Board of Accountancy
Washington State

REGULAR BOARD MEETING AGENDA

Date, Time: Tuesday, April 23, 2013 – Regular Board Meeting – 9:00 a.m.
Location: The Doubletree Hotel Seattle Airport - Cascade 12 Room
18740 International Boulevard, SeaTac, Washington
(206) 246-8600
Notices:

Chair Introductions/Special Notices

REGULAR MEETING AGENDA

1. Minutes – January 22, 2013, Regular Board Meeting ..... A

2. Board Policies – Annual Review
   a. 2000-1 Continuing Professional Education ..... B
   b. 2002-1 Substantial Equivalency Jurisdictions C
   c. 2002-2 Expert Witness Services ..... D
   d. 2002-4 International Reciprocity ..... E
   e. 2003-1 Safe Harbor Report Language for Use by Non-CPAs ..... F
   f. 2004-1 Sanction and Penalty Guidelines ..... G
   g. 2004-2 Exam Applicant Disability Documentation . . .. H
   h. 2011-1 Principles Underlying Board Rules (to replace WAC 4-25-610) I
   i. 2011-2 Interim Policy Guidelines Pending Rule Changes ..... J
   j. 2012-1 Social Media ..... K

3. Delegations of Authority – Annual Review
   a. Charges, Subpoenas, Negotiate Settlement L
   b. Administrative Notices of Non-Compliance/Administrative Sanctions ..... M
   c. CPE Waiver Extension Requests/Firm Names, Professional/Education Organizations Recognition Requests; Late Fee Waiver Requests; Domestic or Foreign Education Credential Evaluation Services/Appeal of Denials of Requests for Lists of Individuals ..... N
   d. Authority to Conduct Investigations ..... O
   e. Quality Assurance Review (QAR) Program Remedial Actions/Review of Publicly Available Professional Work ..... P

4. Rules Review
   a. WAC 4-30-134 What are the CPE requirements for individuals? ..... Q
   b. WAC 4-30-132 What are the program standards for CPE? ..... R
   c. WAC 4-30-080 How do I apply for an initial individual CPA license? and WAC 4-30-070 What are the experience requirements in order to obtain a CPA license? ..... S

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(TT and Telebraille service nation wide by Washington Telecom Relay Service)

5. NASBA
   a. Update
   b. Western Regional Meeting .....T
   c. Other

6. Legal Counsel's Report

7. Chair's Report
   a. 2013 Meeting Schedule
   b. Providing Accounting Services to an Industry that is Illegal under Federal Law
   c. Other

8. Committee/Task Force Reports
   a. Executive Committee – Board Officers – *Update*
   b. Compliance Assurance Oversight – Edwin Jolicoeur, CPA, Chair – *Update* .....U
   c. Legislative Review – Karen Saunders, CPA, Chair – *Update*
   d. Quality Assurance – Thomas Neill, CPA, Chair - *No report*
   e. Request Review – Karen Saunders, CPA, Chair - *Report* V
   f. State Ethics Compliance – Thomas Neill, CPA, Ethics Advisor – *Update*

9. Executive Director's Report
   a. Budget Review
   b. CPE Deficiencies
   c. Executive Director Reappointment Update
   d. Government Management, Accountability & Performance (GMAP)
   e. Implementation of Performance Review Task Force Recommendations
   f. Investigation Statistics/Investigations & Administrative Sanctions .....W
   g. IT Integration
   h. Renewal
   i. Staffing
   j. WBOA-News
   k. Other

10. Executive and/or Closed Sessions with Legal Counsel

11. Public Input - 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
REGULAR BOARD MEETING – April 23, 2013
SUMMARY

Day, time, location, special notices:

Meeting**:** **Tuesday, April 23, 2013 - 9:00 a.m.**
Location**:** **The Doubletree Hotel Seattle Airport**
Cascade 12
18740 International Boulevard
Seattle, Washington
(206) 246-8600

Notices:

Chair's Opening Announcements: **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 during the public input section of the agenda, please sign the sign-up sheet.**

APRIL 23, 2013 – REGULAR MEETING OF THE BOARD

1. Minutes – January 22, 2013 – *Tab A*

Board staff presents the draft minutes of the January 22, 2013, regular Board meeting at ***Tab A*** for the Board's consideration.

Does the Board approve the minutes as drafted?

2. Board Policies – Annual Review

At its April 2011 meeting, the Board recommended that staff annually bring the Board's policies to the Board for review. ***Tabs B through K*** contain the Board's current policies. Staff does not have any suggested changes to the policies at this time.

a. 2000-1 Continuing Professional Education – *Tab B*

b. 2002-1 Substantial Equivalency Jurisdictions – *Tab C*

c. 2002-2 Expert Witness Services – *Tab D*

d. 2002-4 International Reciprocity – *Tab E*

e. 2003-1 Safe Harbor Report Language for Use by Non-CPAs – *Tab F*

f. 2004-1 Sanction and Penalty Guidelines – *Tab G*

g. 2004-2 Exam Applicant Disability Documentation . . . *Tab H*

h. 2011-1 Principles Underlying Board Rules - *Tab I*

i. 2011-2 Interim Policy Guidelines Pending Rule Changes – *Tab J*

j. 2012-1 Social Media – ***Tab K***

Does the Board wish to revise, retain or retire any of these policies?

3. Delegations of Authority – Annual Review

At its April 2011 meeting, the Board agreed with the Executive Director's recommendation that the Board's delegations be brought to the Board annually for review. ***Tabs L through P*** contain the Board's current delegations. Staff reviewed the delegations and found the need for minor changes to two of them.

a. Charges, Subpoenas, Negotiate Settlement – ***Tab L*** – No changes proposed.

Does the Board wish to revise, retain, or revoke this delegation?

b. Administrative Notices of Non-Compliance/Administrative Sanctions ***Tab M*** contains two versions of the delegation. The first version is the proposed revised delegation. The second version provides the current delegation in strike-and-delete format so Board members can see each proposed revision.

Does the Board wish to revise this Board delegation as proposed?

c. CPE Waiver Extension Requests; Firm Names; Professional/ Education Organizations Recognition Requests; Late Fee Waiver Requests; Domestic or Foreign Education Credential Evaluation Services; Appeal of Denials of Requests for Lists of Individuals – ***Tab N*** – No changes proposed.

Does the Board wish to revise, retain, or revoke this delegation?

d. Authority to Conduct Investigations – Director of Investigations – **Tab O** – No changes proposed.

Does the Board wish to revise, retain, or revoke this delegation?

e. Quality Assurance Review (QAR) Program Remedial Actions/Review of Publicly Available Professional Work – ***Tab P***

The Board now requires CPA firms offering and/or performing audit, review, compilation or other attest services to participate in a Board-approved peer review program rather than the Board administered Quality Assurance Review (QAR). Staff proposes revisions to this policy to align with the peer review requirement. ***Tab P*** contains two versions of the delegation. The first version is the proposed revised delegation. The second version provides the current delegation in strike-and-delete format so Board members can see each proposed revision.

Does the Board wish to revise this Board delegation as proposed?

3. Rules Review

a. WAC 4-30-134 What are the CPE requirements for individuals? – *Tab Q*

After holding a public hearing on a proposal to amend this rule at its January 22, 2013, meeting and discussing written comments and testimony, the Board postponed consideration of the rule proposal and directed staff to include the rule proposal on the Board's April meeting agenda. The Board agreed that the current rule needs to be amended; but, based on testimony received, the content of ethics continuing professional education (CPE) and the need for Board approval need to be reconsidered.

The Executive Director revised the proposal accordingly. ***Tab Q*** includes:

- Feedback from a CPA
- Handout provided to the WSCPA Olympia Chapter meeting presenting the revisions to the ethics CPE requirement
- The rule proposal as presented at the rule-making hearing in January

The Executive Director will lead the discussion. The Board must do one of the following by June 3, 2013, or the rule proposal will be considered withdrawn. (Within 180 days of the date the proposal was published in the Washington State register – December 5, 2012)

Does the Board wish to:

- **Adopt the rule as proposed at the January 22, 2013, rule-making hearing with an effective date of January 1, 2014?; or**
- **Adopt the rule with minor changes that do not change the general subject matter of the proposed rule with an effective date of January 1, 2014?; or**
- **Amend the rule proposal and set another rules hearing date?; or**
- **Withdraw the rule proposal?**

b. WAC 4-30-132 What are the program standards for CPE? – *Tab R*

In January 2012, the AICPA and NASBA revised the Statement on Standards for Continuing Professional Education (CPE) Programs. The revisions have an implementation date of July 1, 2012, for group programs and independent study. For self-study programs already in existence as of December 31, 2011, the implementation date is March 1, 2014.

The revisions include computation of CPE credit for self-study learning activities using a prescribed word count formula: [(# of words/180) + actual audio/video duration time + (# of questions * 1.85)]/50 = CPE credit.

The Board's CPE rules do not currently include this computation.

Tab R contains the revised Statement on Standards for Continuing Professional Education (CPE) Programs for the Board's review. The Executive Director will lead the discussion.

Does the Board wish to:

1. **Adopt "word count" as an alternative or "in addition to" the "field test" approach to self-study CPE credits?**
2. **Direct staff to draft changes to the rule for the Board's consideration at the Board's July meeting?**

c. WAC 4-30-080 How do I apply for an initial individual CPA license? and **WAC 4-30-070 What are the experience requirements in order to obtain a CPA license? – *Tab S***

Tab S contains draft rule changes proposed by Don Aubrey that transfer "knowledge of the Public Accountancy Act and Board rules" from the experience competencies (WAC 4-30-070) to WAC 4-30-080 that requires applicants for an initial individual CPA license to complete a course covering the Washington Public Accountancy Act, related Board rules, and Board policies. Don Aubrey will lead the discussion.

In the Executive Director's view, the rule-making proposals lessen the regulatory impact on small firms with no fiscal impact and, therefore, should be permitted under the rule making moratorium.

Does the Board wish to direct staff to begin the rule-making process for this proposal and schedule a public rule-making hearing in conjunction with the Board's July meeting?

5. NASBA

a. Update - Don Aubrey, Pacific Regional Director for NASBA, will provide a verbal update on NASBA activities.

b. Western Regional Meeting – *Tab T* - NASBA will hold its Western Regional meeting from June 5 through 7, 2013, in New Orleans, Louisiana. The reservation deadline for hotel accommodations is May 4, 2013. ***Tab T*** contains NASBA's announcement and the meeting agenda.

If members wish to attend and have not already notified Board staff, please notify Lori Mickelson at the Board's office at your earliest convenience (lorim@cpaboard.wa.gov or 360-586-0784). The block of rooms that NASBA sets aside are taken quickly. It is best to get these reserved soon.

c. Other

6. 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.

7. CHAIR'S REPORT

The Board's Chair requests the agenda for regular Board meetings contain a placeholder item allowing for the Chair to report on any current issues related to the Board's activities. The Chair wishes to discuss:

a. 2013 Meeting Schedule – The Board is scheduled to meet on July 23, 2013, and October 22, 2013. At least two Board members have conflicts with the current schedule. The Chair will be asking members to provide alternative dates that are more preferable. Following are the remaining scheduled dates for Board meetings along with NASBA meetings:

- Tuesday, **July 23, 2013** (July 25-26, 2013 - NASBA Board of Directors meeting)
- Tuesday, **October 22, 2013** (October 24-25, 2013 - NASBA Board of Directors meeting; and October 27-30, 2013 - 106th Annual Meeting)

b. Providing Accounting Services to an Industry that is Illegal under Federal Law – The Executive Director will lead the discussion.

c. Other

8. Committee/Task Force Reports

a. Executive – Board Officers.

The Board officers met with the Executive Director via telephone on Friday, March 29, 2013. The Chair will report.

b. Compliance Assurance Oversight – Chair: Edwin Jolicoeur, CPA; Members:

Ed will briefly discuss the newly developed NASBA Compliance Assurance Committee's model checklists for peer review oversight by State Boards at ***Tab U***. The checklists will be rolled out formally at the Peer Review Oversight Committee (PROC) conference in Nashville in mid-June. Ed encourages their use as soon as the Board has the subcommittee in place.

At the Board's January 22, 2013, meeting, the Executive Director reported that Nina Gerbic, CPA, is willing to oversee the administration of the peer review process for engagement reviews and he was going to ask Deidre Roberts, CPA, if she is willing to oversee the administration of the peer review process for system reviews. Deidre consented to service.

Does the Board wish to appoint these individuals to the Board's Compliance Assurance Oversight Committee?

c. Legislative Review – Chair: Karen Saunders, CPA; Member: Gerald Ryles.

Karen has nothing to report for this meeting. The Executive Director will provide an update.

d. Quality Assurance – Chair: Thomas Neill, CPA; Members: Elizabeth Masnari, CPA and Robert Speicher, CPA

Tom has nothing to report for this meeting.

e. Request Review – Chair: Karen Saunders, CPA; Member: Gerald Ryles

Karen is not able to attend the meeting. However, the Request Review Committee presents its report at ***Tab V*** for the Board's review.

f. State Ethics Compliance – Ethics Advisor: Thomas Neill, CPA; Ex-officio Liaison: Richard Sweeney, CPA

Tom obtained all the ethics verifications from staff and has nothing to report.

9. Executive Director's Report

a. Budget Review - The Executive Director will report.

b. CPE Deficiencies – All CPE extension requests were due on or before December 31, 2012. No activity during first quarter 2013.

c. Executive Director Reappointment Application Process – The Executive Director will report.

d. Government Management, Accountability & Performance (GMAP) – The Executive Director will report.

e. Implementation of Performance Review Task Force Recommendations – At its October 13, 2011, meeting, the Board adopted the recommendations of the Board's Performance Review Task Force and directed staff to include a place on the agendas for future Board meetings under the Executive Director to report on the status of further implementation of recommendations. The Executive Director will report.

f. Investigation Statistics/Investigations & Administrative Sanctions – ***Tab W*** contains the following:

- Complaint Status Report for the period ended March 31, 2013
- Investigation Statistics January 2003 through March 31, 2013
- Historical Case Status Report January 1, 2011 through December 31, 2012

Charles Satterlund, CPA, Director of Investigations, will report and lead the discussion.

g. IT Integration – The Executive Director will report.

h. Renewal – The Executive Director will report.

i. Staffing – Since January 1, 2013, the agency has hired two new employees: Mosar Asmath and Taylor Shahon. The Executive Director will report

j. WBOA-News – As of April 17, 2013, 1856 individuals have subscribed. This is a net increase of 25 individuals since January 15, 2013 – 1%. The Executive Director will report on NASBA's progress towards printing and mailing WBOA-News to Washington CPAs.

k. Other

10. Executive and/or Closed Session 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 into executive or closed session when determined appropriate.

11. **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 with a maximum of three speakers at each Board meeting. *(Chair: Note the sign-up sheet will be set out at the start of the Board meeting.)*

WASHINGTON STATE BOARD OF ACCOUNTANCY

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

Time and Place of Meeting	9:02 a.m. –1:55 p.m. Tuesday, January 22, 2013 The Doubletree Hotel Seattle Airport Cascade 12 18740 International Boulevard SeaTac, Washington
Attendance	Emily Rollins, CPA, Chair, Board Member Karen R. Saunders, CPA, Vice Chair, Board Member Elizabeth D. Masnari, CPA, Secretary, Board Member Donald F. Aubrey, CPA, Board Member Robert G. Hutchins, Public Board Member Edwin G. Jolicoeur, CPA, Board Member Thomas G. Neill, CPA, Board Member Bruce L. Turcott, Assistant Attorney General, Board Adviser (Left at approximately 1:00 p.m.) Richard C. Sweeney, CPA, Executive Director Jennifer Sciba, Deputy Director Charles E. Satterlund, CPA, Director of Investigations Cheryl M. Sexton, Board Clerk
Public Rule-Making Hearing	The Board held a public rule-making hearing from 9:02 a.m. to 10:10 a.m. The Board Chair presided. The Board proposed to amend: • WAC 4-30-050 What are the requirements concerning records and clients confidential information? • WAC 4-30-134 What are the CPE requirements for individuals? The Executive Director presented a brief statement for each proposal. The Board received written comments from five individuals prior to the hearing. All comments addressed the proposed changes to WAC 4-30-134. The Board heard oral testimony on the proposed changes to WAC 4-30-134 from the following participants: • Mark Hugh, CPA • Rich Jones, CPA, President and CEO, Washington Society of CPAs (WSCPA) • Frank M. McCord, CPA • James Rigos, CPA

The Board Chair announced that the Board would deliberate on the oral and written testimony and the proposed rules during its regularly scheduled Board meeting immediately following the hearing. The Board will notify all participants writing of the Board's decision regarding the proposed rules.

Call to Order

Board Chair, Emily Rollins, called the regular meeting of the Board to order at 10:28 a.m.

Minutes – October 23, 2012, Annual Board Meeting

The Board approved the minutes of the October 23, 2012, annual Board meeting as presented.

Social Media – Agency Draft

At its October 2012 meeting the Board adopted Policy 2012-1 – Social Media to establish the Board's position and guidelines concerning the proper business use of social media by employees. The Board directed staff to develop for Board consideration a framework to present a conservative one-way platform/plan to implement communication via social media.

The Executive Director presented a draft agency social media policy. The Board suggested the Executive Director implement the policy.

Rules Review

<u>WAC 4-30-050 What are the requirements concerning records and clients confidential information?</u> The Board voted unanimously to adopt the rule proposal with a minor change to the second paragraph of subsection 3. The rule will become effective 31 days after filing with the Code Reviser.

<u>WAC 4-30-134 What are the CPE requirements for individuals?</u> After discussing written comments and testimony, the Board postponed consideration of the rule proposal. The Board believes the current rule needs to be amended; but, based on testimony received, the content of ethics continuing professional education (CPE) and the need for Board approval need to be reconsidered. The Board directed staff to include the rule proposal on the Board's April meeting agenda. The Executive Director will survey credentialed persons impacted by the rule.

CPA License Reinstatement Application – Chun Hyong Lee

In September 2007, the Board entered a Stipulation and Agreed Order against Chun Hyong Lee suspending Mr. Lee's CPA certificate and individual and firm licenses. On October 4, 2012, the Board received Mr. Lee's CPA License Reinstatement Application. After conducting a limited investigation that included a search for any criminal record or use of the title or holding out since the Board's suspension order, the Director of Investigations recommended to the Executive Director that the license be reinstated.

