	
Thomas P. Sawatzki, CPA	2025	Vice Chair	Member			
Scott S. Newman	2025			Chair		Member
Tonia L. Campbell, CPA	2025			Member	Chair	

Nonboard Volunteers

Robert Loe, CPA	Member
Laura Lindal, CPA	Member
Tom Neill, CPA	Member

The Executive Committee recommends the committee chairs and members listed above for 2024. However, committee appointments are open for discussion at the meeting.

Board committees and task forces

- The Board uses a limited number of standing committees and forms task forces for non-recurring issues and projects
- **Committee assignments are determined annually at the October Board meeting**
- Each committee selects a chair and is limited to no more than four Board members to avoid a quorum and the Open Public Meetings Act
- Current committees are:
 - The Executive Committee (EC)
 - The Peer Review Oversight Committee (PROC)
 - The Request Oversight Committee (ROC)
 - The Scholarship Oversight Committee (SOC)
 - The Board AICPA Rules Committee (BARC)

The Executive Committee (EC)

- The EC is comprised of the chair, the vice chair, and the secretary
- The EC, with the executive director, creates the agenda for Board meetings including preparing advance materials for the Board packet so Board discussions at meetings can be thoughtful, informed, and meetings are a wise use of Board time and public resources
- The EC is also responsible for:
 - Working with the executive director to identify emerging and strategic issues for Board input and discussion
 - Succession planning and recruiting future officers from Board members
 - Engaging current Board members and training new Board members
 - Working with the executive director to recruit qualified new Board members when openings are forecasted or available

Peer Review Oversight Committee (PROC)

- The PROC administers the Board's quality review program for licensed firms that perform attest or compilation services
- The AICPA Peer Review program has been adopted by states including Washington as their required regulatory quality review program
- Because peer review is a confidential AICPA program, the PROC reviews sanitized reports from Board volunteers who attend meetings of state society peer review program administrators, and report any observations or concerns to the Board
- The PROC also reviews peer review reports on specific firms that pass with deficiencies, or fail peer review

Request Oversight Committee (ROC)

- The ROC administers various requests required by Board rule on a timely basis between Board meetings
- Washington rules require that any firm name that does not contain the name of a current or former owner be approved in advance by the Board
- To make determinations on timely basis, the Board in January delegates this authority during the year to ROC, whose members, in concurrence with the executive director, approves or denies requests
- The ROC reports to the Board at each meeting the names of firms it has approved and well as other requests such as use of the licensee database by other organizations
- The ROC also approves or denies late fee waiver requests

Scholarship Oversight Committee (SOC)

- The SOC administers the Certified Public Accounting Scholarship Program which was created by in 2015
- In 2015, the Legislature created the scholarship program and the Board contracted with the Washington CPA Foundation to administer Board funded scholarships for students enrolled at accredited Washington based colleges or universities, with a declared major in accounting, entering their junior year or higher
- In 2021, this program granted \$390,000 to 60 candidates, 27 \$5,000 scholarships to undergraduate/fifth year students and 32 \$8,000 scholarships to Master level students
- The SOC and the WSCPA annually report program activities to the full Board

Board AICPA Rules Committee (BARC)

- The BARC was created in 2022 to more closely align the ten Board professional conduct rules with the ten AICPA professional conduct rules
- On an on-going basis, the BARC monitors AICPA exposure drafts on proposed changes to the AICPA code and new AICPA interpretations, other than on issues of independence
- The BARC educates at Board meetings about the AICPA code and interpretations and any proposed changes, so the Board can be both informed about the code, any changes, and identify any exceptions to the AICPA code that should be added to existing Board rules



