

WASHINGTON STATE BOARD OF ACCOUNTANCY

Minutes of the Regular Meeting of the Board

Time and Place of Meeting	9:02 a.m. – 1:35 p.m. Thursday, January 28, 2010 The Doubletree Hotel Seattle Airport, Cascade 11 18740 International Boulevard SeaTac, Washington
Attendance	Gerald F. Ryles, Chair Donald F. Aubrey, CPA, Vice-Chair Lauren C. Jassny, Secretary Robin A. Clark, CPA, Board Member Robert G. Hutchins, Public Board Member Edwin G. Jolicoeur, CPA, Board Member Emily R. Rollins, CPA, Board Member Laurie J. Tish, CPA, Board Member Bruce L. Turcott, Assistant Attorney General Jacqueline D. B. Walker, Assistant Attorney General Mary M. Tennyson, Senior Assistant Attorney General by telephone connection Richard C. Sweeney, CPA, Executive Director Thomas J. Sadler, CPA, Deputy Director Diane M. Bren, CPA, Assistant Director of Operations & Investigations Cheryl M. Sexton, Executive Assistant
Call to Order and Introductions	Gerald Ryles, Chair, called the meeting to order at 9:02 a.m. and welcomed Emily Rollins, CPA, to the Board. Governor Gregoire appointed Ms. Rollins to the Board on January 25, 2010.
Consent Agenda	The Board unanimously approved the following items on the consent agenda as presented: <ul style="list-style-type: none">• Minutes of the October 22, 2009, Annual Board Meeting• Minutes of the November 24, 2009, Special Board Meeting• Request Review Committee Report
Discussion of Request for Proposal for Review of Board and Agency Policies and Procedures	Robert Hutchins presented the Board with a draft Performance Review Request for Proposals (RFP). The draft included background, scope of work, and deliverables. The Task Force composing of Board Members, Robert Hutchins, Lauren Jassny, and Laurie Tish coordinated with the Governor's Deputy Chief of Staff Joyce Turner. Ms. Turner and Board officers provided input to the Task Force. Mr. Hutchins explained the Task Force's position and solicited comments from Board members and the public. The Task Force will develop the full request for proposals (RFP) after soliciting input from the Board's legal counsel and the Office of Financial Management (OFM) contract services office. Laurie Tish and Emily Rollins discussed potential candidates. The Task Force also asked for input regarding the

proposed request for a code of conduct. The Task Force asked Board members to provide feedback to the Task Force by February 5, 2010. The Task Force will consider all comments, compile another draft, run the revised draft by the Board's legal counsel, the Governor's office, and OFM by February 12, 2010. The Task Force intends to deliver the RFP to interested bidders by the end of February. When the bids are received, the Task Force will submit a short list of the most qualified bidders to the Board prior to letting the contract. The Board will select the successful bidder in special meeting, if necessary. The Executive Director reported he had submitted a supplemental budget request for the 2009-2010 fiscal year to OFM to cover the costs of the review. The Chair thanked the Task Force for all its hard work.

**Reinstatement
Application –
H. Richard
Dennison**

The Executive Director presented H. Richard Dennison's application for reinstatement of his revoked CPA license. Senior Assistant Attorney General Mary Tennyson connected to the Board meeting via telephone to listen to the presentation and provide the Board with legal counsel.

Mr. Dennison was present and answered questions of Board members and legal counsel. The Board met in closed session from approximately 11:00 a.m. until 11:45 a.m. The Chair advised Mr. Dennison that the Board had decided to grant Mr. Dennison's license reinstatement application with conditions that would be put in a Board Order and provided to Mr. Dennison at a later date. The Board's Order will require, in part, that Mr. Dennison maintain his Washington license for five years, annually report any activity in Washington to the Board, and work under the supervision of a licensed CPA for the five years. This Board will notify the Montana Board of Accountancy of the terms of the Board's Order. Ms. Tennyson will draft and circulate the Board Order to Board members for approval.

**Policy Review
– 2002-1
Substantial
Equivalency**

In November 2009, NASBA's National Qualification Appraisal Service (NQAS) updated the list of jurisdictions having CPA licensure requirements that are substantially equivalent to those of the Uniform Accountancy Act (UAA). Vermont and New Hampshire were added to NASBA's list.

The Board approved the policy as drafted. The revised policy links to NASBA's "live" list rather than listing the substantially equivalent jurisdictions.

NASBA

Vice Chair Recommendation for 2010-2011

The National Association of State Boards of Accountancy's (NASBA) Nominating Committee is calling for recommendation(s) for Vice Chair of NASBA for the 2010-2011 year. Recommendation(s) are due to NASBA's Nominating

Committee no later than February 25, 2010.

Ed Jolicoeur advised the Board he is a member of NASBA's nominating committee and abstained from discussions.

The Board supported the nomination of Mark Harris of Louisiana for the NASBA position. The Executive Director will prepare a recommendation letter to NASBA's Nominating Committee for the Chair's review and signature.

Update

Laurie Tish and Thomas Sadler provided the Board with an update on NASBA activities.

**Legal
Counsel's
Report**

The Board's legal counsel did not have any developments to report to the Board. Jacqueline Walker who serves as the AAG for prosecution joined the Board for lunch.

Chair's Report

No report.

**Compliance
Assurance
Oversight
Committee**

Thomas Sadler, Deputy Director, provided a verbal report to the Board for Committee Chair, Fred Shanafelt. Committee members have attended several meetings with the Washington Society of CPAs (WSCPAs) with positive results. Rich Jones President and CEO of the WSCPAs reported that the process is going exceptionally well. Board member Ed Jolicoeur expressed that he would like the revised process for Quality Assurance Review (QAR) of audit reports to move forward.