The Executive Director brought the application to the Board in compliance with the Board's April 2009 expressed desire, in cases of serious misconduct (public harm), to see the application and make the reinstatement determination.

Mr. Lee was present and answered questions of Board members. The Board met in closed session from approximately 11:05 a.m. until 11:22 a.m. After concluding the closed session, the Board voted to reinstate Mr. Lee's license in open public meeting. Ed Jolicoeur was the consulting Board member in the prior case against Mr. Lee and left the room during the closed session and abstained from voting. Bruce Turcott was the AAG prosecutor for the 2007 Agreed Order and did not advise the Board on this request for reinstatement and left the room during the closed session.

NASBA Update

Update: Don Aubrey, Pacific Regional Director for the National Association of State Boards of Accountancy (NASBA), provided the Board with an update on NASBA activities including:

- Whistleblowing – How serious is the issue of whether or not accountants can whistleblow?
- NASBA's response to the International Ethics Standards Board for Accountants' exposure draft – Responding to a Suspected Illegal Act
- Providing accounting services to an industry that is illegal under federal law

Don encouraged Board members to attend NASBA's 2013 annual meeting.

Vice Chair Nominations: Don and the Executive Director have received several requests for the Board's support

from individuals seeking nomination for NASBA's 2013-2014 vice chair position. The Board asked the Executive Director to send letters to these candidates advising them that the Board is endorsing Walter Davenport.

Legal Counsel's Report

Bruce Turcott, the Board's legal counsel, advised the Board that the court has not yet issued its decision in the West matter.

Chair's Report

The Chair thanked and commended Don, Bob, and Lauren for their leadership as Board officers. She also thanked Don and Board staff for their help during the transition period.

The Chair expects to address the following items during her tenure:

- Foreign education
- Protocol for renewal of licensed staff
- Term of Board officers
- Executive Director annual evaluation – Don volunteered to help.
- Using the services of previous QAR Committee members who volunteered to help with Board committees

Executive Committee

The Chair included the Executive Committee's report in the Chair's report. The Board officers met with Don Aubrey and the Executive Director on Friday, January 11, 2013.

Compliance Assurance Oversight Committee

Emily Rollins, the prior Compliance Assurance Oversight Committee chair, reported that she attended the WSCPA's Report Acceptance Body (RAB) meeting telephonically on December 18. Ed Jolicoeur, the Committee chair for 2013, reported that the agreement the WSCPA has with the American Institute of CPAs (AICPA) prohibits Board members from participating on peer review oversight. The Board discussed having a subcommittee observe peer review compliance and report to the Committee. The Executive Director reported that Committee member Nina Gerbic is willing to oversee the administration of the peer review process for engagement reviews. The Executive Director will ask Deidre Roberts if she is willing to oversee the administration of the peer review process for system reviews.

Legislative Liaison Committee

The Legislative Liaison Committee had nothing to report for this meeting.

Quality Assurance Committee

Prior Committee co-chair Emily Rollins provided the Board with:

- Results of 2012 Continuing Professional Education (CPE) Audit
- CPE Audit Comparison for 2007-2012. The Chair noted that the 2012 Pulled for Audit numbers were 15 (2.8%) certificateholders and 110 (2.4%) licensees.

Emily thanked Kelly Wulfekuhle for getting the 2012 CPE audit done so quickly. She noted that with those individuals self-reporting deficiencies and reinstating during 2012, a total of 354 individuals were subjected to CPE audit during 2012.

Request Review Committee

Committee chair, Karen Saunders reported:

During the 4th quarter 2012, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

<u>CPE Extensions exceeding 16 CPE credit hours</u>: All CPE extension requests were due on or before December 31, 2012.

57 requests for hours 17 or over

- 37 requests were approved
- 2 requests were approved due to natural disasters
- 4 requests were withdrawn due to completion of hours prior to 12/31/12
- 2 requests were withdrawn due to the individual determining they did not meet the requirements for extension
- 12 request were denied and set to the pre-lapsed status for reinstatement requiring $250 additional application fee

<u>Firm Names</u>: *Approved*:

- Action Tax Service LLC
- Aretino Advisory Group PS
- CohnReznick LLP
- CPA Enterprise Solutions LLC

- EM & Co.
- GDM Private Financial Solutions
- HDW Bookkeeping
- Houck Evarts & Company LLC
- HS Mayken Co, LLC
- Ideal CPAs & Advisors
- Ishii & Associates, LLC
- JT Bolander CPA, PLLC
- MLJackson CPA LLC
- Patricia Pich, CPA Accounting and Consulting Services
- Price and Associates CPAS, LLC
- Raincity CPA LLC
- Reck & Associates, PLLC
- Shields Tax & CPA PLLC
- Thesman Professional Services P.C.
- Viridian & Company PLLC

Late Fee Waivers: No activity during 4th quarter 2012.

Professional/Educational Organization - Recognition Requests: *Recognized:* Lawline.com

Domestic or Foreign Education Credential Evaluation Services – Applications: During the 3rd quarter 2012, the Board received a request for recognition as an international education credential evaluation service from Educational Records Evaluation Service, Inc. (ERES). Board staff is currently evaluating the request. The Board didn't receive any requests during the 4th quarter 2012.

State Ethics Compliance Committee

Ethics advisor, Tom Neill, reported that he completed the 2012 confirmation of compliance with the agency's ethics policy and found no concerns.

Executive Director's Report

Budget Review: The Executive Director provided the Board with an update on the agency's budget. He reported that his management team is set, he is currently restructuring the agency to ensure timely response on all fronts, and he is planning to potentially hire two new persons. The Executive Director noted that the retirement of baby boomers is beginning to impact agency revenue. He is watching revenue closely.

CPE Deficiencies: The Executive Director reported that during 4th quarter 2012, the Board received 10 requests for extension of time to complete CPE of 16 hours and under. The Executive Director took the following action:

- 6 requests were approved
- 1 request was withdrawn due to completion of hours prior to 12-31-12
- 3 requests were denied and set to the pre-lapsed status for reinstatement requiring $250 additional application fee

Executive Director Reappointment Application Process: The Executive Director reported that his reappointment is pending the Governor's action. The Governor's office advised him that he is to continue as the agency's acting director until further notice. He also reported that there will probably be a delay in the reappointment of Board members also.

Foreign Education Evaluations: The Executive Director reported that staff contacted all currently recognized foreign education services and requested them to reapply for recognition. Staff is currently calling all services to determine the volume of Washington State applicants for each service. The agency's CPA Examination Services (CPAES) coordinator advised agency staff that four providers submitted the most useful evaluation documents – two highly useful and two acceptable.

Implementation of Performance Review Task Force Recommendations: The Executive Director reported on the recommended centralization of records. The Deputy Director and the Director of IT and Data Communications will be testing the Department of Enterprise Services' email vaulting solution.

Investigation Statistics/Investigations & Administrative Sanctions: Charles Satterlund, CPA, Director of Investigations provided the following reports to the Board:

- Investigation Statistics January 1990 through December 31, 2012
- Case Status Report for the period ended December 31, 2012

- Investigations Results/Statistics through December 31, 2012, as posted on the Board's web site
- Case Status Report - New proposed format

Charles plans to reformat the case status report to include the goal to complete investigations in 180 days. He asked Board members to please email him with any comments on investigation reporting.

IT Integration: The Executive Director reported a delay in the IT integration project due to contractor unavailability. He expects the project to begin shortly and be finished by August or September.

Renewal: The Executive Director reported that as of January 15, 2013, 1382 individuals and 718 firms had renewed on line (99% of all renewal applications received). However, the Executive Director was advised subsequent to the Board meeting that only 140 firms had renewed online.

WBOA-News: As of January 15, 2013, 1841 individuals have subscribed. This is a net increase of 41 individuals since October 16, 2012 – 2%. The Executive Director plans to send quarterly Executive Director news briefs to all credentialed persons using Emma.

Other: It has come to the Executive Director's attention that CPA's providing forensic accounting services that require interviewing may not be exempt from the private investigator licensing requirements. The Executive Director plans to meet with the Department of Licensing.

In December Don Aubrey and the Executive Director met with the Oregon Board of Accountancy's new Executive Director.

Public Input The Board received input from representatives of the WSCPA throughout the meeting.

Adjournment The Board adjourned at 1:55 p.m.

Washington State Board of Accountancy

Policy Number: 2000-1

Title: Continuing Professional Education*

Revised: April 25, 2011

Approved: Donald F. Aubrey, CPA, Chair

*This policy rescinds and supersedes any previous Board policy.

Purpose:

To provide clarification and direction on the Board's continuing professional education (CPE) rules.

I. Guidance Regarding the Appropriate Classification of a CPE Course

Continuing professional education (CPE) is intended to impart to licensees that knowledge necessary to stay current with the knowledge base required to meet contemporary public expectations and comply with professional and regulatory requirements when rendering public accounting services or performing in the employ of an employer.

CPE credits are generally allowable for courses with content related to the primary focus of the licensee's public practice or specific job requirements if in the employ of an employer including but not limited to accounting for transaction, preparation of financial statements, budgeting, data analysis, internal or external auditing, preparation of reports to taxing authorities, controllership functions, financial analysis, performance auditing, specific types of consulting, or forensic investigations.

Generally the Board does not pre-approve programs as meeting the Board's CPE requirements. However, upon receipt of a CPE course description and outline, the Executive Director may provide informal, oral guidance regarding the appropriate classification of a course.

II. Acceptable Evidence Supporting Eligibility for CPE Credit

The Board will accept original CPE documents or copies of documents submitted by mail fax, e-mail or other electronic means. The Board, in its discretion, may require the submission of the original of any of these documents.

If documents and/or forms are submitted to the Board or Board staff by mail, fax, e-mail or other electronic means, the sender is responsible for ensuring that the Board or Board staff receives the transmittal.

The Board may request additional documentation such as program outlines, or statements from the participant or sponsor to determine the validity of the CPE claimed.

Effective: January 1, 2000
*Revised: July 18, 2008; October 27, 2006; January 31, 2005; October 31, 2003; January 31, 2003; January 25, 2002; April 27, 2001; April 28, 2000

Washington State Board of Accountancy

Policy Number: 2002-1

Title: Substantially Equivalent Jurisdictions

Revised: October 23, 2012*

Approved: Donald F. Aubrey, CPA, Chair

*This policy rescinds and supersedes any previous Board policy.

Purpose:

To provide guidance to:

- Individuals applying for a Washington State CPA license under the interstate reciprocity provision of WAC 4-30-092 and
- CPAs licensed in other jurisdictions exercising practice privileges under RCW 18.04.350(2) and WAC 4-30-090.

I. Exercise of Practice Privileges under RCW 18.04.350(2)(a)

Individuals who hold a valid license issued by one of the states deemed "substantially equivalent" by the National Association of State Boards of Accountancy (NASBA) are deemed to have met the requirements of RCW 18.04.350(2)(a).

II. Exercise of Practice Privileges under RCW 18.04.350(2)(b)

The qualification of individuals licensed in other than a substantially equivalent state may be determined by the Board to meet the substantially equivalent requirement. For purposes of exercising practice privileges, the Board will exempt individuals from the 150 semester hour education requirement of RCW 18.04.350(2)(a) provided the individual holds a valid license issued by any other state deemed "substantially equivalent" by NASBA.

III. Substantially Equivalent States

The Board recognizes the states and jurisdictions identified as "Substantially Equivalent States" by the National Association of State Boards of Accountancy (NASBA) for purposes of issuing a Washington State CPA license under the

interstate reciprocity provisions of WAC 4-30-092 and exercise of practice privileges under RCW 18.04.350(2)(a).

The Board does not recognize the states and jurisdictions identified by NASBA as "Non-Substantially Equivalent States" for purposes of issuing a Washington State CPA license under the interstate reciprocity provisions.

Listings of the substantially and non-substantially equivalent states and jurisdictions can be found at http://www.nasba.org/licensure/substantialequivalency/.

IV. Individuals Applying for a CPA License under the Interstate Reciprocity Provisions of WAC 4-30-092

Individuals deemed by the National Association of State Boards of Accountancy (NASBA) as being substantially equivalent to the education, examination, and experience requirements of the Uniform Accountancy Act are deemed to have met the requirements of WAC 4-30-092(2).

An individual holding a valid license from a substantially equivalent state is also deemed to have met this requirement.

Effective: January 25, 2002
*Revised: April 26, 2012; April 25, 2011; January 28, 2010; October 17, 2008; October 25, 2002;

Washington State Board of Accountancy

Policy Number: 2002-2

Title: Expert Witness Services

Revised: April 25, 2011*

Approved: Donald F. Aubrey, CPA, Chair

*This policy rescinds and supersedes any previous Board or Committee policy.

Purpose:

To provide guidance to CPAs regarding the licensing or notification requirements for performing expert witness engagements in the state of Washington.

I. Requirements for CPAs Licensed by the Washington Board of Accountancy

Expert witness services may be performed by a licensed CPA using the title "CPA" in organizations other than CPA firms.

II. Requirements for Washington State CPA-Inactive Certificate holders

CPA-Inactive certificate holders may use the title CPA-Inactive when performing or offering to perform expert witness services *unless the service is related to the following or similar activities, skills, or services*:

- Accounting
- Auditing including the issuance of "audit reports," "review reports," or "compilation reports" on financial statements,
- Management advisory,
- Consulting services,
- Preparing of tax returns, or
- Furnishing advice on tax matters.

CPA-Inactive certificate holders who testify on another matter (not related to the services, skills, or activities identified above) may use the title "CPA-Inactive" as mandated by RCW 18.04.105 provided they advise the court

that they hold a Washington state CPA-Inactive certificate and they do not hold a Washington state CPA license to practice public accountancy.

Nothing in this policy is intended to preclude an individual from testifying as a witness to relevant evidence in other than an expert witness capacity.

Effective: January 25, 2002
*Revised: October 17, 2008; April 27, 2007; December 31, 2004

Washington State Board of Accountancy

Policy Number: 2002-4

Title: International Reciprocity*

Revised: April 26, 2012*

Approved: Donald F. Aubrey, CPA, Chair

*This policy rescinds and supersedes any previous Board policy.

Purpose:

To facilitate international reciprocity for professional accountants by recognizing accounting credentials issued by the accounting professions of other countries; specifying reciprocal arrangements for individuals holding a professional accounting designation of other countries seeking a Washington State license; adopting a qualifying examination and passing score; and setting experience standards.

Statutory authority: RCW 18.04.183

I. **Recognized credentials** - The National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) have jointly established the United States International Qualifications Appraisal Board (IQAB) to eliminate impediments to reciprocity. IQAB serves as the link between the accounting profession in the United States and the accounting profession in GATS (General Agreement on Trade in Services) signatory countries and seeks mutual recognition of accounting qualifications.

The Board recognizes the international accounting credentials issued by the professional bodies that have established current mutual recognition agreements (MRA) with IQAB for purposes of issuing a Washington State CPA license under the international reciprocity provision of RCW 18.04.183. The professional bodies holding mutual recognition agreements may be found at http://www.nasba.org/international/mra.

II. **International Qualifications Examination (IQEX)**

The Board requires that individuals applying for a CPA license based on international reciprocity complete a qualifying examination. The Board:

A. Adopts the International Qualifications Examination (IQEX) prepared and graded by the AICPA as the appropriate examination to test the knowledge of subject

matter unique to the United States, as determined by the AICPA in cooperation with NASBA, of those applicants holding an accounting credential issued by professional credential institutes that have established current mutual recognition agreements (MRA) with IQAB. The Board will continue to recognize passing grades from the predecessor Canadian Chartered Accountant Uniform CPA Qualification Examination (CAQEX).

B. Accepts International Qualifications Examination (IQEX) grades from examinations administered by other state boards of accountancy or by the National Association of State Boards of Accountancy.

C. Sets the passing score for the IQEX (and its CAQEX predecessor) at 75.

Effective: October 25, 2002
*Revised: April 25, 2011; October 22, 2009; October 17, 2008; July 30, 2004

Washington State Board of Accountancy

Policy Number: **2003-1**

Title: **Safe Harbor Report Language for Use by Non-CPAs***

Revised: **October 17, 2008***
Effective: January 31, 2003

Approved:

Edwin G. Jolicoeur, CPA, Chair

*This policy rescinds and supersedes any previous Board policy.

Purpose:

RCW 18.04.350 (10) states that persons or firms composed of persons not holding a license under RCW 18.04.215 (i.e., non-CPAs) may offer or render certain services to the public, including the preparation of financial statements and written statements describing how such financial statements were prepared, provided they do not:

- Designate any written statement as an "audit report," "review report," or "compilation report,"
- Issue any written statement which purports to express or disclaim an opinion on financial statements which have been audited, and
- Issue any written statement which expresses assurance on financial statements which have been reviewed.

In April of 1989, the Board approved two alternatives as "safe harbor" report language for use by non-CPAs. Non-CPAs may use the language in the following paragraphs without challenge by the Board as a violation of RCW 18.04.345. The words "audited," "reviewed," "compiled," or "compilation" may not be inserted or substituted for the language found in the letters.

CPA-Inactive certificate holders may not use the 'CPA-Inactive' title when performing or offering accounting, tax, tax consulting, management advisory, or similar services to the public. As such, CPA-Inactive certificate holders are prohibited from using the safe harbor report language concurrent with the CPA-Inactive title.

Safe harbor report language Sample #1:

> The accompanying balance sheet of ABC Company, as of December 31, 1988 and related statement of income for the year then ended have been prepared by me (us).
>
> These statements have been prepared from information furnished by management (owner), and accordingly, I do not express any assurance on them.
>
> Substantially all of the disclosures and the statement of cash flows have been omitted from these statements.
>
> (Presented in conformity with GAAP)
> (Without statement of cash flows and disclosures)

Safe harbor report language Sample #2:

> The accompanying balance sheet of ABC Company, as of December 31, 1988 and related statement of income for the year then ended have been prepared by me (us).
>
> My engagement was limited to presenting in the form of financial statements information that is the representation of management (owner), and accordingly, I do not express any assurance on them.
>
> Substantially all of the disclosures and the statement of cash flows have been omitted from these statements.
>
> (Presented in conformity with GAAP)
> (Without statement of cash flows and disclosures)

Washington State Board of Accountancy

Policy Number: 2004-1

Title: Sanction and Penalty Guidelines

Revised: April 26, 2012*

Approved: Donald F. Aubrey, CPA, Chair

*This policy rescinds and supersedes any previous Board policy.