The Uniform
CPA Examination

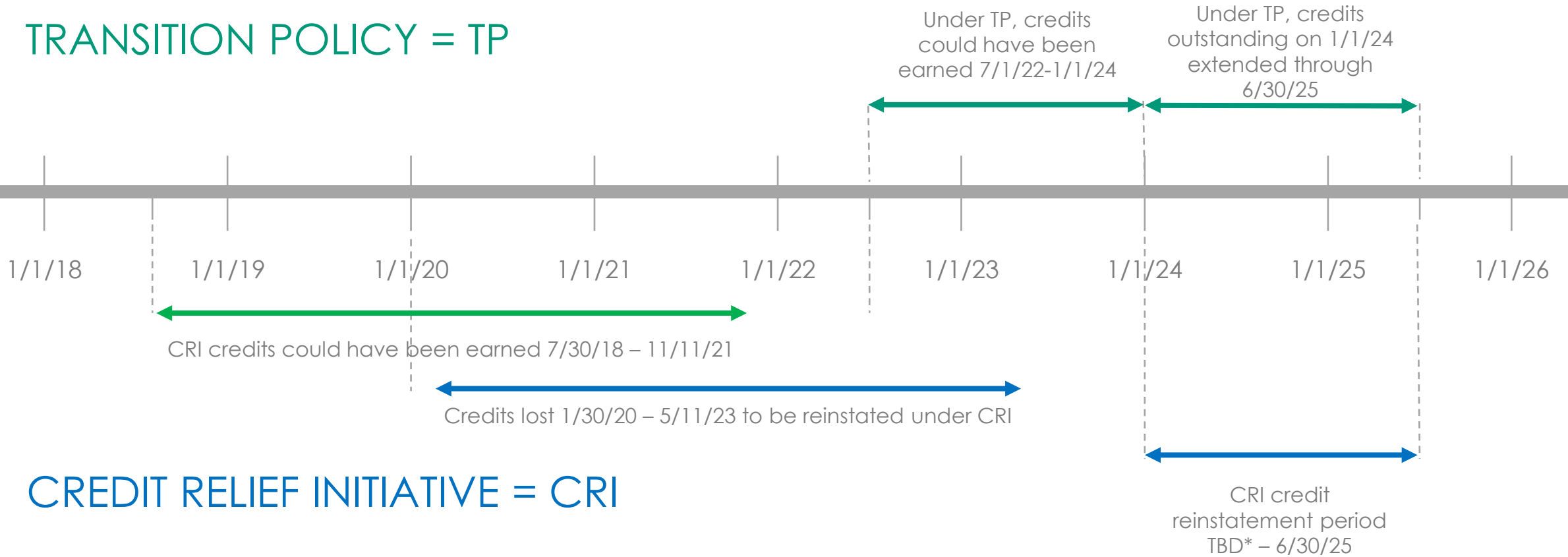
CPA Exam Credit Relief Initiative Explained

NASBA



Transition Policy v. Credit Relief Initiative

TRANSITION POLICY = TP



CREDIT RELIEF INITIATIVE = CRI

*Date adopted by state board

CPA Exam Credit Relief Initiative Recommendation #1

▶ Jurisdictions that CAN adopt en masse for candidates:

In response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board of Accountancy will extend credit periods through June 30, 2025, for CPA Examination credits that expired from January 30, 2020⁽¹⁾ through May 11, 2023⁽²⁾, which have not been subsequently replaced by new credits for the same sections.

(1) The United States Department of Health and Human Services declared a national Public Health Emergency.

(2) The United States Department of Health and Human Services announced the expiration of the national Public Health Emergency.

CPA Exam Credit Relief Initiative Recommendation #2

▶ Jurisdictions that CANNOT adopt en masse for candidates:

In response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board of Accountancy will consider individual candidate requests to extend credit periods through June 30, 2025, for CPA Examination credits that expired from January 30, 2020⁽¹⁾ through May 11, 2023⁽²⁾, which have not been subsequently replaced by new credits for the same sections.

(1) The United States Department of Health and Human Services declared a national Public Health Emergency.

(2) The United States Department of Health and Human Services announced the expiration of the national Public Health Emergency.

Credit Relief Initiative

- These are the dates of the Public Health Emergency
- If we go case by case then there will be a form the candidate would have to complete and return to CPAES.
- We should implement a deadline if we go case by case
- Candidates could not go to other jurisdictions if we don't adopt because there would be no credit to transfer.
- Some candidates would now have credit for all four parts of the exam.

1650 - State Board of Accountancy

Allotment Expenditure/Revenue BTD Flexible

Report Number: AEF04

Date Run: Oct 2, 2023 10:26AM

Biennium: 2025

As of Fiscal Month: Sep FY1

Transactions Through: Sep 29, 2023 8:00PM

Account: 02J

Allotment Content: Approved & Adjusted

Estimated Revenue Content: Approved & Adjusted

Expenditure Content: Cash, Accr(all)

Revenue Content: Cash, Accr(all)