**CPA Exam
Liaison
Committee**

Robin Clark, Committee Chair, reported:

- She and the Executive Director attended the AICPA's Western Regional CPA Examination Forum on December 7, 2009, in Salt Lake City, Utah.
- Prometric is reducing its hourly testing fee for CPA exam candidates for 2011.

**CPE
Committee**

No report.

**Education Rule
Review
Committee**

No report.

**Legislative
Liaison
Committee**

The Executive Director reported on the status of SB 6425 and HB 2917 – Transferring the Board to the Department of Licensing. Gerald Ryles and Robert Hutchins testified before the Senate Committee on Government Operations & Elections on January 25, 2010. Don Aubrey plans to testify before the House Committee on Commerce & Labor at 8:00 a.m. on Friday, January 29, 2010.

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Outreach Committee No report.

Qualifications Committee No report.

Quality Assurance Review (QAR) Committee The Board appointed the following individuals to serve on the Board's 2010 QAR Committee:

- Robert E. Speicher, CPA, Co-Chair
- James L. Holder, CPA, Vice Chair
- Christine A. Bogard, CPA
- James E. Coates, CPA
- Nina L. Gerbic, CPA
- Martin H. Oreschnigg, CPA
- David A. Stiefel, CPA

Request Review Committee The following report was approved under the consent agenda:

CPE Extensions – During 4th quarter 2009, the Board received 38 extension requests where the CPE deficiency was more than 16 CPE credit hours. The Executive Director and a Consulting Board Member took the following action:

Approved: 18
Denied and Referred to Enforcement: 7
Pending: 13

Firm Names – The Executive Director and a Consulting Board member approved the following firm names during 4th Quarter 2009:

- DK Accounting Services
- HELP Consulting

Late Fee Waivers – During the 4th quarter of 2009, the Board received no late fee waiver requests.

Professional/Education Organization – Recognition Requests – Since the October 2009 Board meeting, the Board received no requests for recognition.

Rule Review Task Forces QAR
No report. The rule is on hold until the Board begins its comprehensive rule revision.

Experience
No report. The rule is on hold until the Board begins comprehensive rule revision.

**Executive
Director's
Report**

CPE Extensions (16 hours and under) – During 4th quarter 2009, the Board received 12 requests for extension of time to complete CPE of 16 hours and under. The Executive Director took the following action:

Approved: 9
Administrative Sanctions: 1
Pending: 2

Discussion regarding Board Committees - The Executive Director suggested that the Board evaluate its committee structure to ensure emerging issues are regularly and timely addressed at the Board level through active Board or advisory committees. The Executive Director will prepare a proposal including a listing of Board committees to eliminate or merge. He will obtain input from the Board officers before presenting the proposal to the Board at its April meeting.

Investigation Statistics/Investigations & Administrative Sanctions

The Assistant Director of Operations & Investigations, Diane Bren, provided the following reports to the Board:

- Investigation Statistics January 1990 through December 2009
- 2009 Closed Investigations & Administrative Sanctions
- 2009 Fourth Quarter Closed Investigations & Administrative Sanctions
- 2006-2009 Closed Investigations & Administrative Sanctions for Each Calendar Year
- 2006-2009 Closed Investigations & Administrative Sanctions for the Fourth Quarter for Each Year

Meeting with Board Officers

The Executive Director met with Board officers on January 26, 2010.

WBOA-News – As of January 22, 2010, 1,532 individuals have subscribed. This is a net increase of 71 individuals since October 16, 2009 – 4.9%.

Other – The Executive Director provided Board Members with a listing of records management training Jennifer Sciba has completed since she was hired on January 1, 2006. He advised the Board that the agency's records retention schedules have been updated and approved by the State Records Committee. Board staff will provide Board members with a copy of the retention schedules and records retention direction.

The Executive Director reported the use rate for on-line services is currently at 90%. Board staff thanked the WSCPA for getting

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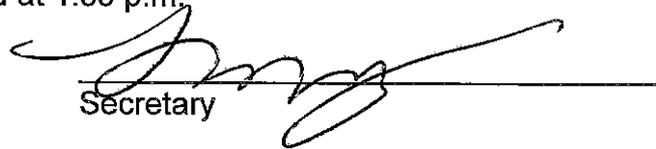
the word out about on-line services and the requirement to report ethics CPE at time of renewal, as well as the requirement to request an extension for completing CPE by December 31.

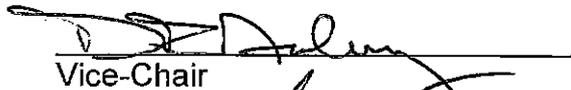
Public Input During the course of the meeting, the Board heard public input from Gerald Miller representing the Washington Association of Accountants (WAA) and Judy Love and Rich Jones representing the WSCPA.

Executive Session with Legal Counsel The Board did not meet in Executive Session with Legal Counsel.

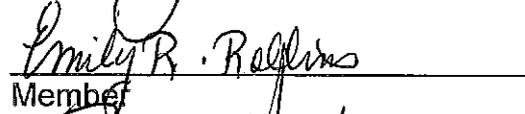
Adjournment The next Board meeting is scheduled for April 29, 2010. The Board adjourned at 1:35 p.m.

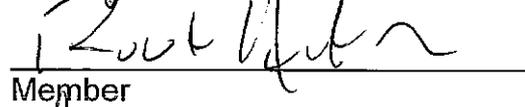

Chair


Secretary

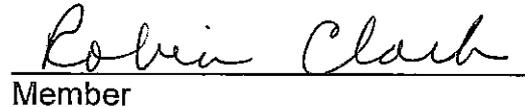

Vice-Chair


Member


Member


Member


Member


Member

Member