Background Information:

The Executive Director directs the Board's complaint processes, investigative activities, and case resolution negotiations.

Upon receiving a complaint or otherwise becoming aware of a situation or condition that might constitute a violation of the Public Accountancy Act (Act) or Board rules, the Executive Director or designee will make a preliminary assessment.

If the Executive Director or designee determines:

- The situation or condition is not within the Board's authority, the Executive Director may dismiss the matter, but a record of the event will be documented and maintained in the Board office. A summary of dismissals will be reported regularly to the Board.
- The situation or condition requires further evaluation, the Executive Director or designee may assign the case to an investigator.

Details of the additional evidence gathered and the resulting conclusion by the Executive Director or designee will be documented. If the Executive Director or designee determines that:

- Sufficient evidence does not exist to merit Board action, the Executive Director may dismiss the case after obtaining concurrence from a Consulting Board Member.
- Sufficient evidence exists to merit Board action and it is the first time an individual or firm is notified of a violation of the Public Accountancy Act or Board rule, the Executive Director may impose administrative sanctions approved by the Board for a first-time offense.
- Sufficient evidence exists to merit Board consideration but the situation or condition, if proven, is not eligible for administrative sanctions, the Executive Director or designee will discuss a resolution strategy and settlement parameters with a Consulting Board Member. Once the Executive Director or designee and Consulting

Board Member agree on those matters, the Executive Director or designee will initiate a discussion for resolution with the respondent consistent with that agreed upon strategy and those settlement parameters.

The objective of this process is to administer the enforcement process in a fair and equitable manner and, when appropriate, seek settlement in lieu of a formal Board hearing. The Executive Director or designee may request guidance from a Consulting Board Member and/or the assistance of the prosecuting Assistant Attorney General at any time during the investigative and/or negotiation processes.

If the respondent is amenable to the suggested terms of a settlement proposal, the Executive Director will forward the proposal to the respondent for written acceptance. If accepted by the respondent, the proposal will be forwarded to the Board for approval.

Upon receiving and considering the formal settlement proposal, the respondent may offer a counterproposal. The Executive Director or designee will discuss the counterproposal with a Consulting Board Member. The Executive Director or designee and Consulting Board Member may agree to the counterproposal, offer a counter to the counterproposal, or reject the counterproposal.

If the Executive Director and Consulting Board Member reject the counterproposal or are unable to negotiate what they consider to be an acceptable alternative proposal with the respondent, the Executive Director will execute a Statement of Charges and refer the case to the prosecuting Assistant Attorney General with the request that an administrative hearing be scheduled and the case prosecuted.

At the same time that the prosecuting Assistant Attorney General is preparing the case for prosecution, the prosecuting Assistant Attorney General (working with the Executive Director and Consulting Board Member) will continue to seek to a negotiated settlement proposal in lieu of a Board hearing. If the case goes to hearing before the Board, the prosecuting Assistant Attorney General, with the concurrence of the Executive Director and Consulting Board Member, will present the team's recommended sanction to the Board.

Through this process, the Consulting Board Member, the Executive Director and, when appropriate, the prosecuting Assistant Attorney General must individually and jointly act objectively and cooperatively to:

- Draw conclusions as to the allegations based solely on the evidence,
- Develop and present to the respondent a suggested settlement proposal that they believe the Board will accept because the proposal is fair and equitable and provides public protection, and
- If the case goes to a hearing before the Board, recommend an appropriate sanction or sanctions to the Board

No settlement proposal is forwarded to the Board unless the respondent, the Executive Director, Consulting Board Member and, when appropriate, the prosecuting Assistant Attorney General concur that the proposal is an acceptable resolution to the matter.

If the negotiation participants concur with the settlement proposal, the proposed settlement is signed by the respondent (and signed by the prosecuting Assistant Attorney General if the settlement was negotiated by the prosecuting Assistant Attorney General) and forwarded to the Board members (along with the Executive Director's, Consulting Board Member's and, when appropriate, prosecuting Assistant Attorney General's recommendation to accept the proposal) for consideration.

The Board is not bound by this recommendation.

All proposed settlements must be approved by a majority vote of the Board. A vote of five "no's" means the proposed settlement has been rejected by the Board. In such circumstances the case will return to the Executive Director, Consulting Board Member and prosecuting Assistant Attorney General who will determine whether the situation merits additional attempts to negotiate a settlement or to immediately schedule the matter for an administrative hearing before the Board.

The Board has found negotiations utilizing this process to be quite successful. The key benefits to this process are:

- The respondent participates in the development of the corrective action plan and sanction which enhances compliance and more timely public protection
- Cases resolved through the negotiated settlement process reduce costs for the benefit of both the general public and the respondent

The Board recognizes that administrative hearings:

- Delay the corrective action and thereby delay public protection
- Are not the most effective mechanism to generate a positive resolution to Board cases
- Are costly in terms of staff and other resources
- Require significant use of the Board's limited attorney general resources

Policy:

The Board embraces the respondent's involvement in determining the settlement proposal. This provides the respondent the opportunity to participate in development of the corrective action plan and ultimately encourages compliance, public protection, and integrity of financial data.

To support the negotiation and settlement process, the Board provides the following guidance to the Executive Director or designee and Consulting Board Member in crafting a suggested settlement proposal for presentation to the respondent and for negotiating a settlement. This guidance is solely for the use of the Consulting Board Member and the Executive Director or designee. It is not applicable to the prosecuting Assistant Attorney General.

I. Legal and Investigative Costs

RCW 18.04 authorizes the Board to recover legal and investigative costs. The Board considers the following to be reasonable legal and investigative costs:

A. Investigative staff salaries and benefits (based on actual salary and benefit rates) for state staff conducting the investigation, including reporting, review, and follow-up costs

B. Investigator travel expenses and per diem based on the state travel regulations as established by the Office of Financial Management

C. Contract investigator, specialist, and expert witness expenses including travel expenses and per diem based on the state travel regulations as established by the Office of Financial Management

D. Salaries and benefits (based on actual salary and benefit rates) for state staff preparing and reviewing the Board's order and associated communications with the respondent

E. Prosecuting Assistant Attorney General charges associated with the case including travel expenses and per diem based on the state travel regulations as established by the Office of Financial Management

F. Expenses for an administrative law judge including travel expenses and per diem based on the state travel regulations as established by the Office of Financial Management

G. Administrative hearing costs including, but not limited to:
- Attorney General charges (both for the Board's legal counsel and the prosecuting Assistant Attorney General) associated with the case including travel expenses and per diem based on the state travel regulations as established by the Office of Financial Management
- Salaries and benefits (based on actual salary and benefit rates) for state staff preparing and reviewing the Board's order and associated communications with the respondent
- Salaries and benefits (based on actual salary and benefit rates) for state staff called as a witness by either party to the administrative hearing
- Witness expenses including travel and per diem expenses based on the state travel regulations as established by the Office of Financial Management
- Court reporter charges
- Administrative hearing room costs and set-up charges

II. Publication of Board Orders

1. A general public notice will be posted on the Board's public web site that information on Board orders and other sanctioning agreements is available under the Public Disclosure Act by contacting the Board's office.
2. The Board will post notice of Board orders for revocation, suspension, stayed suspension, and practice restriction on the Board's web site for approximately three years following the year of the Board order. In addition, for license and certificate suspension and revocation:
   - Notice will be published in the Daily Journal of Commerce.
   - Notice will be provided to the AICPA and WSCPA.
   - Representative(s)/Senator(s) for the respondent's location(s) will be notified.
   - Other jurisdictions that have licensed the individual will be notified.
   - The complainant(s) will be notified.
   - Notice will be sent to the newspaper(s) in the respondent's location.

   Board actions resulting in revocation, suspension, or practice restriction are noted in the Board's public licensee search database. Accordingly, these Board actions also become available to other state board administrative management personnel through a national Automated Licensee Database (ALD) maintained by the National Association of State Boards of Accountancy (NASBA) and to the general public through CPAVerify.org.

3. In cases of other matters of non-compliance not resulting in administrative sanction, revocation, suspension, stayed suspension, or a Board ordered practice restriction, the Executive Director, with a majority vote of the Board, may direct that a notation be made referencing each of the Board's sanctioning actions on the Board's public licensee search database for up to three years following the year the sanction was imposed.
4. In cases of administrative sanction, the Board will not publish the individual's or firm's name; however, the Board will:
   - Post statistics related to these sanctions on the Board's web site.
   - Comply with the Public Records Act.

III. The Board provides the following suggested considerations for the Executive Director or designee and Consulting Board Member when developing a suggested settlement; however, the Board does not intend that other factors, as deemed appropriate by the Executive Director or designee and Consulting Board Member, to be excluded:

A. What are the enforcement goals of the particular case?
B. What are the permissible sanctions that the Board could impose?
C. What are the aggravating or mitigating factors relevant to the allegations?
D. What is the individual's past disciplinary or criminal history (if any) ?
E. Are there identifiable trends, if any, in the individual's behavior?
F. What is the likelihood of the individual repeating the behavior?

G. What is the potential for future public harm?
H. What is the individual's potential for rehabilitation?
I. What is the extent of damages or injury?
J. What is the extent of public harm?
K. What is the extent of harm to the profession and the public's trust in the profession?
L. How can the public best be served and protected while implementing corrective action?
M. What steps are necessary to ensure the integrity of financial information?
N. What were the Board's sanctions with similar misconduct (if any exist) and has there been a trend in the Board's actions and/or changes in state law impacting the history of the Board's sanctions?
O. Has the individual been sanctioned by other enforcement agencies or through civil findings:
   - Fine
   - Cost recovery
   - Disgorgement
   - Practice or license restriction
   - Publication
   - Jail
P. What was the magnitude of the sanctions by other enforcement agencies/civil findings?
Q. What impact did these other sanctions have on:
   - The individual's behavior
   - The individual's taking responsibility for her/his actions
   - The individual's ability to earn a livelihood
   - The public's awareness of the individual's misconduct
R. Would a suspended license seriously impact the individual's livelihood and, if so, does the misconduct merit such an impact?
S. Did the individual lose their job/employment/livelihood due to the misconduct?
T. What is the individual's personal financial position?
U. Did the individual recently go through bankruptcy?
V. What is the individual's ability to pay cost recovery?
W. What is the individual's ability to pay a fine?
X. Has the individual already taken self-imposed corrective action (such as CPE, field review) ?
Y. What is the length of time that has elapsed since the misconduct, the sanction, or the civil action?
Z. What is the public's exposure to the individual?
AA. Is the misconduct singular or repeated?
BB. Is the misconduct a clear violation or does it involve a statute, rule or standard which is subject to different interpretations?
CC. Was the misconduct intentional or unintentional?
DD. Did the misconduct involve dealing with unsophisticated or vulnerable parties?
EE. Did the CPA/individual profit or benefit from the misconduct?
FF. Did the CPA/individual make an effort to limit the harm or solve problems arising out of the misconduct?

GG. Did the misconduct take place after warnings from the agency?
HH. What was the Board's sanctioning authority at the time the misconduct occurred?

IV. The Board suggests the following considerations when considering a counterproposal negotiating a settlement:

A. All of the items in Section III above.
B. What is the value to have the individual participate in the development of the corrective action?
C. How many outstanding Board cases have been referred to the prosecuting Assistant Attorney General and remain to be resolved?
D. What is the effect of a delay in resolution of this particular case and/or the effect of a delay in prosecution of other cases?
E. What is the severity of the particular case under negotiation as compared to the number of, and severity of, the cases with the prosecuting Assistant Attorney General?
F. What are the key objectives and goals of the enforcement action and what sanctions are absolutely necessary to ensure those goals are achieved?
G. Is there value to the public, the agency, and Attorney General's Office that can be obtained by having the agreement settled without going to an administrative hearing?
H. Consider the sanctioning guidelines in Section V.

V. The Board acknowledges the following general sanctioning guidelines for the Executive Director or designee's and the Consulting Board Member's consideration as part of their process to develop a suggested settlement. The Board does not intend these guidelines to be a prescription or binding; nor does the Board wish to exclude or limit other sanctions or considerations that the Executive Director or designee and Consulting Board Member consider appropriate.

General Categories of Misconduct	Examples of Sanctionable Acts:
ADMINISTRATIVE NON COMPLIANCE Use of title or holding out in public practice with a lapsed license/certificate Use of the CPA title by a CPA-Inactive certificateholder	• License/certificate lapsed because the individual failed to file a license/certificate renewal. • License/certificate lapsed because the individual failed to notify the Board of a change of address, failed to receive their renewal application, and failed to file a license/certificate renewal. • The individual disregarded the lapsed license and continued to knowingly hold out with a lapsed license. • The individual discovered that their license/certificate lapsed and signed the reinstatement application stating that they did not use the title when the evidence demonstrates that they used the title.

General Categories of Misconduct	Examples of Sanctionable Acts:
	• CPA-Inactive who is a corporate CFO uses the CPA title in filing corporate documents with the SEC. • CPA-Inactive uses the CPA title to obtain a job in private industry. • CPA-Inactive who is also an attorney uses the CPA title when offering legal services to the public.
CONSUMER/EMPLOYER HARM Embezzlement, fraud, dishonesty, or negligence Fiduciary malfeasance or breach of fiduciary duties Noncompliance with code of conduct including conflict of interest and confidentiality Failure to comply with a Board order Failure to respond to Board inquiry IRS/SEC sanction/denial of practice privilege	• Theft from employer. • Felony obstruction of justice. • Theft of trust funds where the CPA was the trustee. • Manipulated a client's trust for the benefit of the CPA's child. • Manipulated a mentally impaired client for self enrichment. • Failed to file personal tax returns and pay personal FIT. • Failed to transmit FICA and FIT withheld from employee's salary. • Failed to pay employer's portion of FICA. • Provided services to both the seller and the buyer during a business transaction. • Provided services to both parties during a divorce. • Failed to make restitution to injured parties as required by Board order. • Repeated non compliance with stipulated Board Orders. • Suspended from practice before the IRS due to substandard tax work. • SEC practice restriction and/or sanction due to fraudulent SEC filing. • SEC practice restriction and/or sanction due to substandard accounting practices.
CONSUMER/EMPLOYER HARM Noncompliance with technical standards	• Attest work is graded as Unacceptable by the Board's QAR program. • CPA is referred to the Board by the SEC due to an audit failure as a result of the CPA performing substandard audit procedures. • CPA is referred to the Board by HUD due to failure to comply with *Yellow Book* standards. • Substandard tax work resulted in penalty to a tax client.

CONSUMER/EMPLOYER HARM Failure to provide client records upon reasonable notice and request	• Refused to return client records until the client paid the CPA's fees • Did not return multiple clients' records due to procrastination. • Did not return client records because the client terminated the relationship and obtained a new CPA.
ADMINISTRATIVE NON COMPLIANCE Acts and omissions in filing an application for reinstatement or renewal of a license, certificate, or registration Failure to comply with a Board approved CPE waiver request	• Represented on the CPE audit form that CPE courses were obtained when evidence discloses that no or only a portion of the required CPE courses were taken. • Signed the reinstatement or renewal form under the penalty of perjury that the CPE requirements were met and the individual obtained only a portion of the required hours. • Signed the reinstatement or renewal form under the penalty of perjury that the CPE ethics requirements were met and the individual did not take the required ethics CPE.
CONSUMER/EMPLOYER HARM Failed good character determination for initial licensure Cheating on CPA Exam	• The good character review was at the request of the applicant who was found guilty of a felony 3 years ago. • The good character review as a result of the applicant's disclosure that 7 years prior they failed to file an income tax return and pay their tax obligation. • The good character review was the result of the prosecutor alerting the Board to the applicant's being charged with a felony. • Cheating observed by the exam proctor.
CONSUMER/EMPLOYER HARM Use of title or holding out in public practice by a nonCPA	• Used title after passing the exam but without a license. • Used title to intentionally defraud investors.

Effective: October 29, 2004
*Revised: April 25, 2011; October 17, 2008; April 28, 2006; January 28, 2005

Washington State Board of Accountancy

Policy Number: **2004-2**

Title: **Exam Applicant Disability Documentation and Testing Modification Guidelines**

Revised: **April 25, 2011***
Effective: May 15, 2001
(Formerly Agency Administrative Policy #17)

Approved: **Donald F. Aubrey, CPA, Chair**

*This policy rescinds and supersedes any previous Board policy.

PURPOSE:

Applicants with disabilities (physical or mental impairment) that substantially limit one or more major life activities may need testing modifications for the computer-based Uniform CPA Examination. This policy is established to describe the necessary components of acceptable evidence of a disability. Qualified individuals with disabilities are required to request accommodations every time they apply to take a section of the examination, and the request must be made at the time of application. This requirement allows the Board to determine if the qualified individual is "disabled" under the Americans with Disabilities Act of 1990 and to arrange reasonable and appropriate testing modifications prior to the administration of the examination. It is in candidate's best interests to provide recent and appropriate documentation clearly defining the extent and impact of the impairment(s) upon current levels of academic and physical functioning.

PROCEDURES:

A. Request for accommodations and appropriate, complete, supporting documentation, must be submitted with each application. Determinations of reasonable accommodations for testing modifications will be made on a case-by-case basis and will pertain to all sections applied for in a single application.

B. Testing must be performed by a licensed and/or qualified (expert) specialist or physician (at the candidate's expense). Information about their area of specialization and their professional credentials, including certification and licensure, should be clearly delineated.

C. Documentation should be submitted on official letterhead from a licensed and/or qualified

diagnosed a physical or mental impairment. Depending on the disability and written evaluation, documentation may include a letter from a physician or a lengthy assessment report.

D. Documentation should provide evidence of a substantial limitation to physical or academic functioning. For invisible disabilities, the following areas must be assessed (these suggested tests are not meant to preclude assessment in other relevant areas):

1. Ability – The Weschler Adult Intelligence Scale (WAIS-III), with subtest scores, should be included as a standard measure of overall intelligence. The WAIS is only one component of a full documentation report. This test alone is not acceptable.
2. Achievement – A comprehensive academic achievement battery, with subtest scores, is essential. Current levels of academic functioning in relevant areas, such as reading (decoding and comprehension), mathematics, and oral/written language are required. Tests must be reliable, standardized, and valid for use in an adolescent/adult population.
3. Processing Skills – Other tests in processing areas may warrant evaluation as indicated by the tests above. These areas include information processing, visual and auditory processing, and processing speed.