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

	BTD Allotment	BTD Disbursement	BTD Accrual	BTD Encumbrance	BTD Variance	Biennium Remaining
By Account/Expenditure Authority						
02J - Certified Public Accountants' Acct						
030 - Salaries and Expenses	597,662	396,134.90	(250.00)	0.00	201,777.10	4,374,115.10
Total for Agency	597,662	396,134.90	(250.00)	0.00	201,777.10	4,374,115.10
By Account/Expenditure Authority						
By Object						
A - Salaries and Wages	199,915	177,228.08	0.00	0.00	22,686.92	1,447,335.92
B - Employee Benefits	70,220	62,219.11	0.00	0.00	8,000.89	495,228.89
C - Professional Service Contracts	25,500	17,381.00	0.00	0.00	8,119.00	186,619.00
E - Goods and Services	291,392	136,615.20	(250.00)	0.00	155,026.80	2,162,542.80
G - Travel	7,635	2,691.51	0.00	0.00	4,943.49	58,388.49
J - Capital Outlays	3,000	0.00	0.00	0.00	3,000.00	24,000.00
Total for Agency	597,662	396,134.90	(250.00)	0.00	201,777.10	4,374,115.10
By Object						

Fund View

Fund
02J - CERTIFIED PUBLIC ACCOUNTANTS' ACCT

Fund Type
BA - SPECIAL REVENUE FUNDS

Agency
1650 - STATE BOARD OF ACCOUNTANCY

Budget Type
A - Appropriated

GAAP Fund Type
B - SPECIAL REVENUE FUNDS

Rollup Fund
FBD - CENTRAL ADMIN AND REGULATORY FUND

Treasury Type
Treasury

Statute
18.04.105

Status
Active

TALS Only
No

DOT Fund
No

MM YYYY

Sep 2023

Balance Date	Cash Balance	Book Balance	Outstd. Warrants
09/30/2023	3,438,739.74	3,437,749.74	990.00
09/29/2023	3,438,739.74	3,437,749.74	990.00
09/28/2023	3,436,574.74	3,435,584.74	990.00
09/27/2023	3,444,259.12	3,443,269.12	990.00
09/26/2023	3,444,589.31	3,443,599.31	990.00
09/25/2023	3,442,279.31	3,441,289.31	990.00
09/24/2023	3,481,588.60	3,480,598.60	990.00
09/23/2023	3,481,588.60	3,480,598.60	990.00
09/22/2023	3,481,588.60	3,480,598.60	990.00
09/21/2023	3,480,268.60	3,479,278.60	990.00
09/20/2023	3,479,938.60	3,478,948.60	990.00
09/19/2023	3,475,743.60	3,474,753.60	990.00
09/18/2023	3,473,703.18	3,472,713.18	990.00
09/17/2023	3,472,693.18	3,471,703.18	990.00
09/16/2023	3,472,693.18	3,471,703.18	990.00
09/15/2023	3,472,693.18	3,471,703.18	990.00
09/14/2023	3,471,883.18	3,470,893.18	990.00
09/13/2023	3,470,563.18	3,469,573.18	990.00
09/12/2023	3,531,998.03	3,531,008.03	990.00
09/11/2023	3,530,772.50	3,528,445.55	2,326.95
09/10/2023	3,569,643.26	3,567,316.31	2,326.95
09/09/2023	3,569,643.26	3,567,316.31	2,326.95
09/08/2023	3,569,643.26	3,567,316.31	2,326.95
09/07/2023	3,566,008.26	3,563,681.31	2,326.95
09/06/2023	3,573,093.26	3,570,766.31	2,326.95
09/05/2023	3,575,404.30	3,574,414.30	990.00
09/04/2023	3,568,404.30	3,567,414.30	990.00
09/03/2023	3,568,404.30	3,567,414.30	990.00
09/02/2023	3,568,404.30	3,567,414.30	990.00
09/01/2023	3,568,404.30	3,567,414.30	990.00

Fund View

Fund
 20D - CPA SCHOLARSHIP TRANSFER ACCOUNT
Fund Type
 BA - SPECIAL REVENUE FUNDS
Agency
 1650 - STATE BOARD OF ACCOUNTANCY
Budget Type
 N - Nonappropriated/Nonallotted
GAAP Fund Type
 B - SPECIAL REVENUE FUNDS
Rollup Fund
 FBG - HIGHER EDUCATION FUND

Treasury Type
 Treasury Trust
Statute
 20B.123.050
Status
 Active
TALS Only
 No
DOT Fund
 No