E. Documentation should be recent (no more than three years old).

F. Documentation for all disabilities should describe the extent of the disability, the criteria for the diagnosis, the diagnosis, the type and length of treatment and/or recommended testing modification. Terms such as learning “problems,” “deficiencies,” “weaknesses,” and “differences” are not the equivalent of a diagnosed learning disability. The following testing modifications are available for the Uniform CPA Examination and may be granted to an applicant by the Board if deemed eligible:

1. Additional Break Time – Extension of scheduled breaks or inclusion of additional breaks
2. Additional Testing Time – Typically time and a half or double time
3. Logistical Provisions – Adjustment of height of workstation table, monitor, or other similar accommodation, or allowance of specific items that have been approved by the Board (i.e. back wedge or pillow)
4. Separate Room – Must be monitored throughout test administration
5. Reader – An individual to read information verbatim from screen for examinees, separate room required
6. Amanuensis – An individual to operate mouse and/or keyboard for examinee; separate room required
7. Sign Language Interpreter – An individual to sign instructions and serve as interpreter between the testing center administrator and examinee. Sign language interpreters are normally not allowed to accompany examinees into the testing room
8. Intellikeys Keyboard – Allows examinees with limited use of hands to operate keyboard
9. Intellikeys Keyboard with Magic Arm and Super Clamp Attachment – Swivel arm that allows precise placement of keyboard
10. Kensington Expert Mouse – Trackball mouse
11. Headmaster Plus Mouse Unit – Mouse operated by head movements

12. Selectable Background and Foreground colors – Allows selection of text and background colors for ease of reading on-screen
13. Screen Magnifier – Attaches to monitor and enlarges screen
14. Zoomtext Software – Screen magnification

The following testing modifications are not required by the ADA and are not available as testing modifications for the Uniform CPA Examination:

1. Separate room in order to use breast pump;
2. English as a second language;
3. Audiotape, CD, or any electronic format;
4. Written examination; or
5. Braille

All denials of accommodations must be preapproved by the Executive Director or designee.

Washington State Board of Accountancy

Policy Number: **2011-1**

Title: **Principles Underlying Board Rules**

Effective: **April 25, 2011***
(Formerly WAC 4-25-610)

Approved: _____
Donald F. Aubrey, CPA, Chair

PURPOSE:

The purpose of this policy is to provide and communicate the Board's principles underlying the development and implementation of Board rules.

PRINCIPLES:

Board rules are intended to promote the following professional obligations:

(1) **Serve the public interest** -A person representing oneself as a CPA, CPA-Inactive certificate holder, or using the CPA or CPA-Inactive title, CPA firms or firm owner and professional employees of such persons must accept the obligation to act in a way that will serve the public interest, honor the public trust, and demonstrate a commitment to professionalism..

(2) **Exercise Reasoned Professional Judgment** -In carrying out their responsibilities, a person representing oneself as a CPA, CPA-Inactive certificate holder or firm owner and professional employees of such persons must exercise professional judgment in all their activities.

(3) **Demonstrate Integrity** - To maintain and broaden public confidence a person representing oneself as a CPA, CPA-Inactive certificate holder or firm owner and professional employees of such persons must perform all professional responsibilities with the highest sense of honesty.

(4) **Maintain Personal Objectivity** – A person representing oneself as a CPA, CPA-Inactive certificate holder or firm owner and professional employees of such persons must maintain objectivity at all times when rendering professional services.

Specifically, a person representing oneself as a CPA or CPA-Inactive, firm owners, and professional employees of such persons must:

(a) Avoid rendering professional services where actual or perceived conflicts of interest exist;
(b) Be independent in fact and appearance when providing attestation services.

In sum, a person representing oneself as a CPA or CPA-Inactive certificate holder, firm owners, and professional employees of such persons must exercise due professional care to:

(a) Comply with federal and state laws and the profession's technical and ethical standards;
(b) Maintain competence and strive to improve the quality of services; and
(c) Personally discharge professional responsibility with the highest sense of integrity, objectivity and ethical commitment.

POLICY STATEMENTS:

Board rules should be developed to promote and enhance the forgoing personal qualities as well as ensure that violations of the forgoing principles are adequately addressed.

Implementation of Board rules should ensure that violators of the public trust receive appropriate discipline on a "fair and equitable" basis.

Washington State Board of Accountancy

Policy Number: 2011-2

Title: Interim Policy Guidelines Pending Rule Changes

Effective: October 23, 2012*

Approved: Donald F. Aubrey, CPA, Chair

*This policy rescinds and supersedes any previous Board policy.

POLICY STATEMENT:

The Executive Director periodically finds it appropriate to seek Board concurrence prior to providing agency staff necessary guidance to implement the Public Accountancy Act or codified Board Rules, 4-30 WAC. The practice and regulatory environments are periodically subject to rapid changes due to economic and/or state and federal regulatory developments. Board rule changes are subject to state rule making processes that can delay formal and responsive guidance to address emerging issues. This policy is to provide for public input and temporary guidance to facilitate responsible agency responses to changing circumstances.

This temporary Board guidance will be requested by the Executive Director for discussion at any open public Board meeting. The guidance will become effective on the date approved by the Board. The guidance will be subsequently posted on the agency's website in a conspicuous location to enhance the awareness of consumers and the members of the regulated population.

The temporary guidance will be simultaneously superseded upon the effective date of any adopted codified rule or rules addressing the issue as an outcome of the rule making process.

2010-2011 Interim Policy Guidance:

I. Continuing Professional Education (CPE):

A. Deficiencies and Penalties;

1. Applicants for license renewal that *self-report continuing professional education (CPE) deficiencies during renewal have six months until June 30 of the renewal year to obtain the required CPE.* Such applicants must pay the $480 reinstatement fee and carry the deficient CPE credits taken by June 30 back to

the reporting period preceding the renewal year. The applicant is subject to CPE audit to avoid double counting.

2. *If the CPE deficiency is self-reported after June 30 or if the CPE deficiency is determined during CPE audit*, staff is to follow the Board's delegation related to the issuance of Administrative Notices of Noncompliance:
   a) Applicants with CPE deficiencies up to and including 16 deficient hours are *subject to delegated administrative sanctioning guidelines*; and
   b) Applicants deficient 17 hours and above shall be referred to investigations and enforcement.

II. Electronic Transcripts:

Electronic transcripts are acceptable *provided that the sender* is either:

1. The educational institution responsible for the credits and/or degrees granted; or
2. The electronic transcript service provider engaged by the educational institution responsible for the credits and/or degree granted.

Effective: April 25, 2011

Washington State Board of Accountancy

Policy Number: 2012-1

Title: Social Media

Effective: October 23, 2012

Approved: Donald F. Aubrey, CPA, Chair

PURPOSE:

To establish the Board's position and guidelines regarding the proper business use of social media by employees or by contractors performing work for the Board. Social media is used by the Board primarily as a communication tool and sometimes as an investigative tool.

DEFINITIONS:

Social media refers to any interactive Web-based technologies used for social networking and for sharing, discussing and/or developing content. Types of social media include, but are not limited to, blogs, video- or photo-sharing sites, and social-networking sites. Examples of social-media sites include, but are not limited to, YouTube, Flickr, Twitter and Facebook.

Social networking refers to the use of social media for building online communities and/or communicating with groups of individuals.

EMPLOYEE USE:

I. **Permitted Use**

- Board employees must receive, from the Executive Director, prior approval to use social media for Board related business.
- After being approved by the Executive Director, employees may use social media in the workplace only for approved agency purposes – under no circumstances is social media for personal use allowed.

- At this time, the Board's communication manager, under the direction of the Board's Executive Director, will be the person permitted to communicate through social media on behalf of the Board.
- Board employees shall not set-up a social media account for agency purposes unless approved in advance under this policy.
- Approved Board employees who engage in social media for agency purposes shall not engage in unlawful or prohibited conduct.
- Failure to abide by this policy established for use of social media or participation in any activity inconsistent with the Board's values and mission may result in appropriate disciplinary action.

II. Personal Use

- Board employees should not use personal social media accounts to transact agency business, or to post privileged or confidential material. Content posted on personal social media sites should never be attributed to, or appear to be endorsed by or to have originated from, the Board.
- Board employees should never use their work e-mail account or password in conjunction with a personal social media site.
- Work equipment and resources, including paid work time, must not be used to access personal social media accounts.

III. Records and Privacy Guidelines

The Internet is an unsecured publicly accessible network. Board employees should have no expectation of privacy in the use of Internet resources. Owners of Internet sites commonly monitor usage activity and those activities may be disclosed to any number of parties.

- Information used for publication via social media will follow the general and/or agency's approved retention schedule.
- The Board reserves the right to monitor Internet usage at such times and in such circumstances as appropriate.
- Social media shall not be used to distribute privileged or confidential material.

DELEGATION OF AUTHORITY
BY THE
WASHINGTON STATE BOARD OF ACCOUNTANCY

I, DONALD F. AUBREY, Chair of the Washington State Board of Accountancy ("Board"), acting under authorization by a vote of the Board, delegate to Richard C. Sweeney, Executive Director for the Board, the specific authority to:

(a) sign, issue, and withdraw Statements of Charges and/or Statements of Intent to Deny that seek to suspend, revoke, reprimand, refuse to issue, reinstate, or renew a certificate or license, or otherwise discipline or impose a fine upon a certified public accountant, a certificate holder, a licensee, a licensed firm, an applicant, or a nonlicensee holding an ownership interest in a licensed firm; and

(b) in making investigations concerning alleged violations of RCW 18.04 and in all proceedings under RCW 18.04.295, 18.04.305, or chapter 34.05 RCW, to issue subpoenas to compel the attendance of witnesses and require the production of documents, administer oaths or affirmations to witnesses appearing before the Board, take testimony, and require that documentary evidence be submitted; and

(c) negotiate settlement proposals during investigations of alleged violations of RCW 18.04 or Board rules Title 4 WAC and in all proceedings under RCW 18.04.295, 18.04.305, or Chapter 34.05 RCW. Such proposals are subject to concurrence by a consulting Board member prior to submission to the Board for consideration.

This delegation shall remain in effect for so long as Richard C. Sweeney is the Executive Director for the Washington State Board of Accountancy.

This delegation is made pursuant to the authority of RCW 18.04.045, 18.04.295, and 18.04.305.

DATED this 22 day of May 2012.

DONALD F. AUBREY, CPA
Chair, Washington State Board of Accountancy

WASHINGTON STATE BOARD OF ACCOUNTANCY
Appendix A

This recommendation is being made by the Executive Director based upon the following rationale:

1. **The specific acts are administrative compliance issues applicable to credentialed or non credentialed persons which, absent a recurring pattern of inattentive behavior, demonstrate a lack of attention to a respondent's regulatory requirements and imposes minimal, if any, immediate harm to the public consumer;**
2. **The sanctions have been approved by the board;**
3. **Involvement of a Consulting Board member is, therefore, considered to be unnecessary; and**
4. **Under the related proposed Board Oversight structure, appropriate and timely implementation of the Executive Director's delegated authority would be monitored and evaluated by the appropriate Board Committee.**

DELEGATION OF AUTHORITY
BY THE
WASHINGTON STATE BOARD OF ACCOUNTANCY

I, _____, Chair of the State of Washington Board of Accountancy ("Board"), acting under authorization by a vote of the Board delegate to the Executive Director the specific authority to:

Issue Administrative Notices of Noncompliance and execute Respondent Agreements Consenting to Administrative Sanctions including monetary sanctions in accordance with the guidelines in Appendix A attached hereto.

This delegation is made pursuant to the authority of RCW 18.04.045, RCW 18.04.305, and RCW 18.04.295.

DATED this ----------day of 2013.

_____
Chair, Washington State Board of Accountancy

WASHINGTON STATE BOARD OF ACCOUNTANCY
Appendix A

These guidelines will be used when (a) it is the first time an individual or firm has been notified of an alleged specific type of violation of the Public Accountancy Act or Board rule, (b) the alleged violation occurred during any period the individual or firm is or was subject to Board jurisdiction, and (c) sufficient evidence is obtained by investigation to merit Board action.

Administrative Violation:	**Board Approved Sanction:**
1.First Noncommercial use of a restricted title on *Business Cards, Resumes* or other *Applications for Employment* in Washington state after establishing residency in this state but prior to obtaining credentialed status in Washington state, *Provided,* the individual did not use the title while a resident in conjunction with offering or rendering professional services.	Administrative Notice to Cease and Desist
2.First-Time use of a restricted title by an individual within the 18-month period following successful completion of the Uniform CPA Examination but who has not yet been credentialed by the Board.	$500 Fine + cost recovery + Submission of proof of completion of Board approved course in Ethics and Regulation in Washington State *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
3. First-Time use of a restricted title with a lapsed individual license or CPA-Inactive status. *Provided:* The individual did not use the CPA or CPA-Inactive title for more than 90 days after the date of transmittal by Board staff of a *Notice of Noncompliance.*	$750 Fine+ Late Fee + cost recovery *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
4. First-Time representation on a reinstatement application that the CPA title had not been used when in fact the title had been used.	$750 Fine+ Late Fee + cost recovery *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
6. First-Time failure to obtain a firm license by a Washington resident firm owned by one individual for more than 90 days after *the date of transmittal* by Board staff of a *Notice of Noncompliance.*	$750 Fine + cost recovery + submission of proof of completion of Board approved course in Ethics and Regulation in Washington State *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*

Administrative Violation:	**Board Approved Sanction:**
7. First-Time failure to timely change either or both individual and/or firm addresses.	$0-$200 Fine + cost recovery (unless *the failure to timely change the address results in a more severe first time administrative violation and sanction) to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
8. First-Time failure by a firm to timely notify the Board of changes in the firm name, ownership, or managing licensee of the firm's main office for more than 90 days after *the date of transmittal* by Board staff of a *Notice of Noncompliance.*	$500 Fine + cost recovery *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
9. First-Time CPE deficiency by a licensee, CPA-Inactive Certificateholder, or NonCPA Firm Owner *not exceeding 16 hours.*	**Licensee:** **Exclusive of the required 4 hour Course addressing Ethics and Regulation in Washington State a Sliding Scale:** $250 fine for a deficiency up to and including 8 hours; $500 fine for a deficiency up to and including 16 hours; **Additional (Separate) $500 fine** if the deficiency includes or is limited to failure to complete the required 4 hour Course addressing Ethics and Regulation in Washington State. **CPA-Inactive Certificateholder or NonCPA Firm Owner:** $500 fine + cost recovery for failure to complete the required 4 hour Course addressing Ethics and Regulation in Washington State All amounts assessed are *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*

DRAFT

10. First-Time misunderstanding of courses qualifying for the CPE in Regulatory Ethics specific to Washington State.	$100 Fine + cost recovery + Submission of proof of completion of Board approved course in Ethics & Regulation in the State of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction*.
11. First-Time failure to meet CPE documentation requirements determined by CPE audit provided the documentation deficiency results from a cause or circumstance beyond the control of the credentialed person.	$250 Fine + cost recovery + Submission of proof of completion of Board approved course in Ethics & Regulation in the State of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction*.
12. First-Time use of a title or titles likely to be confused with ***CPA, Certified Public Accountant, or CPA-Inactive*** by persons ***never credentialed*** by this Board or not qualified for practice privileges pursuant to RCW 18.04.350(2).	$1,500 Fine + cost recovery *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction*.
13. First-Time failure to timely deliver records requested by a client as required by WAC 4-30-051, UNLESS the lack of "timely delivery" results in financial harm to the client by a state or federal regulatory agency or governmental unit.	$1,500 Fine + cost recovery + restitution for proven client costs incurred to reconstruct essential records incurred as a result of the lack of availability of such records + Submission of proof of completion of Board approved course in Ethics & Regulation in the State of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction*.
14. First-Time failure to timely respond to a request for administrative information and/or documents directly related to information and/or documents specified in Board Rules (Chapter 4 WAC).	$1,500 Fine + cost recovery+ Submission of proof completion of a Board approved course in Ethics & Regulation in the State of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction*.

If an individual or firm's conduct includes multiple First-Time administration violations, the Executive Director is to impose the more severe first-time administrative sanction.

In cases of Administrative Sanctions, the Board will not publish the individual's or firm's name; however, the Board will:

- Post statistics related to these sanctions on the Board's web site
- Comply with the Public Disclosure Act

DELEGATION OF AUTHORITY
BY THE
WASHINGTON STATE BOARD OF ACCOUNTANCY

I, ~~DONALD F. AUBREY~~EMILY R. ROLLINS, Chair of the State of Washington Board of Accountancy ("Board"), acting under authorization by a vote of the Board, delegate to the Executive Director the specific authority to:

Issue Administrative Notices of Noncompliance and execute Respondent Agreements Consenting to Administrative Sanctions including monetary sanctions in accordance with the guidelines in Appendix A attached hereto.

This delegation is made pursuant to the authority of RCW 18.04.045, RCW 18.04.305, and RCW 18.04.295.

DATED this ~~26th~~23rd day of ~~January 2012~~April 2013.

_____

~~Donald F. Aubrey~~Emily R. Rollins, CPA
Chair, Washington State Board of Accountancy

WASHINGTON STATE BOARD OF ACCOUNTANCY

Appendix A

These guidelines will be used when (a) it is the first time an individual or firm has been notified of an alleged specific type of violation of the Public Accountancy Act or Board rule, (b) the alleged violation occurred during any period the individual or firm is or was subject to Board jurisdiction, and (c) sufficient evidence is obtained by investigation to merit Board action.

	Administrative Violation:	**Board Approved Sanction:**
1.	First noncommercial use of a restricted title on *Business Cards*, *Resume**s*** or other *Applications for Employment* in Washington state after establishing residency in this state but prior to obtaining credentialed status in Washington State, *Provided***:** the individual did not use the title while a resident in conjunction with offering or rendering professional services.	Administrative Notice to Cease and Desist
2.	First-time use of a restricted title by an individual within the 18-month period following successful completion of the Uniform CPA Examination but who has not yet been credentialed by the Board	$500 fine + cost recovery + submission of proof of completion of Board approved course in ethics and regulation in Washington State regulation applicable to the practice of public accounting *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction*.
3.	First-time use of a restricted title with a lapsed individual license or CPA-Inactive status. *Provided:* The individual did not use the CPA or CPA-Inactive title for more than 90 days after the date of transmittal by Board staff of a *Notice of Noncompliance.*	**$750** fine+ late fee + cost recovery *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
4.	First time representation on a reinstatement application that the CPA title had not been used when in fact the title had been used.	$750 fine+ late fee + cost recovery *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
5.	First time failure to obtain a firm license by a Washington resident firm owned by one individual for more than 90 days after *the date of transmittal* by Board staff of a *notice of noncompliance.*	$750 fine + cost recovery + submission of proof of completion of Board approved course in ethics and regulation in Washington State *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction..*

6.	First-time failure to timely change either or both individual and/or firm addresses.	$0-$200 fine + cost recovery (unless *the failure to timely change the address results in a more severe first-time administrative violation and sanction*) *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
7.	First-time failure by a firm to timely notify the Board of changes in the firm name, ownership, or managing licensee of the firm's main office after *the date of transmittal* by Board staff of a *Notice of noncompliance*..	$500 fine + cost recovery *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
8.	First-time CPE deficiency by a licensee, CPA-Inactive certificateholder, or nonCPA firm owner *not exceeding 16 hours*.	**Licensee:** **Exclusive of the required 4 hour course addressing ethics and regulation in Washington State a sliding scale:** $250 fine for a deficiency up to and including 8 hours; $500 fine for deficiency up to and including 16 hours; **Additional (separate) $500 fine** if the deficiency includes or is limited to failure to complete the required 4-hour course addressing ethics and regulation in Washington State. **CPA-Inactive Certificateholder or NonCPA firm owner:** $500 fine + cost recovery for failure to complete the required 4-hour course addressing ethics and regulation in Washington State ~~A recovery of associated administrative cost(s) will also be imposed.~~ All amounts assessed are *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*

9.	First-time misunderstanding of courses qualifying for the CPE in regulatory ethics specific to Washington State.	$100 fine + cost recovery + submission of proof of completion of Board approved course in ethics and regulation in the state of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
10.	First-time failure to meet CPE documentation requirements determined by CPE audit provided the documentation deficiency results from a cause or circumstance beyond the control of the credentialed person.	$250 fine + cost recovery + submission of proof of completion of Board approved course in ethics and regulation in the state of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
11.	First-time use of titles likely to be confused with ***CPA, Certified Public Accountant, or CPA-Inactive*** by person never credentialed by this Board or not qualified for practice privileges pursuant to RCW 18.04.350(2).	$1,500 fine + cost recovery + *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*
12.	First-time failure to timely deliver records requested by a client as required by WAC 4-30-051, UNLESS the lack of "timely delivery" results in financial harm to the client by a state or federal regulatory agency or governmental unit.	$1,500 fine + cost recovery + restitution for proven client costs incurred to reconstruct essential records incurred as a result of the lack of availability of such records + submission of proof of completion of Board approved course in ethics and regulation in the state of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction..*
13.	First-time failure to timely respond to a request for administrative information or documents directly related to information and/or documents specified in Board rules (Title 4 WAC).	$1,500 fine + cost recovery + submission of proof of completion of Board approved course in Ethics and Regulation in the state of Washington *to be received by the Board's office within 90 days of signing an agreement consenting to an Administrative Sanction.*

If an individual or firm's conduct includes multiple first-time administration violations, the Executive Director is to impose the more severe first-time administrative sanction.

In cases of Administrative Sanction, the Board will not publish the individual's or firm's name; however, the Board will:

- Post statistics related to these sanctions on the Board's web site
- Comply with the Public Records Act

Effective: April 28, 2006
Revised: Delegation and Appendix A Revised: January 26, 2012, by Board vote
Appendix A Revised: July 14, 2011, by Board vote

DELEGATION OF AUTHORITY
BY THE
WASHINGTON STATE BOARD OF ACCOUNTANCY

I, DONALD F. AUBREY, Chair of the State of Washington Board of Accountancy ("Board"), acting under authorization by a vote of the Board, delegate the following specific authority:

1. CPE Waiver Extension Requests – To the Executive Director the specific authority to review, approve or deny Continuing Professional Education (CPE) waiver extension requests where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a CPE deficiency of not more than 16 CPE credit hours pursuant to applicable section(s) of Title 4 WAC.

2. Request Review Committee - To the Executive Director with concurrence of one member of the Request Review Committee, the specific authority to review and approve or deny:
   a) **Continuing Professional Education (CPE) Waiver Extension Requests** where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment, results in a licensee CPE deficiency of more than 16 CPE credit hours pursuant to applicable section(s) of Title 4 WAC.
   b) **Firm Names** that do not comply with the requirements of RCW 18.04.345 and applicable section(s) of Title 4 WAC to ensure the Board that the firm name is not deceptive or misleading.
   c) **Professional/Education Organizations Recognition Requests** for purposes of obtaining lists of individual applicants for a license of "Certified Public Accountant" (CPA), individual CPA licensees, individual CPA-Inactive certificateholders, or CPA firms pursuant to RCW 42.56.070(9) and applicable section(s) of Title 4 WAC.
   d) **Late Fee Waiver Requests** where individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment is a factor pursuant to applicable section(s) of Title 4 WAC.
   e) **Domestic or foreign education credential evaluation services** applications for approval pursuant to applicable section(s) of Title 4 WAC.

3. Appeal of Denials of Requests for Lists of Individuals – To one member of the Request Review Committee not involved in the review of the original request under delegation 2(c) of this delegation, the specific authority to review and uphold or overturn denials of requests for list of individuals pursuant to RCW 42.56.520. This Request Review Committee member shall complete the review by the end of the second business day following the denial. The Committee member's decision is the final action the Board will take on the matter for purposes of judicial review.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

The Executive Director will report all actions taken pursuant to this delegation of authority at each regular quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

This delegation is made pursuant to the authority of RCW 18.04.045 and 42.56.070(9).

DATED this 3rd day of May 2011.

Donald F. Aubrey, CPA
Chair, Washington State Board of Accountancy

DELEGATION OF AUTHORITY
BY THE
WASHINGTON STATE BOARD OF ACCOUNTANCY

Delegation Number: **D-201**

Effective Date: **October 23, 2012**

Delegation For: **Authority to Conduct Investigations***

Delegation To: **Director of Investigations**

Approved:

Donald F. Aubrey, CPA
Chair

I, DONALD F. AUBREY, Chair of the Washington State Board of Accountancy ("Board"), acting under authorization of a vote of the Board, delegate to the Director of Investigations, the specific authority to:

> Conduct investigations concerning alleged violations of the provisions of chapter 18.04 RCW and Title 4 WAC as directed by the Executive Director of the Washington State Board of Accountancy. This also includes specific authority to administer oaths or affirmations to witnesses, subpoena witnesses and compel their attendance, take testimony, and to require that documentary evidence be submitted in the course of the investigation of alleged violations of chapter 18.04 RCW and Title 4 WAC.

This delegation does not include the authority to extend confidentiality to any testimony or evidence.

This delegation shall remain in effect for so long as the Executive Director has designated a Director of Investigations for the Washington State Board of Accountancy to exercise this authority, and through any necessary testimony at administrative hearings, should same be held.

In the event that the Executive Director is recused or otherwise unable to exercise responsibility for investigations, enforcement, and settlement, the Board delegates authority to the Director of Investigations to assume those responsibilities including the authority to:

(a) Sign, issue, and withdraw Statements of Charges and/or Statements of Intent to Deny that seek to suspend, revoke, reprimand, refuse to issue, reinstate, or renew a certificate or license, or otherwise discipline or impose a fine upon a certified public accountant, a certificate holder, a licensee, a licensed firm, an applicant, or a nonlicensee holding an ownership interest in a licensed firm; and

(b) Negotiate settlement proposals during investigations of alleged violations of RCW 18.04 or Board rules Title 4 WAC and in all proceedings under RCW 18.04.295, 18.04.305, or chapter 34.05 RCW. Such proposals are subject to concurrence by a consulting Board member prior to submission to the Board for consideration. Settlement proposals negotiated under this authority are not binding on the Board or respondent until the settlement is accepted by a quorum vote of the Board.

(c) Issue Administrative Notices of Noncompliance and execute Respondent Agreements Consenting to Administrative Sanctions including monetary sanctions in accordance with the Board's delegation to the Executive Director.

This delegation is made pursuant to the authority of RCW 18.04.045, 18.04.295 and 18.04.305.

DELEGATION OF AUTHORITY
BY THE
WASHINGTON STATE BOARD OF ACCOUNTANCY

I, EMILY R. ROLLINS, Chair of the State of Washington Board of Accountancy ("Board"), acting under authorization by a vote of the Board, delegate the following specific authority:

1. **Quality Assurance Oversight** - To the Executive Director, with concurrence of one member of the Board's Quality Assurance Committee, the specific authority to take those actions deemed appropriate pursuant to the applicable section(s) of Title 4 WAC for any CPA firm:

   - That has unresolved matters relating to the peer review process or that has not complied with, or acted in disregard of the peer review requirements; and
   - When issues with a peer review may warrant further action.

   To implement this delegation, the Executive Director may execute Respondent Agreements including one or any combination of the actions deemed appropriate after concurrence of the member of the Board's Quality Assurance Committee. These actions include requiring the firm/practitioner to:

   - Develop quality control procedures to provide reasonable assurance that similar occurrences will not occur in the future;
   - Engage a Board-approved licensee to conduct a Board-prescribed on-site field review of the firm's work product and practices to provide a more in-depth review of the practitioner's work, previously taken continuing professional education, library and other practice support tools, knowledge, abilities, and system of quality control;
   - Submit all or specified categories of its compilation, audit, or other attest working papers and reports to an independent practitioner review prior to issuance; and/or
   - Obtain continuing education courses in specific areas.

   Uncooperative CPA firms or CPA firms requiring more than one oversight will be subject to investigation and appropriate Board action.

   This delegation does not include matters that require Board action such as acceptance of voluntary practice restriction.

2. **Review of Publicly Available Professional Work –** To the Executive Director the specific authority to review publicly available professional work of licensees pursuant to RCW 18.04.045(8) and the applicable section of Title 4 WAC.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

The Executive Director will report all actions taken pursuant to this delegation of authority at each regular quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

This delegation is made pursuant to the authority of RCW 18.04.045.

DATED this _____ day of _____ 2013.

_____

Emily R. Rollins, CPA
Chair, Washington State Board of Accountancy

DELEGATION OF AUTHORITY
BY THE
WASHINGTON STATE BOARD OF ACCOUNTANCY

I, ~~DONALD F. AUBREY~~EMILY R. ROLLINS, Chair of the State of Washington Board of Accountancy ("Board"), acting under authorization by a vote of the Board, delegate the following specific authority:

1. **Quality Assurance ~~Review (QAR) Program Remedial Actions~~Oversight** - To the Executive Director, with concurrence of ~~the~~one ~~Board~~ member of the Board's Quality Assurance Committee~~who is co-chair of the Quality Assurance Review Committee~~, the specific authority to take those actions deemed appropriate pursuant to the applicable section(s) of Title 4 WAC for any CPA firm ~~receiving an "Unacceptable" grade for the first time.~~:
   - That has unresolved matters relating to the peer review process or that has not complied with, or acted in disregard of the peer review requirements; and
   - When issues with a peer review may warrant further action.

   To implement this delegation, the Executive Director may execute Respondent Agreements including one or any combination of the actions deemed appropriate after concurrence of the ~~Board~~ member ~~who is co-chair~~ of the Board's Quality Assurance ~~Review~~ Committee. These actions include requiring the firm/practitioner to:

   - Develop quality control procedures to provide reasonable assurance that similar occurrences will not occur in the future;
   - Engage a Board-approved licensee to conduct a Board-prescribed on-site ~~A~~ field review of the firm's work product and practices to provide a more in-depth review of the practitioner's work, previously taken continuing professional education, library and other practice support tools, knowledge, abilities, and system of quality control;
   - Submit all or specified categories of its compilation, audit, or other attest working papers and reports to ~~A~~an independent practitioner review ~~of the firm's reports and accompanying financial statements~~ prior to issuance; and/or
   - ~~The firm/practitioner o~~Obtain continuing education courses in specific areas.
   - ~~The firm participate in the annual QAR report review in the upcoming year~~
   - ~~The firm submit a specific report in the subsequent period for review~~

   Uncooperative CPA firms ~~receiving a second "unacceptable" grade~~ or CPA firms requiring more than one oversight will be subject to investigation and appropriate Board action.

This delegation does not include matters that require Board action such as ~~failure to respond to QAR participation or~~ acceptance of voluntary practice restriction.

2. **Review of Publicly Available Professional Work** – To the Executive Director the specific authority to review publicly available professional work of licensees pursuant to RCW 18.04.045(8) and the applicable section of Title 4 WAC.

This delegation shall remain in effect until rescinded or modified by a majority vote of the Washington State Board of Accountancy.

The Executive Director will report all actions taken pursuant to this delegation of authority at each regular quarterly Board meeting to assist the Board in evaluating whether this delegation should be rescinded or modified.

This delegation is made pursuant to the authority of RCW 18.04.045.

DATED this _____ day of _____ 201~~1~~3.

_____

~~Donald F. Aubrey~~Emily R. Rollins, CPA
Chair, Washington State Board of Accountancy

Sweeney, Richard (ACB)

From: Jim Coates [jimcoatescpa@comcast.net]
Sent: Friday, April 12, 2013 9:24 AM
To: Sweeney, Richard (ACB)
Subject: Proposed new CPE requirements

Rick,

Thank you for coming to the Chapter meeting and presenting the information on the revisions to the ethics CPE requirement. It is always great to see you, and to hear your thoughts.

I did read through the handout and the changes look just fine to me. Emphasizing the AICPA code of Conduct and how it relates to the state statutes is a clarification that, I think, will lead to a clearer understanding for many practitioners.

Thanks for all you are doing,

Jim

James E. Coates, CPA
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4-30-134
What are the CPE requirements for credentialed individuals?

Other Parts of WAC 4-30-134 Omitted for discussion purposes only

(3) **Ethics and regulations applicable to practice in Washington state:** During each CPE reporting period all individuals licensed in this state, individual CPA-Inactive certificate holders in this state, and resident nonlicensee firm owners are required to complete four CPE credit hours in approved ethics and regulation at least two credit hours of which must have specific application to the regulation of such persons in Washington state. In order to be approved by the board, the CPE sponsor or instructor must submit documentation associated with the ethics and regulations CPE to the board for approval and the sponsor or instructor must obtain written approval from the board. The ethics and regulations CPE materials must cover all of the following topics, and the ethics and regulations CPE presentations must substantially address these topics:

(a) Chapter 18.04 RCW and chapter 4-30 WAC. The CPE must include general level information on the Public Accountancy Act, the board's rules, policies, and the rule-making process.
(b) AICPA Code of Conduct: The CPE must also include general level information on the AICPA Code of Conduct.
(c) The CPE **must identify variances or key differences** between Washington state law (chapter 18.04 RCW and chapter 4-30 WAC) and the AICPA Code of Professional Conduct.

(d) WAC 4-30-026 How can I contact the board?

(e) WAC 4-30-032 Do I need to notify the board if I change my address?

(f) WAC 4-30-034 Must I respond to inquiries from the board?

(g) WAC 4-30-040 through 4-30-048 Ethics and prohibited practices. The CPE must include detailed information on each rule and all related board policies.

(h WAC 4-30-103 Series -- Continuing competency. The CPE must include detailed information on each rule and all related board policies.

(i) WAC 4-30-142 What are the bases for the board to impose discipline?

(j) Examples of ethical and regulatory dilemmas commonly faced and/or commonly not recognized by participants in public practice or employment and the thought processes necessary to responsibly resolve such dilemmas.

(k) Other topics or information as defined by board policy.

DRAFT

WA Board Proposed CPE Rule Change
April 23, 2013

4-30-134

What are the continuing education requirements (CPE) for individuals?

(1) Qualifying Continuing Professional Education must:

(a) Contribute to the professional competency in the individual's area(s) of professional practice or relative to the individual's current work place job functions; and

(b) Maintain knowledge of current ethical and other regulatory requirements.

(c) Qualifying CPE is required to be completed by individuals during any board specified CPE reporting period.

A CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this Board and ending on December 31 of the subsequent third calendar year, e.g. if you license was issued any time during calendar year 1 (2012) the CPE reporting period ends on December 31 of calendar year 3 (2014). .

(2) General CPE requirements for renewal of valid credentials:

(a) A licensee must complete a total of 120 CPE hours, including 4 CPE credit hours in ethics meeting the requirements of subsection (6) of this section. The total 120 CPE hours requirement is limited to no more than 24 CPE credit hours in nontechnical subject areas.

(b) A CPA-Inactive certificate holder or a resident nonlicensee firm owner must complete 4 CPE credit hours in ethics meeting the requirements of subsection (6) of this section; and

Individuals eligible to exercise practice privileges are exempt from the CPE requirements of this section.

(3) Exceptions to the General CPE Requirements:

CPE requirements for the initial CPE renewal period **after conversion of a CPA-Inactive certificate to Washington State license:**

(a) If your license was issued during the first calendar year of your CPE reporting period, you must have completed 80 CPE credit hours which is limited to 16 CPE credit hours in nontechnical subject areas and must include 4 CPE credit hours in ethics meeting the requirements of subsection (6) of this section prior to December 31st of the calendar year following the calendar year in which your license was initially issued

(b) If your license was issued during the second calendar year of your CPE reporting period, you must have completed 40 CPE credit hours which is limited to 8 CPE credit hours in nontechnical subject areas and must include 4 CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(c) your license was issued during the third calendar year of your CPE reporting period,

you must have completed 4 CPE credit hours in ethics meeting the requirements of subsection (6) of this section.

(4) For the following circumstances you must have completed the requirements of subsection (2)(a) of this section within the thirty-six month period immediately preceding the date an application is submitted to the board; however, the four CPE hours in ethics meeting the requirements of subsection (6) of this section must be completed within the six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

(a) you are applying to reactivate a license out of retirement;
(b) you are a CPA Inactive certificate holder applying for a license
(c) you want to return to your previously held status as a licensee; or
(d) you are applying for reinstatement of a lapsed, suspended, or revoked license.

(5) For the following circumstances you must have completed the four CPE hours in ethics meeting the requirements of subsection (6) of this section within the six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

(a) you are applying to reactivate a CPA Inactive certificate out of retirement; or
(b) you are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate, or registration as a resident nonlicensee firm owner,

(6) CPE in Ethics and Regulation:

During each CPE reporting period **after initial licensing** all individuals licensed in this state, including non-resident and foreign individuals who received initial Washington State licenses licensees by reciprocity, CPA-Inactive certificate holders and individuals initially recognized as resident nonlicensee firm owners, are required to complete four qualifying CPE credit hours in Board approved Ethics and Regulation in Washington State.