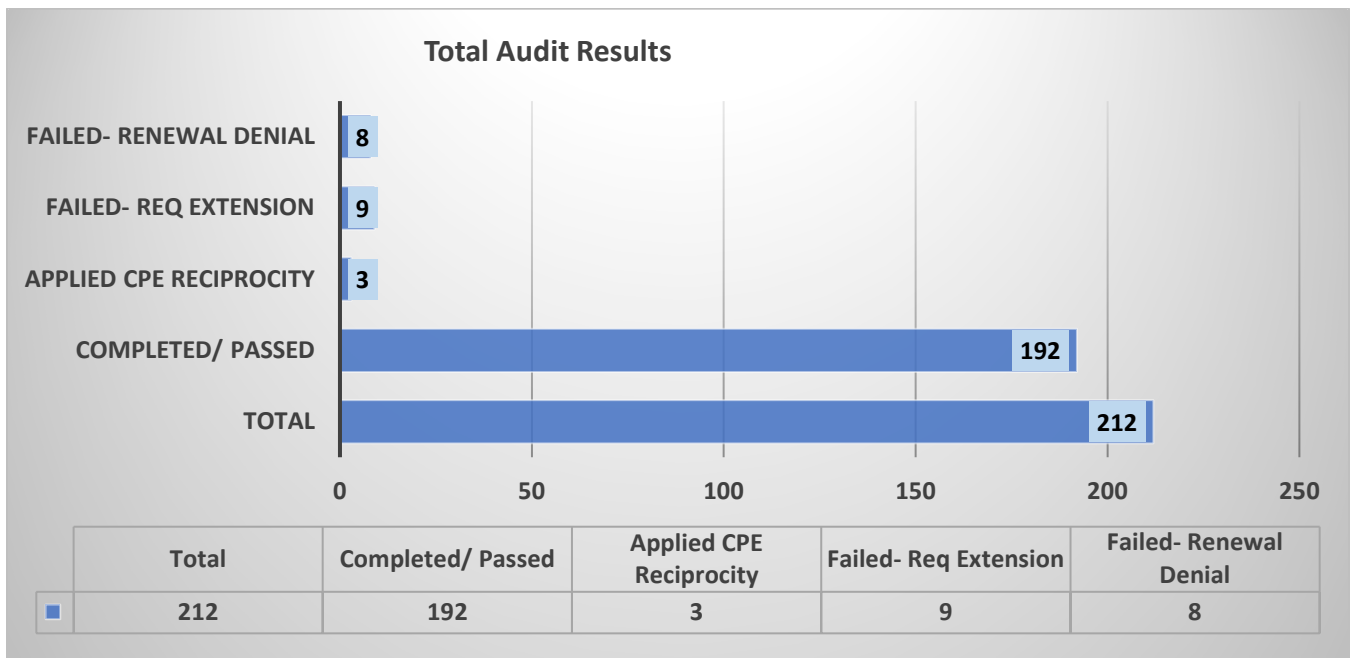
MMYYYY

Sep 2023

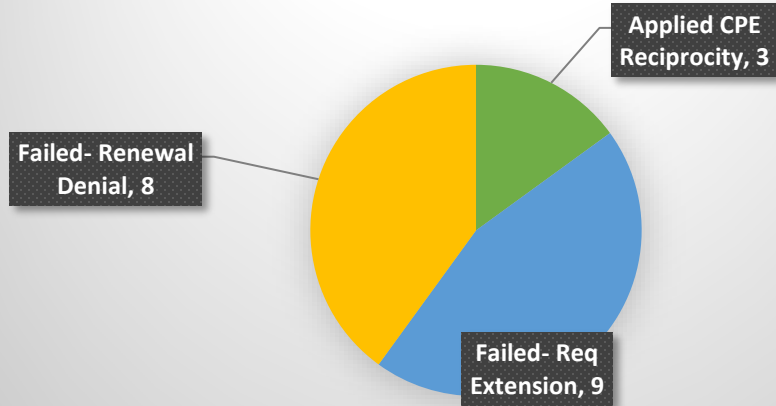
Balance Date	Cash Balance	Book Balance	Outstd. Warrants
09/30/2023	125,000.00	125,000.00	0.00
09/29/2023	125,000.00	125,000.00	0.00
09/28/2023	125,000.00	125,000.00	0.00
09/27/2023	125,000.00	125,000.00	0.00
09/26/2023	125,000.00	125,000.00	0.00
09/25/2023	125,000.00	125,000.00	0.00
09/24/2023	125,000.00	125,000.00	0.00
09/23/2023	125,000.00	125,000.00	0.00
09/22/2023	125,000.00	125,000.00	0.00
09/21/2023	125,000.00	125,000.00	0.00
09/20/2023	125,000.00	125,000.00	0.00
09/19/2023	125,000.00	125,000.00	0.00
09/18/2023	125,000.00	125,000.00	0.00
09/17/2023	125,000.00	125,000.00	0.00
09/16/2023	125,000.00	125,000.00	0.00
09/15/2023	125,000.00	125,000.00	0.00
09/14/2023	125,000.00	125,000.00	0.00
09/13/2023	125,000.00	125,000.00	0.00
09/12/2023	125,000.00	125,000.00	0.00
09/11/2023	125,000.00	125,000.00	0.00
09/10/2023	125,000.00	125,000.00	0.00
09/09/2023	125,000.00	125,000.00	0.00
09/08/2023	125,000.00	125,000.00	0.00
09/07/2023	125,000.00	125,000.00	0.00
09/06/2023	125,000.00	125,000.00	0.00
09/05/2023	125,000.00	125,000.00	0.00
09/04/2023	125,000.00	125,000.00	0.00
09/03/2023	125,000.00	125,000.00	0.00
09/02/2023	125,000.00	125,000.00	0.00
09/01/2023	125,000.00	125,000.00	0.00