The content of the four CPE credit hour course must be specific to the laws and rules applicable to the regulatory framework in Washington State including the administrative requirements for an individual's initial and continued use of restricted titles in this state.

All CPE sponsors must submit course materials for this course to the Executive Director of the board for approval prior to delivery of the content for CPE credit.

The Ethics and Regulations course materials must cover all of the following topics and instructors of approved courses must substantially address these topics in their presentations:

- General level information on the AICPA Code of Conduct;
- General level information on the Public Accountancy Act, the board's rules, policies, including recent or pending changes therein, and the rule-making process.
- Emphasis must be placed on variances or key differences between Washington state law (chapter 18.04 RCW), this board's rules (Title 4 WAC) and the AICPA Code of Conduct.
- Detailed information on the following:

Comment [RCS1]: This listing does not change the current mandatory topics.

WAC 4-30-026 How can I contact the board?
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 4-30-040 through 4-30-048 Ethics and prohibited practices *including related Board policies, if any*.
WAC 4-30-103 Series -- Continuing competency, *including related Board policies, if any*
WAC 4-30-142 What are the bases for the board to impose discipline?
Other topics or information as defined by board policy.

The course must also include case study scenarios demonstrating how to comply with the relevant provisions of the AICPA Code of Conduct and the Board's statutory or regulatory framework when faced with ethical situations that might occur when offering or performing a specific type of professional service in the practice of public accounting or as a professionally regulated person not in the practice of public accounting.

At least 60% of the course material content, presentation time, and/or commentary must include general level information on the Public Accountancy Act, the board's rules and policies, including recent or pending changes thereto, variances or key differences between Washington state law (Chapter 18.04 RCW), the board's rules (Title 4 WAC) and the AICPA Code of Conduct, and scenarios demonstrating the different compliance outcomes that might result because the Board's rules prevail when the Board's rules vary from the AICPA Code of Professional Conduct and/or related official AICPA interpretations.

(7) CPE extension requests: In order to renew your license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner, you must complete the required CPE by December 31 of the calendar year preceding the calendar year of your renewal unless you can demonstrate your failure to meet the CPE requirements was due to reasonable cause.

The board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment. You must request such an extension in writing by December 31 of the calendar year preceding the calendar year of your renewal. The request must include justification for the request and identify the specific CPE you plan to obtain to correct your CPE deficiency.

A form useful for this purpose is available from the board's web site or will be provided to you upon request.

(8) Self-Reported Deficiencies: If you fail to file a timely request for extension but you self- report a CPE deficiency to the board during the renewal period January 1 through June 30 of the renewal year you will be permitted to continue to use the restricted title during the renewal period provided you:

- Submit to the board, in writing, the specific CPE plan to obtain to correct the CPE deficiency on or before June 30 of the renewal period;
- Timely complete the CPE sufficient to correct the deficiency;
- Timely submit certificates or completion for the subject CPE taken to the board; and
- Pay the fee for reinstatement of a lapsed credential on or before June 30 of the renewal year.

CPE Deficiencies taken by June 30 of the renewal year under this section will be carried back to the reporting period ended on December 31 of the preceding calendar year and be subject to CPE audit in the next renewal period to ensure that inadvertent double counting does not occur.

[Statutory Authority: RCW 18.04.055(7), 18.04.215(5). 11-07-070, Â§ 4-30-134, filed 3/22/11, effective 4/22/11; 10-24-009, amended and recodified as Â§ 4-30-134, filed 11/18/10, effective 12/19/10. Statutory Authority: RCW 18.04.055(7) and 18.04.215. 09-17-044, Â§ 4-25-830, filed 8/11/09, effective 9/11/09. Statutory Authority: RCW 18.04.055(7), 18.04.215(5). 08-18-016, Â§ 4-25-830, filed 8/25/08, effective 9/25/08; 05-01-137, Â§ 4-25-830, filed 12/16/04, effective 1/31/05; 02-04-064, Â§ 4-25-830, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055(7), 18.04.104(8), 18.04.215(4). 00-11-077, Â§ 4-25-830, filed 5/15/00, effective 6/30/00. Statutory Authority: RCW 18.04.055(7), 18.04.215(4) and 18.04.105(8). 99-23-045, Â§ 4-25-830, filed 11/15/99, effective 1/1/00.]

Comment [RCS2]: To codify in rule a current Interim Board Policy

AMENDATORY SECTION (Amending WSR 11-07-070, filed 3/22/11, effective 4/22/11)

WAC 4-30-134 What are the continuing professional education (CPE) requirements for individuals? (1) ((~~The following~~)) Qualifying continuing professional education (CPE) must contribute to the professional competency in the individual's area(s) of professional practice or relative to the individual's current work place job functions.

(2) Qualifying CPE is required ((~~for~~)) to be completed by individuals during ((~~the three calendar year period prior to renewal:~~)) any board specified CPE reporting period.

(3) A CPE reporting period is a calendar year time period beginning in the calendar year a credential is first issued by this board and ending on December 31st of the subsequent third calendar year; for example, if your license was issued any time during calendar year one (2012), the CPE reporting period ends on December 31st of calendar year three (2014).

(4) **General CPE requirements for renewal of valid credentials:**

(a) ((~~An individual licensed to practice in this state~~)) A licensee must complete a total of 120 CPE hours, including 4 CPE credit hours in ((~~an approved Washington~~)) ethics ((~~and regulations course~~)) meeting the requirements of subsection ((~~(3)~~)) (6)(b) of this section. The total 120 CPE hours requirement is limited to no more than 24 CPE credit hours in nontechnical subject areas. ((~~All qualifying CPE hours must be taken after the date your initial CPA license was issued;~~))

(b) A CPA-Inactive certificate holder or a resident nonlicensee firm owner must complete 4 CPE credit hours in ethics meeting the requirements of subsection ((~~(3)~~)) (6)(b) of this section((~~; and~~)).

(c) Individuals ((~~holding~~)) eligible to exercise practice privileges are exempt from the CPE requirements of this section.

((~~(2) **CPE requirements for renewal of a license that was issued less than three years before the end of a CPA Inactive certificate renewal cycle**: When you convert your status from a CPA Inactive certificate holder to a licensee, your CPE reporting period (the three calendar year period prior to renewal) and renewal cycle will remain the same. The CPE requirements for renewal are as follows:~~

~~(a)~~)) (5) **Exceptions to the general CPE requirements:**

(a) The initial CPE renewal period **after conversion of a CPA-Inactive certificate to a Washington state license:**

(i) If your license was issued during the first calendar year of your CPE reporting period, you must have completed 80 CPE credit hours which is limited to 16 CPE credit hours in nontechnical subject areas and must include 4 CPE credit hours in ethics meeting

the requirements of subsection ((~~(3)~~)) (6)(a) of this section prior to December 31st of the calendar year following the calendar year in which your license was initially issued.

((~~(b)~~)) (ii) If your license was issued during the second calendar year of your CPE reporting period, you must have completed 40 CPE credit hours which is limited to 8 CPE credit hours in nontechnical subject areas and must include 4 CPE credit hours in ethics meeting the requirements of subsection ((~~(3)~~)) (6)(a) of this section.

((~~(c)~~)) (iii) If your license was issued during the third calendar year of your CPE reporting period, you must have completed 4 CPE credit hours in ethics meeting the requirements of subsection ((~~(3)~~)) (6)(a) of this section.

((~~(3)~~)) (b) For the following circumstances, you must have completed the requirements of subsection (4)(a) of this section within the thirty-six-month period immediately preceding the date an application is submitted to the board; however, the 4 CPE hours in ethics meeting the requirements of subsection (6)(a) of this section must be completed within the six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

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

(ii) You are a CPA-Inactive certificate holder applying for a license or you want to return to your previously held status as a licensee; or

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

(c) For the following circumstances, you must have completed the 4 CPE hours in ethics meeting the requirements of subsection (6)(a) of this section within the six-month period immediately preceding the date your application and the CPE documentation is submitted to the board:

(i) You are applying to reactivate a CPA-Inactive certificate out of retirement; or

(ii) You are applying to reinstate a lapsed, suspended, or revoked CPA-Inactive certificate, or registration as a resident nonlicensee firm owner.

(6) **CPE in ethics and regulation((~~s applicable to practice in Washington state~~)):**

(a) During ((~~each~~)) the first CPE reporting period after initial licensing all individuals initially licensed in this state, ((~~individual CPA Inactive certificate holders in this state, and~~)) including nonresident and foreign individuals receiving initial licenses by reciprocity, and individuals initially recognized as resident nonlicensee firm owners are required to complete 4 qualifying CPE credit hours in approved ethics and regulations ((~~with specific application to the practice of public accounting~~)) in Washington state. ((~~In order to be approved by the board,~~)) The content of this initially required 4 CPE credit hours must be specific to the laws and rules applicable to the practice of public accounting in Washington state including the requirements for the

initial and continued use of restricted titles in this state.

All CPE sponsors ((~~or instructor~~)) must submit ((~~documentation associated with the ethics and regulations CPE~~)) course materials for this initially required 4 CPE credit hours to the executive director of the board for approval ((~~and the sponsor or instructor must obtain written approval from the board~~)) prior to delivery of the content for credit. The ethics and regulations ((~~CPE~~)) course materials must cover all of the following topics, and ((~~the ethics and regulations CPE~~)) instructors of approved courses must substantially address these topics in their presentations:

((~~(a)~~)) (i) Chapter 18.04 RCW and Title 4 WAC. The CPE must include general level information on the Public Accountancy Act, the board's rules, policies, and the rule-making process.

((~~(b)~~)) (ii) WAC 4-30-026 How can I contact the board?

((~~(c)~~)) (iii) WAC 4-30-032 Do I need to notify the board if I change my address?

((~~(d)~~)) (iv) WAC 4-30-034 Must I respond to inquiries from the board?

((~~(e)~~)) (v) WAC 4-30-040 through 4-30-048 Ethics and prohibited practices. The CPE must include detailed information on each rule and all related board policies.

((~~(f)~~)) (vi) WAC ((~~4-30-103~~)) 4-30-130 Series--Continuing competency. The CPE must include detailed information on each rule and all related board policies.

((~~(g)~~)) (vii) WAC 4-30-142 What are the bases for the board to impose discipline?

((~~(h)~~)) (viii) AICPA Code of Conduct: The CPE must include general level information on the AICPA Code of Conduct.

((~~(i)~~)) (ix) Variances or key differences between Washington state law (chapter 18.04 RCW), this board's rules (Title 4 WAC) and the AICPA Code of Conduct.

((~~(j)~~)) (x) Other topics or information as defined by board policy.

((~~(4) **CPE requirements to renew a license or CPA Inactive certificate out of retirement:**~~

~~(a) In order to renew a license out of retirement, you must meet the CPE requirements of subsection (1)(a) of this section within the thirty-six month period immediately preceding the date the renewal application is submitted to the board; however, the four CPE hours in ethics meeting the requirements of subsection (3) of this section must be completed within the six month period immediately preceding the date your renewal application is submitted to the board.~~

~~(b) In order to renew a CPA Inactive certificate out of retirement, you must meet the CPE requirements of subsection (1)(b) of this section within the six month period immediately preceding the date your renewal application is submitted to the board.~~

~~(5) **CPE requirements for a CPA Inactive certificate holder to either qualify to apply for a license or return to their previously held status as a licensee:** If you hold a valid CPA Inactive certificate and you wish to apply for a license or you want to return to your previously held status as a licensee, you must meet~~

~~the CPE requirements of subsection (1)(a) of this section within the thirty six month period immediately preceding the date your application is submitted to the board.~~

~~(6) **Reinstatement of a lapsed, suspended, or revoked license, certificate, or registration as resident nonlicensee firm owner:**~~

~~(a) If you seek to reinstate a lapsed, suspended, or revoked license, you must satisfy the requirements of subsection (1)(a) of this section within the thirty six month period immediately preceding the date the application for reinstatement is submitted to the board; however, the four CPE hours in ethics meeting the requirements of subsection (3) of this section must be completed within the six month period immediately preceding the date your application for reinstatement is submitted to the board.~~

~~(b) If you seek to reinstate a lapsed, suspended, or revoked CPA Inactive certificate, or registration as a resident nonlicensee firm owner, you must satisfy the requirements of subsection (1)(b) of this section within the six month period immediately preceding the date your application for reinstatement is submitted to the board.~~

~~(7) **Reciprocity:** If you are applying for an initial Washington state CPA license under the reciprocity provisions of the act, you must satisfy the requirements in subsection (1)(a) of this section, after you were licensed as a CPA and within the thirty six month period immediately preceding the date your application is submitted to the board. For purposes of initial licensure, you do not need to satisfy the ethics requirements of subsection (1)(a) of this section. Thereafter, in order to renew your Washington state license, you must comply with all the renewal requirements in subsection (1)(a) of this section.~~

~~(8)~~)) (b) During the CPE reporting periods subsequent to the first CPE reporting period, all individuals licensed in this state, including those licensees who obtained their initial license through this state's reciprocity provisions, individual CPA-Inactive certificate holders in this state, and resident nonlicensee firm owners are required to complete 4 qualifying CPE credit hours in ethics applicable to the individual's required competencies in the workplace.

Examples of course content include the following or any combination thereof accumulating to the required 4 hours:

(i) Washington state specific CPE in ethics and regulation described in (a) of this subsection;

(ii) Courses covering the AICPA Code of Professional Conduct;

(iii) Courses covering international codes of conduct applicable to your practice environment;

(iv) Courses covering the ethical codes of conduct prescribed by other volunteer professional organizations applicable to the individual's competencies including, but not limited to, organizations such as the Institute of Internal Auditors (IIA), the Institute of Management Accountants (IMA), or the Association of Government Accountants (AGA);

(v) Courses covering the ethical standards established by other state or federal agencies, including state specific courses

required by other state boards of accountancy provided that the content is substantially equivalent to Washington state's law, rules, and policies; or

(vi) Courses specifically addressing the ethical and regulatory issues and challenges faced by licensees, CPA-Inactive certificate holders or the equivalent, and/or resident nonlicensee firm owners. This type of course would be expected to also include responsible and practical solutions to ethical and regulatory issues, including those related to compliance with the laws and rules of Washington state.

(7) **CPE extension requests**: In order to renew your license, CPA-Inactive certificate, or registration as a resident nonlicensee firm owner, you must complete the required CPE by ((~~the end of the CPE reporting period~~)) December 31st of the calendar year preceding the calendar year of your renewal unless you can demonstrate your failure to meet the CPE requirements was due to reasonable cause.

The board may provide limited extensions to the CPE requirements for reasons of individual hardship including, but not limited to, financial hardship, critical illness, or active military deployment. You must request such an extension in writing by ((~~the end of the CPE reporting period~~)) December 31st of the calendar year preceding the calendar year of your renewal. The request must include justification for the request and identify the specific CPE you plan to obtain to correct your CPE deficiency.

A form useful for this purpose is available from the board's web site or will be provided to you upon request.

(8) **Self-reported deficiencies**: If you fail to file a timely request for extension but you self-report a CPE deficiency to the board during the renewal period January 1st through June 30th of the renewal year, you will be permitted to continue to use the restricted title during the renewal period provided you:

(a) Submit to the board, in writing, the specific CPE plan to obtain to correct the CPE deficiency on or before June 30th of the renewal period;

(b) Timely complete the CPE sufficient to correct the deficiency;

(c) Timely submit certificates of completion for the subject CPE taken to the board; and

(d) Pay the fee for reinstatement of a lapsed credential on or before June 30th of the renewal year.

CPE deficiencies taken by June 30th of the renewal year under this subsection will be carried back to the reporting period ending on December 31st of the preceding calendar year and be subject to CPE audit in the next renewal period to ensure that inadvertent double counting does not occur.

STATEMENT ON STANDARDS FOR CONTINUING PROFESSIONAL EDUCATION (CPE) PROGRAMS

Revised January 2012

NASBA

AICPA®

Table of Contents

Introduction i
Preamble ii
Article I - Definitions 1
Article II – General Guidelines for CPAs 2
2.01 Professional Competence 2
2.02 CPE Compliance 3
2.03 CPE Credits Record Documentation 3
2.04 Reporting CPE Credits 3
2.05 Independent Study 4
Article III – Standards for CPE Program Sponsors 4
3.01 General Standards 4
Standard No. 1: CPE Program Sponsor Responsibility 4
S1 – 01 : CPE requirements of licensing bodies and others 4
3.02 Standards for CPE Program Development 4
Standard No. 2: Learning Activities Based on Learning Objectives 4
S2 – 01 : Program knowledge level 5
Standard No. 3: Learning Activities Consistent with Experience of Participant 5
S3 – 01 : Prerequisite education and experience 5
Standard No. 4: Learning Activities and Materials Current and Technically Accurate 5
S4 – 01 : Developed by subject matter expert 5
Standard No. 5: Learning Activities Reviewed by Independent Person 5
S5 – 01 : Qualifications of reviewers 5
Standard No. 6: Independent Study Learning Activities 5
S6 – 01 : Requirements of independent study sponsor 5
Standard No. 7: Group Internet Based Programs 6
S7 – 01 : Live instructor during program presentation 6
Standard No. 8: Self Study Programs 6
S8 – 01 : Guide participant through learning process 6
S8 – 02 : Use of review questions 6
S8 – 03 : Evaluative and reinforcement feedback on review questions 6
S8 – 04 : Final examination requirements 6

S8 – 05 : Feedback on final examination 6
S8 – 06 : Program/course expiration date 7
S8 – 07 : Based on materials developed for instructional use 7
3.03 Standards for CPE Program Presentation 7
Standard No. 9: Descriptive Materials for Participant to Assess Learning Activities 7
S9 – 01 : Disclose significant features of program in advance 8
S9 – 02 : Disclose advance preparation and/or prerequisites 8
Standard No. 10: Instructors Qualified in Program Content and Instructional Method 8
S10 – 01 : Qualifications of instructors 8
S10 – 02 : Evaluation of instructors' performance 8
Standard No. 11: Evaluation of Learning Activities 8
S11 – 01 : Required elements of evaluation 8
S11 – 02 : Evaluation results 8
Standard No. 12: Instructional Methods Appropriate for Learning Activities 8
S12 – 01 : Evaluate instructional method in context of program presentation 8
S12 – 02 : Facilities and technology appropriateness 8
3.04 Standards for CPE Program Measurement 9
Standard No. 13: Program Length Measured in CPE Credits 9
S13 – 01 : Learning activities with individual segments 9
S13 – 02 : Responsibility to monitor attendance 9
S13 – 03 : Monitoring mechanism for group internet based programs 9
S13 – 04 : Small group viewing of group internet based programs 9
S13 – 05 : University or college credit course 9
S13 – 06 : University or college non-credit course 9
S13 – 07 : Participant preparation time 9
S13 – 08 : Committee or staff meetings qualification for CPE credits 9
Standard No. 14: Self Study CPE Credits Based on Pilot Testing or Word Count Formula 10
S14 – 01 : Method 1 - Sample group of pilot testers 10
S14 – 02 : Method 1 - CPE credit based on representative completion time 10
S14 – 03 : Method 1 - Requirement for re-pilot testing 10
S14 – 04 : Method 1 - Pilot testing when course purchased from vendor or other developer 10

S14 – 05 : Method 2 – Basis for word count formula 10
S14 – 06 : Method 2 – Consideration of audio and video segments in word count formula 10
S14 – 07 : Method 2 – Calculation of CPE credit using word count formula 11
S14 – 08 : Method 2 – Word count formula when course purchased from vendor or other developer 11
Standard No. 15: Instructor CPE Credit for Preparation and Presentation Time 11
S15 – 01 : Instructor CPE credit parameters 11
S15 – 02 : Authoring and instructing program 11
Standard No. 16: Author CPE Credit 11
S16 – 01 : Requirement for review from independent party 11
S16 – 02 : Authoring and instructing program 11
Standard No. 17: CPE Credit for Independent Study 11
S17 – 01 :CPE credits agreed to in advance 11
3.05 Standards for CPE Program Reporting 11
Standard No. 18: Documentation of Participation in Program 11
S18 – 01 : Entity to award CPE credits and acceptable documentation 12
Standard No. 19: Program and Participant Documentation Maintenance 12
S19 – 01 : Required documentation elements 12
S19 – 02 : Maintenance of documentation as basis for CPE credit for self study programs 13
Effective dates 14

Introduction

Continuing professional education is required for CPAs to maintain their professional competence and provide quality professional services. CPAs are responsible for complying with all applicable CPE requirements, rules and regulations of state boards of accountancy, as well as those of membership associations and other professional organizations.