2023 CPE Audit Report

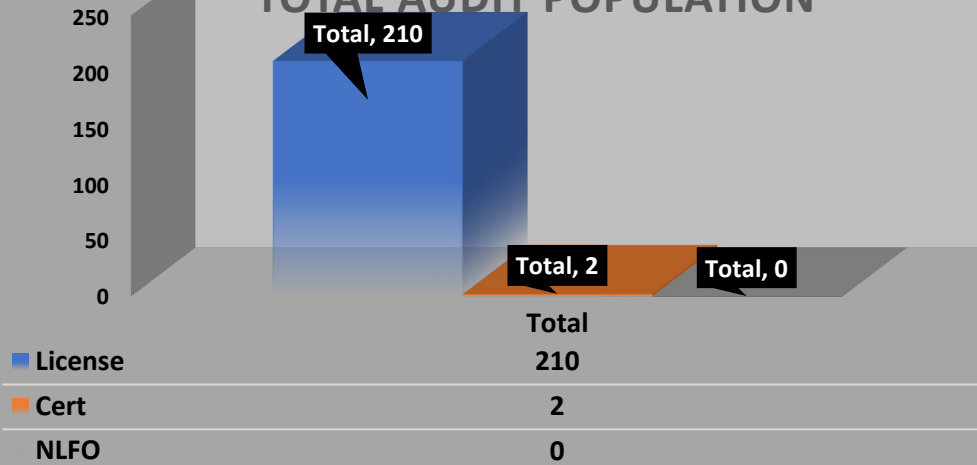
Credential Type	Total	Completed/ Passed	Applied CPE Reciprocity	Failed- Request Extension	Failed- Renewal Denial
License	210	190	3	9	8
Cert	2	2	0	0	0
NLFO	0	0	0	0	0
	212	192	3	9	8



Incomplete Auditees-Licenses



TOTAL AUDIT POPULATION



To: Washington State Board of Accountancy
 From: Mark Hugh, CPA Member
 Re: Residency of Washington licensees
 Date: October 22, 2023

Every October for my Board approved ethics class, I update my course materials for the residency of Washington licensees. The following is the data for the last four years:

State/country	Oct 2020	Oct 2021	Oct 2022	Oct 2023	Percent
Washington	13,400	13,286	13,104	13,261	56%
Other US States	2,830	3,076	3,181	3,463	15%
Japan	2,220	2,542	2,932	3,410	14%
China	1,190	1,193	1,177	1,182	5%
South Korea	690	905	1,075	1,190	5%
Other Countries	530	570	671	788	3%
Canada	380	408	464	548	2%
Totals	21,240	21,980	22,604	23,842	100%
Wash. Residents	63%	60%	58%	56%	

The number of Washington licensees remains stable but growth in licensees is occurring in Asia. If the trend continues, in a few years the majority of Washington licensees will be nonresidents.