The Statement on Standards for Continuing Professional Education (CPE) Programs (*Standards*) is published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) to provide a framework for the development, presentation, measurement, and reporting of CPE programs. The Standards were last revised in 2002.

In May 2010, NASBA and the CPE Advisory Committee provided a forum for an open and candid discussion of the *Standards*. A key outcome of the forum was to develop a Task Force to help review, analyze and implement suggestions and changes to the *Standards*.

The NASBA CPE Advisory Committee with input from NASBA leadership selected 13 Task Force participants. Careful consideration was given as to the composition of the Task Force to ensure that all facets of the CPE community were represented. The Task Force is comprised of CPE program sponsors; CPE Advisory Committee members; state board of accountancy members; state society members; educators and a representative of the AICPA (provider side).

The Task Force developed its recommended revisions to the *Standards* and presented its recommendations to a Joint CPE Standards Committee made up of representatives from the AICPA and NASBA. The Joint CPE Standards Committee presented its recommendation to the respective AICPA and NASBA Boards of Directors. In August 2011, the *Standards* exposure draft was released for comment. The revisions to the *Standards* were approved by the AICPA Board of Directors and the NASBA Board of Directors in January 2012.

The *Standards* are intended to be an "evergreen" document. As questions arise related to implementation and application of the *Standards*, the questions will be presented to the CPE Standards Working Group whose composition will be similar to that of the Task Force. The CPE Standards Working Group will meet quarterly and scheduled meeting dates will be posted on the NASBA website, LearningMarket.org. NASBA will communicate the findings of the CPE Standards Working Group to the specific CPE program sponsor. Authoritative interpretations will only be issued by the CPE Advisory Committee in limited cases when the matter is not addressed in the *Standards*, cannot be addressed specifically with the CPE program sponsor, or cannot be addressed in the Best Practices document. All interpretations issued by the CPE Advisory Committee will be reviewed and considered by the Joint AICPA/NASBA CPE Standards Committee upon the next revision of the *Standards*.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

Preamble

01. The right to use the title "Certified Public Accountant" (CPA) is regulated by each state's board of accountancy in the public interest and imposes a duty to maintain public confidence and current knowledge, skills, and abilities in all areas in which they provide services. CPAs must accept and fulfill their ethical responsibilities to the public and the profession regardless of their fields of employment.[1]

02. The profession of accountancy is characterized by an explosion of relevant knowledge, ongoing changes and expansion, and increasing complexity. Advancing technology, globalization of commerce, increasing specialization, proliferating regulations, and the complex nature of business transactions have created a dynamic environment that requires CPAs to continuously maintain and enhance their knowledge, skills, and abilities.

03. The continuing development of professional competence involves a program of lifelong educational activities. Continuing Professional Education (CPE) is the term used in these standards to describe the educational activities that assist CPAs in achieving and maintaining quality in professional services.

04. The following standards have been broadly stated in recognition of the diversity of practice and experience among CPAs. They establish a framework for the development, presentation, measurement, and reporting of CPE programs and thereby help to ensure that CPAs receive the quality CPE necessary to satisfy their obligations to serve the public interest. These standards may also apply to other professionals by virtue of employment or membership. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit.

05. Advances in technology, delivery and workplace arrangements may lead to innovative learning techniques. Learning theory may evolve to include more emphasis on outcome based learning. These standards anticipate innovation in CPE in response to these advances. Sponsors must ensure innovative learning techniques are in compliance with the standards. CPE program sponsors are encouraged to consult with NASBA with questions related to compliance with the standards when utilizing innovative techniques.

06. These standards create a basic foundation for sound educational programs. Sponsors may wish to provide enhanced educational and evaluative techniques to all programs.

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[1] The term "CPAs" is used in these standards to identify all persons who are licensed and/or regulated by boards of accountancy.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

Article I - Definitions

Advanced. Program knowledge level most useful for individuals with mastery of the particular topic. This level focuses on the development of in-depth knowledge, a variety of skills, or a broader range of applications. Advanced level programs are often appropriate for seasoned professionals within organizations; however, they may also be beneficial for other professionals with specialized knowledge in a subject area.

Archived. A learning activity through which a group program has been recorded for future use.

Basic. Program knowledge level most beneficial to CPAs new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

Continuing Professional Education (CPE). An integral part of the lifelong learning required to provide competent service to the public. The set of activities that enables CPAs to maintain and improve their professional competence.

CPE credit hour. Fifty minutes of participation in a program of learning.

CPE program sponsor. The individual or organization responsible for issuing the certificate of completion, and maintaining the documentation required by these standards. The term CPE program sponsor may include associations of CPAs, whether formal or informal, as well as employers who offer in-house programs.

Evaluative feedback. Specific response to incorrect answers to questions in self-study programs.

Group internet based program. An educational process designed to permit a participant to learn a given subject through interaction with an instructor by using the Internet.

Group live program. An educational process designed to permit a participant to learn a given subject through interaction with an instructor and other participants either in a classroom or conference setting.

Group program. Any group live or group internet based programs.

Independent study. An educational process designed to permit a participant to learn a given subject under a learning contract with a CPE program sponsor.

Instructional methods. Delivery strategies such as case studies, computer-assisted learning, lectures, group participation, programmed instruction, teleconferencing, use of audiovisual aids, or work groups employed in group, self-study, or independent study programs or other innovative programs.

Intermediate. Program knowledge level that builds on a basic program, most appropriate for CPAs with detailed knowledge in an area. Such persons are often at a mid-level within the organization, with operational and/or supervisory responsibilities.

Internet-based programs. A learning activity through a group program or a self-study program that is designed to permit a participant to learn the given subject matter via the Internet. To qualify as either a group or self-study program, the Internet learning activity must meet the respective standards.

Learning activity. An educational endeavor that maintains or improves professional competence.

Learning contract. A written contract signed by an independent study participant and a qualified CPE program sponsor prior to the commencement of the independent study.

Learning objectives. Specifications on what participants should accomplish in a learning activity.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

Learning objectives are useful to program developers in deciding appropriate instructional methods and allocating time to various subjects.

Overview. Program knowledge level that provides a general review of a subject area from a broad perspective. These programs may be appropriate for professionals at all organizational levels.

Pilot test. Sampling of at least three individuals independent of the development team and representative of the intended participants to measure the representative completion time as one method to determine the recommended CPE credit for self-study programs.

Professional competence. Having requisite knowledge, skills, and abilities to provide quality services as defined by the technical and ethical standards of the profession. The expertise needed to undertake professional responsibilities and to serve the public interest.

Program of learning. A collection of learning activities that are designed and intended as continuing education and that comply with these standards.

Reinforcement feedback. Specific responses to correct answers to questions in self-study programs.

Self study program. An educational process designed to permit a participant to learn a given subject without involvement of an instructor.

Word count formula. A method, detailed under S14-05 Method 2, to determine the recommended CPE credit for self study programs that uses a formula including word count of learning material, number of questions and exercises, and duration of audio and video segments.

Update. Program knowledge level that provides a general review of new developments. This level is for participants with a background in the subject area who desire to keep current.

Article II – General Guidelines for CPAs

2.01 Professional Competence. All CPAs should participate in learning activities that maintain and/or improve their professional competence. [2]

Selection of learning activities should be a thoughtful, reflective process addressing the individual CPA's current and future professional plans, current knowledge and skills level, and desired or needed additional competence to meet future opportunities and/or professional responsibilities.

CPAs fields of employment do not limit the need for CPE. CPAs performing professional services need to have a broad range of knowledge, skills, and abilities. Thus, the concept of professional competence may be interpreted broadly. Accordingly, acceptable continuing education encompasses programs contributing to the development and maintenance of professional skills.

The fields of study represent the primary knowledge and skill areas needed by CPAs to perform professional services in all fields of employment.

To help guide their professional development, CPAs may find it useful to develop a learning plan. Learning plans are structured processes that help CPAs guide their professional development. They are

[2] The terms "should" and "must" are intended to convey specific meanings within the context of this *Joint AICPA/NASBA Statement on Standards for Continuing Professional Education Programs*. The term "must" is used in the standards applying to CPAs and CPE program sponsors to convey that CPAs and CPE program sponsors are not permitted any departure from those specific standards. The term "should" is used in the standards applying to both CPAs and CPE program sponsors and is intended to convey that CPAs and CPE program sponsors are encouraged to follow such standards as written.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

dynamic instruments used to evaluate and document learning and professional competence development. They may be reviewed regularly and modified as CPAs' professional competence needs change. Plans include: a self-assessment of the gap between current and needed knowledge, skills, and abilities; a set of learning objectives arising from this assessment; and learning activities to be undertaken to fulfill the learning plan.

2.02 CPE Compliance. CPAs must comply with all applicable CPE requirements.

CPAs are responsible for compliance with all applicable CPE requirements, rules, and regulations of state licensing bodies, other governmental entities, membership associations, and other professional organizations or bodies. CPAs should contact each appropriate entity to which they report to determine its specific requirements or any exceptions it may have to the standards presented herein.

Periodically, CPAs participate in learning activities which do not comply with all applicable CPE requirements, for example specialized industry programs offered through industry sponsors. If CPAs propose to claim credit for such learning activities, they must retain all relevant information regarding the program to provide documentation to state licensing bodies and/or all other professional organizations or bodies that the learning activity is equivalent to one which meets all these standards.

2.03 CPE Credits Record Documentation. CPAs are responsible for accurate reporting of the appropriate number of CPE credits earned and must retain appropriate documentation of their participation in learning activities.

To protect the public interest, regulators require CPAs to document maintenance and enhancement of professional competence through periodic reporting of CPE. For convenience, measurement is expressed in CPE credits. However, the objective of CPE must always be maintenance/enhancement of professional competence, not attainment of credits. Compliance with regulatory and other requirements mandates that CPAs keep documentation of their participation in activities designed to maintain and/or improve professional competence. In the absence of legal or other requirements, a reasonable policy is to retain documentation for a minimum of five years from the end of the year in which the learning activities were completed.

Participants must document their claims of CPE credit. Examples of acceptable evidence of completion include:

- For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor.
- For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination.
- For instruction credit, appropriate supporting documentation that complies with the requirements of the respective state boards subject to the guidelines in Standard 15 in Standards for CPE Program Measurement.
- For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received.
- For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college.
- For published articles, books, or CPE programs, (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor, (2) a statement from the writer supporting the number of CPE hours claimed, and (3) the name and contact information of the independent reviewer(s) or publisher.

2.04 Reporting CPE Credits. CPAs who complete sponsored learning activities that maintain or improve their professional competence must claim no more than the CPE credits recommended by CPE program sponsors subject to the state board regulations.

CPAs may participate in a variety of sponsored learning activities, such as workshops, seminars and conferences, self-study courses, Internet-based programs, and independent study. While CPE program

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

sponsors determine credits, CPAs must claim credit only for activities through which they maintained or improved their professional competence. CPAs who participate in only part of a program must claim CPE credit only for the portion they attended or completed.

2.05 Independent Study. CPAs may engage in independent study under the direction of a CPE program sponsor who has met the applicable standards for CPE program sponsors when the subject matter and level of study maintain or improve their professional competence.

Independent study is an educational process designed to permit a participant to learn a given subject under the guidance of a CPE program sponsor. Participants in an independent study program must:

- Enter into a written learning contract with a CPE program sponsor that must comply with the applicable standards for CPE program sponsors. A learning contract:
  1. Specifies the nature of the independent study program and the time frame over which it is to be completed, not to exceed 15 weeks.
  2. Specifies that the output must be in the form of a written report that will be reviewed by the CPE program sponsor or a qualified person selected by the CPE program sponsor.
  3. Outlines the maximum CPE credit that will be awarded for the independent study program, but limits credit to actual time spent.

- Accept the written recommendation of the CPE program sponsor as to the number of credits to be earned upon successful completion of the proposed learning activities. CPE credits will be awarded only if:
  1. All the requirements of the independent study as outlined in the learning contract are met,
  2. The CPE program sponsor reviews and signs the participant's report,
  3. The CPE program sponsor reports to the participant the actual credits earned, and
  4. The CPE program sponsor provides the participant with contact information.

  The maximum credits to be recommended by an independent study CPE program sponsor must be agreed upon in advance and must be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

- Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.

Article III – Standards for CPE Program Sponsors

3.01 - General Standards

Standard No. 1. CPE program sponsors are responsible for compliance with all applicable standards and other CPE requirements.

S1 - 01. CPE requirements of licensing bodies and others. CPE program sponsors may have to meet specific CPE requirements of state licensing bodies, other governmental entities, membership associations, and/or other professional organizations or bodies. Professional guidance for CPE program sponsors is available from NASBA; state-specific guidance is available from the state boards of accountancy. CPE program sponsors should contact the appropriate entity to determine requirements.

3.02 - Standards for CPE Program Development

Standard No. 2. Sponsored learning activities must be based on relevant learning objectives and outcomes that clearly articulate the knowledge, skills, and abilities that can be achieved by participants in the learning activities.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

S2 - 01. Program knowledge level. Learning activities provided by CPE program sponsors for the benefit of CPAs must specify the knowledge level, content, and learning objectives so that potential participants can determine if the learning activities are appropriate to their professional competence development needs. Knowledge levels consist of basic, intermediate, advanced, update, and overview.

Standard No. 3. CPE program sponsors must develop and execute learning activities in a manner consistent with the prerequisite education, experience, and/or advance preparation of participants.

S3 - 01. Prerequisite education and experience. To the extent it is possible to do so, CPE program sponsors should make every attempt to equate program content and level with the backgrounds of intended participants. All programs must clearly identify prerequisite education, experience, and/or advance preparation, if any, in precise language so that potential participants can readily ascertain whether they qualify for the program.

Standard No. 4. CPE program sponsors must use activities, materials, and delivery systems that are current, technically accurate, and effectively designed. All courses must contain the most recent publication, revision or review date. Courses must be revised as soon as feasible following changes to relative codes, laws, rulings, decisions, interpretations, etc. Courses in subjects that undergo frequent changes must be reviewed by an individual with subject matter expertise at least once a year to verify the currency of the content. Other courses must be reviewed at least every two years.

S4 - 01. Developed by a subject matter expert. Learning activities must be developed by individuals or teams having expertise in the subject matter. Expertise may be demonstrated through practical experience and/or education.

Standard No. 5. CPE program sponsors of group and self-study programs must ensure learning activities are reviewed by qualified persons other than those who developed the programs to assure that the program is technically accurate and current and addresses the stated learning objectives. These reviews must occur before the first presentation of these materials and again after each significant revision of the CPE programs. The participation of at least one CPA is required in the development of every program in accounting and auditing. The participation of a CPA, tax attorney, or IRS enrolled agent is required in the development of each program in the field of study of taxes. As long as this requirement is met at some point during the development process, a program would be in compliance. Whether to have this individual involved during the development or the review process is at the CPE program sponsor's discretion.

S5 - 01. Qualifications of reviewers. Individuals or teams qualified in the subject matter must review programs. When it is impractical to review certain programs in advance, such as lectures given only once, greater reliance should be placed on the recognized professional competence of the instructors or presenters. Using independent reviewing organizations familiar with these standards may enhance quality assurance.

Standard No. 6. CPE program sponsors of independent study learning activities must be qualified in the subject matter.

S6 - 01. Requirements of independent study sponsor. A CPE program sponsor of independent study learning activities must have expertise in the specific subject area related to the independent study. The CPE program sponsor must also:

- Review, evaluate, approve, and sign the proposed independent study learning contract, including agreeing in advance on the number of credits to be recommended upon successful completion.
- Review and sign the written report developed by the participant in independent study.
- Retain the necessary documentation to satisfy regulatory requirements as to the content, inputs, and outcomes of the independent study.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

Standard No. 7. Group internet based programs must employ learning methodologies that clearly define learning objectives, guide the participant through the learning process, and provide evidence of a participant's satisfactory completion of the program.

S7 - 01. Live instructor during program presentation. Group internet based programs must have a live instructor while the program is being presented. Program participants must be able to interact with the live instructor while the course is in progress (including the opportunity to ask questions and receive answers during the presentation). Once a group internet based program is recorded or archived for future presentation, it will continue to be considered a group internet based program only where a live subject matter expert facilitates the recorded presentation. Any future presentations that do not include a live subject matter expert will be considered a self study program and must meet all self study delivery method requirements with the exception of the basis for CPE credit. CPE credit for an archived group program will be equal to the CPE credit awarded to the original presentation.