Quality Assurance Review Results

Year	Peer Review				Sub Total	Enforcement	Limited Scope Exemption	Total Participation
	Pass	Pass W/ Deficiencies	Fail	Peer Review Extension Request				
2017	73	7	5	0	85	0	250	335
2018	248	27	20	0	295	2	401	698
2019	142	22	15	0	179	1	371	551
2020	54	2	3	0	59	2	279	338
2021	173	19	9	0	201	1	309	511
2022	120	13	5	1	139	1	354	494
2023	46	3	0	11	60	0	262	322
2024					0			0

To: Washington State Board of Accountancy

From: Peer Review Oversight Committee (PROC) (Brooke Stegmeier, Kate Dixon, Tom Sawatzki, Mark Hugh, Laura Lindal, Robert Loe, Mike Paquette, Jennifer Sciba, Tom Neill)

Re: Peer review alternatives

Date: October 20, 2023

Over the last twelve months, the PROC has searched for peer review alternatives offered in other states and issued a request for information to any third parties that might be interested in administering a program for Washington. To date, we have found no alternatives in other states and received no responses to our request for information.

Therefore, we are now considering a limited scope waiver program for certain Washington firms.

The waiver would be for Washington firms that only provide compilation services to Washington domiciled clients. Excluded from the waiver program would be firms that provide any audits or reviews; firms that provide compilations to clients domiciled outside of Washington; and firms or licensees that are members of the AICPA.

We plan to seek input from Washington licensees on their willingness to participate in a multi-year pilot program. A program could potentially include the following additional requirements:

- Professional liability insurance of a minimum amount, which both protects the public and provides access to firm risk management resources and CPE on risk management.
- Specific annual CPE requirements on accounting, compilation, and other relevant standards before admission to the waiver program (similar to the Oregon Municipal Roster program for auditors of governmental entities).
- Specific annual CPE requirements while in the program on accounting, compilation, and other relevant standards (again, similar to the Oregon program).
- A short annual report or form to the Board on participation such as:
 - The number of compilations provided under the program during the year.
 - Documentation that annual professional liability requirements are met.
 - Certification that annual CPE requirements are met.
 - Certification that no compilations were provided to nonqualifying clients, and that the firm provided no reports on audits or reviews.

- Acknowledgement that the Washington waiver program would not be considered an acceptable program under firm or individual licensing mobility in other states, and therefore any services performed for clients domiciled in other states would be subject to the other state's licensing rules.

Unlike AICPA peer review, no review of work by a third party would be required of each firm. However, similar to CPE audits, the Board would annually randomly select a sample of engagements from the population of total firms enrolled in the waiver program for review.

Enough firm interest would need to be generated by this proposal before the pilot was created and enough firm participation in a pilot would need to be generated before any pilot program would be made permanent.

In addition, any program would require amendment to WAC 4-30-130(10), the Board's rule on quality assurance review for licensed firms and exceptions.

Request Oversight Committee Report October 2023

Scott Newman, Chair

During the third quarter 2023, the Executive Director and a Consulting Board Member from the Request Oversight Committee took the following action:

Approved Firm Names:

Opsahl Dawson & Co. LLP
Alder Street Advisors PLLC
Granite Point Financial
Render Compliance, LLC
Unity Business Advisors, Inc.
BDO USA, P.C.

Professional/Educational Organization – Recognition Requests

During the third quarter in 2023, the Board did not receive any requests for recognition as an educational organization or professional association for purposes of obtaining list requests.

Projected Fund Balance
Washington State Certified Public Accounting Scholarship Program
For the Year Ending September 30, 2024

Beginning Fund Balance (as of July 31, 2023)	\$	2,304,107
Revenues:		
Passive Earnings from Investments (Assumes a 3% return)	\$	69,123
Expenditures:		
WBOA Certified Public Accounting Scholarships		
(25 \$5,000 scholarships will be awarded)	\$	(125,000)
(30 \$10,000 masters scholarships will be awarded)	\$	(300,000)
Projected Fund Balance For the Year Ended 9/30/2024	\$	<u>1,948,231</u>

Washington Society of CPAs (WSCPAs) Annual Administration Fee**		
to be reimbursed by the Washington State Board of Accountancy Annually	\$	25,000
 **Annual WSCPAs Estimated Expense to Administer WA CPA Scholarship Program	 \$	 43,755

**Estimated Expenses for Administering the WA Certified Public Accounting Scholarship Program
For the Year Ending September 31, 2024**

Program Employee Expenses

Shown in hours worked***	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Total
Membership manager	11.00	1.00	4.00	4.00	17.00	6.00	5.00	10.00	4.00	4.00	-	4.00	70
Membership Outreach Coordinator	50.00	17.00	33.00	47.00	74.50	48.50	61.00	35.50	37.00	20.00	19.00	28.50	471
CEO	1.00	-	-	1.00	-	1.00	-	-	1.00	-	-	-	4
Director of Communications	1.00	1.00	1.00	1.00	0.50	-	-	-	-	-	2.00	1.00	8
Manager of Digital Marketing	4.00	3.00	2.00	1.00	3.00	-	-	1.00	-	-	4.00	3.00	21
CFO	3.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	1.50	3.50	2.00	21
Communications Coordinator	0.50	-	-	-	-	-	-	5.75	3.16	-	-	5.00	14
Accountant/ Assistant Controller	-	-	1.00	1.00	1.00	2.00	1.00	2.00	-	-	1.00	1.00	10
Membership Coordinator	-	-	-	-	-	-	-	-	-	-	-	-	-
Comm. Design/Social Media Coordina	1.00	-	-	2.50	-	-	-	-	-	-	19.50	5.00	28
	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL - In Dollars	\$ 4,505	\$ 1,512	\$ 2,646	\$ 3,686	\$ 6,111	\$ 3,686	\$ 4,284	\$ 3,481	\$ 3,034	\$ 1,607	\$ 3,087	\$ 3,119	\$ 40,755

*** This table shows the number of hours worked per position and totals those hours in terms of dollars.

Program Marketing Expenses

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Total
Banners											\$ -	\$ -	\$ -
Social Media (Facebook and LinkedIn)		\$ 200	\$ 200	\$ 200	\$ 200		\$ 200					\$ 200	\$ 1,200
Brochures and Posters											\$ 200		\$ 200
Promotional Materials											\$ 200		\$ 200
Scholarship Networking Event								\$ 1,000					\$ 1,500
Gift cards and Prizes			\$ 400										\$ 400
TOTAL	\$ -	\$ 200	\$ 600	\$ 200	\$ 200	\$ -	\$ 200	\$ 1,000	\$ -	\$ -	\$ 400	\$ 200	\$ 3,000
Total Estimated Program Expenses													\$ 43,755

September 29, 2023

To: Washington State Board of Accountancy

From: The Board AICPA Rules Committee (BARC)
(Mark Hugh, Scott Newman, Mike Paquette, Jennifer Sciba, Brooke Stegmeier, Brian Thomas)

RE: Residency and Principal Place of Business
Corporate Transparency Act
ESOP Ownership

Residency and Principal Place of Business

Last quarter, BARC revisited the Board's guidance related to residency and principal place of business.

To recap, our licensure requirements are vague for those who reside in Washington but have a principal place of business outside of Washington. Some of the questions we addressed:

- Washington is one of the few states that doesn't require residency for licensure. If an individual resides here, should they be required to be licensed here no matter where their principal place of business is?
 - *The BARC recommended at the July meeting we require licensure if the CPA is both a resident and holding out to practice in Washington State.*
- Can that individual "hold out" as a CPA here in Washington without a Washington license because they are licensed in their principal place of business state?
 - *Current RCW and WAC allow this. The license of the individual in another state is primarily subject to that state's rules; but that state protects its consumers and may not adequately address complaints raised by Washington State consumers against a CPA.*
 - *While reciprocity may provide Washington consumers some protection (in that CPAs practicing in Washington agree to the Washington State Board of Accountancy's jurisdiction and authority), the Board would not have authority to revoke the license of a CPA licensed in another state. This is the highest authority the Board has for protecting the public.*
- Should we amend Board rule 4-30-090?
 - *An alternative would be to delete it for now and rely on statute definitions.*

BARC recommendations and Board decisions may also impact RCW 18.04.345 (prohibited practices) and 18.04.350 (practices not prohibited).

BARC was asked by the Board at the July meeting to draft proposed changes to RCW 18.04 and consider redefining "holding out". BARC has decided to table this topic for now. A joint task force with the WSCPA and public representatives will be formed to consider this in light of AICPA rules and required statute changes.

Corporate Transparency Act

Beginning in January 2024, businesses must comply with the Corporate Transparency Act (CTA) by filing a Beneficial Ownership Information (BOI) report. This report will be submitted to the Financial

Crimes Enforcement Network (FinCEN). Failure to accurately and timely file will result in penalties, fines and up to two years in prison. This is potentially a source of new business for CPAs.

This new law is part of the U.S. anti-money laundering regulations included within the national defense authorization act. It requires companies to provide identifying information about the individuals who directly or indirectly own or control a company.

The BARC has reviewed this and is considering if this falls more appropriately under the unauthorized practice of law (UPL) and may not be relevant to CPAs. However, it could fall under our general standards which require obtaining sufficient facts and competence in work performed as a CPA. For now, the BARC is raising this for Board information and input and does not have a recommendation.

Links to more information:

<https://www.wolterskluwer.com/en/expert-insights/the-corporate-transparency-act-presents-significant-opportunity-for-accounting-firms>

<https://www.fincen.gov/boi>

<https://www.fincen.gov/boi-faqs>

ESOP Ownership

There is increasing discussion among Boards of Accountancy staff across the country about ESOP Ownership of CPA firms and if state statutes or Board rules should be revised in how type of ownership and form of organization is defined.

The BARC is raising this as information for the Board at this point and will continue to research this issue.

Links to more information:

<https://www.journalofaccountancy.com/issues/2017/may/employee-stock-ownership-plans-at-cpa-firms.html#:~:text=ESOPs%20can%20help%20CPA%20firms,the%20CEO%20of%20SC%26H%20Gro up.>

<https://www.cpapracticeadvisor.com/2023/08/14/bdo-calls-its-new-esop-a-game-changer-for-the-profession/93217/#:~:text=BDO%20USA%20P.A.%2C%20the%20sixth,become%20effective%20later%20this%20month.>

<https://www.journalofaccountancy.com/news/2023/sep/esop-exploration-can-new-ownership-model-age-well.html>

Board of Accountancy Washington State Enforcement Report

Quarterly Report (Jul 01, 2023 through Sep 30, 2023)			
Complaint Workload			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	12	8	20
Closed with No Action	(6)	(3)	(9)
Closed with Action Taken	(2)	0	(2)
Complaints at End of Period	4	5	9
Details of Complaint Closures			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	0	9	9
Revocation, Suspension, Restriction	0	0	0
Fines, costs, and other sanctions	0	0	0
Remedial Resolution (Policy 2004-1)	0	2	2
Total Closed	0	11	11

Twelve-Month Lookback (Oct 01, 2022 through Sep 30, 2023)			
Complaint Workload			
	Received in Previous Period	Received in Report Period	Total
Complaints Open	16	46	62
Closed with No Action	(15)	(36)	(51)
Closed with Action Taken	0	(2)	(2)
Complaints at End of Period	1	8	9
Details of Complaint Closures			
Closed Disposition	Administrative	Public Harm	Total
No Action Taken	0	51	51
Revocation, Suspension, Restriction	0	0	0
Fines, costs, and other sanctions	0	0	0
Remedial Resolution (Policy 2004-1)	0	2	2
Total Closed	0	53	53

Board of Accountancy Washington State

All complaints - resolved with and without discipline

	<u>Oct 2022 to Sep 2023</u>		<u>Oct 2021 to Sep 2022</u>	
	<i>All</i>	<i>Action Only</i>	<i>All</i>	<i>Action Only</i>
Public Harm				
Negligence - Attest related	0	0	2	1
Negligence, Disregard of standards	40	0	60	6
Use of Restricted Titles	9	2	10	2
Embezzlement, Theft, Breach of Fid. Duty	0	0	1	0
Breach of Confidentiality	0	0	0	0
Records Retention Causing Harm	1	0	7	0
<u>Subtotal</u>	50	2	80	9
Administrative				
Peer Review	0	0	2	2
CPE - Deficient 16 hours or less	0	0	0	0
CPE - Deficient 17 hours or more	0	0	0	0
<u>Subtotal</u>	0	0	2	2
Total	50	2	82	11

<u>Jul 01, 2023 through Sep 30, 2023</u>				
CBM Report				
	BAP	Action	No Action	Total
Rajib Doogar	0	0	3	3
Brooke Stegmeier	0	0	0	0
Jacqueline Meucci	0	0	0	0
Tonia Campbell	0	0	1	1
Kate Dixon	0	0	3	3
Mark Hugh	0	0	0	0
Scott Newman	0	0	0	0
Thomas Sawatzki	0	0	2	2
Brian Thomas	0	0	0	0
Total	0	0	9	9