Standard No. 8. Self study programs must use learning methodologies that clearly define learning objectives, guide the participant through the learning process, and provide evidence of a participant's satisfactory completion of the program.

S8 - 01. Guide participant through learning process. To guide participants through a learning process, CPE program sponsors of self-study programs must elicit participant responses to test for understanding of the material. Learners must participate in activities during instruction to demonstrate achievement of learning objectives. Appropriate feedback must be provided. Achievement of learning objectives must be confirmed after the course through a final assessment.

S8 – 02. Use of review questions. Review questions must be placed at the end of each learning activity throughout the program in sufficient intervals to allow the learner the opportunity to evaluate the material that needs to be re-studied. If objective type questions are used, at least three review questions per CPE credit must be included or two review questions if the program is marketed for one-half CPE credits.

S8 – 03. Evaluative and reinforcement feedback on review questions. If the multiple choice method is used, evaluative feedback for each incorrect response must explain why each response is wrong and reinforcement feedback must be provided for correct responses. If rank order or matching questions are used, then it is permissible to provide single feedback to explain the correct response. Simulations and other innovative tools that guide participants through structured decisions could provide feedback at irregular intervals or at the end of the learning experience. In those situations, single feedback would be permissible. True/false questions are allowed as review questions but are not included in the number of review questions required per CPE credit. Forced choice questions, when used as part of an overall learning strategy, are allowed as review questions and can be counted in the number of review questions required per CPE credit. There is no minimum passing rate required for review questions.

S8 – 04. Final examination requirements. To provide evidence of satisfactory completion of the course, CPE program sponsors of self-study programs must require participants to successfully complete a final examination with a minimum-passing grade of at least 70 percent before issuing CPE credit for the course. Examinations may contain questions of varying format (for example, multiple-choice, essay, and simulations). At least five questions/scored responses per CPE credit must be included on the final examination or three final exam questions if the program is marketed for one-half CPE credits. For example, the final examination for a five-credit course must include at least 25 questions. Alternatively, a five and one-half credit course must include at least 28 questions. Except in courses where recall of information is the learning strategy, duplicate review and final exam questions are not allowed. True/false questions are not permissible on the final examination in accordance with the implementation effective dates of these standards.

S8 – 05. Feedback on final examination. Providing feedback on the final examination is at the discretion of the CPE program sponsor. If the CPE program sponsor chooses to provide feedback and:

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

Utilizes a test bank, then the CPE program sponsor must ensure that the question test bank is of sufficient size to minimize overlap of questions on the final examination for the typical repeat test-taker. Feedback may comply with the feedback for review questions as described in S8 – 03, or take the form of identifying correct and incorrect answers.

Does not utilize a test bank, whether or not feedback can be given depends on whether the learner passes the final examination, then:

- on a failed examination, the CPE program sponsor may not provide feedback to the test-taker.
- on examinations passed successfully, CPE program sponsors may choose to provide participants with feedback. This feedback may comply with the type of feedback for review questions as described in S8-03, or take the form of identifying correct and incorrect answers.

S8 – 06. Program/course expiration date. All courses must include an expiration date (the time by which the learner must complete the final examination). For individual courses, the expiration date is no longer than one year from the date of purchase or enrollment. For a series of courses to achieve an integrated learning plan, the expiration date may be longer.

S8 – 07. Based on materials developed for instructional use. Self study programs must be based on materials specifically developed for instructional use and not on third party materials. Self study programs requiring only the reading of general professional literature, IRS publications, or reference manuals followed by a test will not be acceptable. However, the use of the publications and reference materials in self-study programs as supplements to the instructional materials could qualify if the self study program complies with each of the CPE standards.

Instructional materials for self study include teaching materials which are written for instructional educational purposes. These materials must demonstrate the expertise of the author(s). At a minimum, instructional materials must include the following items:

1. An overview of topics;
2. The ability to find information quickly;
3. The definition of key terms;
4. Instructions to participants;
5. Review questions with feedback; and
6. Final exam.

3.03 - Standards for CPE Program Presentation

Standard No. 9. CPE program sponsors must provide descriptive materials that enable CPAs to assess the appropriateness of learning activities. For CPE program sponsors whose courses are developed for sale and/or for external audiences (i.e., not internal training), CPE program sponsors must make the following information available in advance:

- **Learning objectives.**
- **Instructional delivery methods.**
- **Recommended CPE credit and recommended field of study.**
- **Prerequisites.**
- **Program level.**
- **Advance preparation.**
- **Program description.**
- **Course registration requirements.**
- **Refund policy for courses sold for a fee/cancellation policy.**
- **Complaint resolution policy.**
- **Official NASBA sponsor statement, if an approved NASBA sponsor (explaining final authority of acceptance of CPE credits).**

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

For CPE program sponsors whose courses are purchased or developed for internal training only, CPE program sponsors must make the following information available in advance:

- **Learning objectives.**
- **Instructional delivery methods.**
- **Recommended CPE credit and recommended field of study.**
- **Prerequisites.**
- **Advance preparation.**
- **Program level (for optional internal courses only).**
- **Program description (for optional internal course only).**

S9 – 01. Disclose significant features of program in advance. For potential participants to effectively plan their CPE, the program sponsor must disclose the significant features of the program in advance (e.g., through the use of brochures, website, electronic notices, invitations, direct mail, or other announcements). When CPE programs are offered in conjunction with non-educational activities, or when several CPE programs are offered concurrently, participants must receive an appropriate schedule of events indicating those components that are recommended for CPE credit. The CPE program sponsor's registration policies and procedures must be formalized, published, and made available to participants and include refund/cancellation policies as well as complaint resolution policies.

S9 – 02. Disclose advance preparation and/or prerequisites. CPE program sponsors must distribute program materials in a timely manner and encourage participants to complete any advance preparation requirements. All programs must clearly identify prerequisite education, experience, and/or advance preparation requirements, if any, in the descriptive materials. Prerequisites, if any, must be written in precise language so that potential participants can readily ascertain whether they qualify for the program.

Standard No. 10. CPE program sponsors must ensure instructors are qualified with respect to both program content and instructional methods used.

S10 – 01. Qualifications of instructors. Instructors are key ingredients in the learning process for any group program. Therefore, it is imperative that CPE program sponsors exercise great care in selecting qualified instructors for all group programs. Qualified instructors are those who are capable, through training, education, or experience of communicating effectively and providing an environment conducive to learning. They must be competent and current in the subject matter, skilled in the use of the appropriate instructional methods and technology, and prepared in advance.

S10 - 02. Evaluation of instructors' performance. CPE program sponsors should evaluate the instructor's performance at the conclusion of each program to determine the instructor's suitability to serve in the future.

Standard No. 11. CPE program sponsors must employ an effective means for evaluating learning activity quality with respect to content and presentation, as well as provide a mechanism for participants to assess whether learning objectives were met.

S11 - 01. Required elements of evaluation. The objectives of evaluation are to assess participant satisfaction with specific programs and to increase subsequent program effectiveness. Evaluations, whether written or electronic, must be solicited from participants and instructors for each program session, including self-study, to determine, among other things, whether:

- Stated learning objectives were met.
- Stated prerequisite requirements were appropriate and sufficient.
- Program materials were relevant and contributed to the achievement of the learning objectives.
- Time allotted to the learning activity was appropriate.
- If applicable, individual instructors were effective.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

S11 - 02. Evaluation results. CPE program sponsors must periodically review evaluation results to assess program effectiveness and should inform developers and instructors of evaluation results.

Standard No. 12. CPE program sponsors must ensure instructional methods employed are appropriate for the learning activities.

S12 - 01. Evaluate instructional method in context of program presentation. CPE program sponsors must evaluate the instructional methods employed for the learning activities to determine if the delivery is appropriate and effective.

S12 – 02. Facilities and technology appropriateness. Learning activities must be presented in a manner consistent with the descriptive and technical materials provided. Integral aspects in the learning environment that should be carefully monitored include the number of participants and the facilities and technologies employed in the delivery of the learning activity.

3.04 - Standards for CPE Program Measurement

Standard No. 13. Sponsored learning activities are measured by actual program length, with one 50-minute period equal to one CPE credit. Sponsors may recommend one-half CPE credits under the following scenarios:

- **Group – after the first credit has been earned.**
- **Self study – one-half increments (equal to 25 minutes) are permitted.**

The CPA claiming CPE credits should refer to respective state board requirements regarding acceptability of one-half CPE credits.

S13 – 01. Learning activities with individual segments. For learning activities in which individual segments are less than 50 minutes, the sum of the segments would be considered one total program. For example, five 30-minute presentations would equal 150 minutes and would be counted as three CPE credits. When the total minutes of a sponsored learning activity are greater than 50, but not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-half credit, if one-half credits are awarded. Thus, learning activities with segments totaling 140 minutes would be granted two and one-half CPE credits.

S13 – 02. Responsibility to monitor attendance. While it is the participant's responsibility to report the appropriate number of credits earned, CPE program sponsors must monitor group learning participation to assign the correct number of CPE credits.

S13 – 03. Monitoring mechanism for group internet based programs. In addition to meeting all other applicable group program standards and requirements, group internet based programs must employ some type of monitoring mechanism to verify that participants are participating during the duration of the course. The monitoring mechanism must be of sufficient frequency and lack predictability to provide assurance that participants have been engaged throughout the program. If polling questions are used as a monitoring mechanism, at least three polling questions must be used per CPE credit hour. CPE program sponsors should verify with respective state boards on specific polling requirements.

S13 – 04. Small group viewing of group internet based programs. In situations where small groups view a group internet based program such that one person logs into the program and asks questions on behalf of the group, documentation of attendance is required in order to award CPE credits to the group of participants. Participation in the group must be documented and verified by the small group facilitator or administrator in order to authenticate attendance for program duration.

S13 – 05. University or college credit course. For university or college credit courses that meet these

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

CPE Standards, each unit of college credit shall equal the following CPE credits:

- Semester System 15 credits
- Quarter System 10 credits

S13 – 06. University or college non-credit course. For university or college non-credit courses that meet these CPE standards, CPE credit shall be awarded only for the actual classroom time spent in the non-credit course.

S13 – 07. Participant preparation time. Credit is not granted to participants for preparation time.

S13 – 08. Committee or staff meetings qualification for CPE credits. Only the portions of committee or staff meetings that are designed as programs of learning and comply with these standards qualify for CPE credit.

Standard No. 14. CPE credit for self study learning activities must be based on one of the following educationally sound and defensible methods:.

Method 1: Pilot test of the representative completion time.

Method 2: Computation using the prescribed word count formula.

S14 – 01. Method 1 - Sample group of pilot testers. A sample of intended professional participants must be selected to test program materials in an environment and manner similar to that in which the program is to be presented. The sample group must consist of at least three qualified individuals who are independent of the program development group. For those courses whose target audience includes CPAs, the sample group must be licensed CPAs currently subject to state CPE requirements as defined by state board requirements and possess the appropriate level of knowledge before taking the program. For those sponsors who are subject to various regulatory requirements that mandate a minimum number of CPE credits and offer courses to non-CPAs, those courses do not have to be pilot tested by licensed CPAs.

S14 – 02. Method 1 - CPE credit based on representative completion time. The sample does not have to ensure statistical validity; however, if the results of pilot testing are inconsistent, then the sample must be expanded or any inconsistent results eliminated. CPE credit must be recommended based on the representative completion time for the sample. Completion time includes the time spent taking the final examination and does not include the time spent completing the course evaluation. Pilot testers must not be informed about the length of time the program is expected to take to complete. If substantive changes are subsequently made to program materials, further pilot tests of the revised program materials must be conducted to affirm or amend, as appropriate, the representative completion time.

S14 – 03. Method 1 - Requirement for re-pilot testing. If, subsequent to course release, actual participant completion time warrants a change in CPE credit hours, re-pilot testing is required to substantiate a change in CPE credit prospectively.

S14 – 04. Method 1 - Pilot testing when course is purchased from vendor or other developer. CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses where pilot tests were conducted and provided, CPE program sponsors must review results of the course developer's pilot test results to ensure that the results are appropriate. For purchased courses where no pilot tests were conducted or provided, CPE program sponsors must conduct pilot testing or perform the word count formula as prescribed in Method 2.

S14 – 05. Method 2 – Basis for prescribed word count formula. The prescribed word count formula begins with a word count of the number of words contained in the text of the required reading of the self study program and should exclude any material not critical to the achievement of the stated learning objectives for the program. Examples of information material that are not critical and therefore excluded

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

from the word count are: course introduction; instructions to the learner; author/course developer biographies; table of contents; glossary; and appendices containing supplementary reference materials.

Again, only course content text that is critical to the achievement of stated learning objectives should be included in the word count formula. If an author/course developer determines, for example, that including the entire accounting rule or tax regulation is beneficial to the learner, the accounting rule or tax regulation should be included as an appendix to the course as supplementary reference material and excluded from the word count formula. Only pertinent paragraphs or sections of the accounting rule or tax regulation required for the achievement of stated learning objectives should be included in the actual text of the course and therefore included in the word count formula.

Review questions, exercises and final examination questions are considered separately in the calculation and should not be included in the word count.

S14 – 06. Method 2 – Consideration of audio and video segments in word count formula. If audio and video segments of a self study program constitute additional learning for the participant (i.e., not narration of the text), then the actual audio/video duration time may be added to the time calculation as provided in the prescribed word count formula.

S14 – 07. Method 2 – Calculation of CPE credit using the prescribed word count formula. The word count for the text of the required reading of the program is divided by 180, the average reading speed of adults. The total number of review questions, exercises and final examination questions is multiplied by 1.85, which is the estimated average completion time per question. These two numbers plus actual audio/video duration time, if any, are then added together and the result divided by 50 to calculate the CPE credit for the self study program. When the total minutes of a self study program are not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-half credit.

[(# of words/180) + actual audio/video duration time + (# of questions * 1.85)]/50 = CPE credit

S14 – 08. Method 2 – Word count formula when course is purchased from vendor or other developer. CPE program sponsors may purchase courses from other vendors or course developers. For purchased courses where the word count formula was calculated, CPE program sponsors must review the results of the course developer's word count formula calculation to ensure that results are appropriate. For purchased courses where the word count formula calculation was not performed or provided, CPE program sponsors must perform the word count formula calculation or conduct pilot testing as described in Method 1.

Standard No. 15. Instructors or discussion leaders of learning activities may receive CPE credit for their preparation and presentation time to the extent the activities maintain or improve their professional competence and meet the requirements of these CPE standards.

S15 – 01. Instructor CPE credit parameters. Instructors, discussion leaders, or speakers who present a learning activity for the first time may receive CPE credit for actual preparation time up to two times the number of CPE credits to which participants would be entitled, in addition to the time for presentation, subject to regulations and maximums established by the state boards. For example, for learning activities in which participants could receive 8 CPE credits, instructors may receive up to 24 CPE credits (16 for preparation plus 8 for presentation). For repeat presentations, CPE credit can be claimed only if it can be demonstrated that the learning activity content was substantially changed and such change required significant additional study or research.

S15 – 02. Authoring and presenting a program. The CPA claiming CPE credits should refer to respective state board requirements.

Standard No. 16. Writers of published articles, books, or CPE programs may receive CPE credit for their research and writing time to the extent it maintains or improves their professional

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

competence.

S16 – 01. Requirement for review from independent party. Writing articles, books, or CPE programs for publication is a structured activity that involves a process of learning. For the writer to receive CPE credit, the article, book, or CPE program must be formally reviewed by an independent party. CPE credits should be claimed only upon publication.

S16 – 02. Authoring and presenting a program. As a general rule, receiving CPE credits for authoring and presenting the same program should not be allowed. The CPA claiming CPE credits should refer to respective state board requirements.

Standard No. 17. CPE credits recommended by a CPE program sponsor of independent study must not exceed the time the participant devoted to complete the learning activities specified in the learning contract.

S17 – 01. CPE credits agreed to in advance. The maximum credits to be recommended by an independent study CPE program sponsor must be agreed upon in advance and must be equated to the effort expended to improve professional competence. The credits cannot exceed the time devoted to the learning activities and may be less than the actual time involved.

3.05 - Standards for CPE Program Reporting

Standard No. 18. CPE program sponsors must provide program participants at or after the conclusion of the program with documentation (electronic or paper) of their participation (certificate of completion), which includes the following:

- **CPE program sponsor name and contact information.**
- **Participant's name.**
- **Course title.**
- **Course field of study.**
- **Date offered or completed.**
- **If applicable, location.**
- **Type of instructional/delivery method used.**
- **Amount of CPE credit recommended.**
- **Verification by CPE program sponsor representative.**
- **Sponsor identification number or registration number, if required by the state boards.**
- **NASBA time statement stating that CPE credits have been granted on a 50-minute hour.**
- **Any other statements required by state boards.**

S18 – 01. Entity to award CPE credits and acceptable documentation. The CPE program sponsor is the individual or organization responsible for issuing the certificate of completion and maintaining the documentation required by these standards. The entity whose name appears on the certificate of completion is responsible for validating the CPE credits claimed by a participant. CPE program sponsors must provide participants with documentation (electronic or paper) to support their claims of CPE credit. Acceptable evidence of completion includes:

- For group and independent study programs, a certificate or other verification supplied by the CPE program sponsor.
- For self-study programs, a certificate supplied by the CPE program sponsor after satisfactory completion of an examination.
- For instruction credit, appropriate supporting documentation that complies with the requirements of the respective state boards subject to the guidelines in Standard 15 in Standards for CPE Program Measurement.
- For a university or college course that is successfully completed for credit, a record or transcript of the grade the participant received.
- For university or college non-credit courses, a certificate of attendance issued by a representative of the university or college.

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- For published articles, books, or CPE programs, (1) a copy of the publication (or in the case of a CPE program, course development documentation) that names the writer as author or contributor, (2) a statement from the writer supporting the number of CPE hours claimed, and (3) the name and contact information of the independent reviewer(s) or publisher.

Standard No. 19. CPE program sponsors must retain adequate documentation (electronic or paper) for a minimum of five years to support their compliance with these standards and the reports that may be required of participants.

S19 – 01. Required documentation elements. Evidence of compliance with responsibilities set forth under these standards which is to be retained by CPE program sponsors includes, but is not limited to:

- Records of participation.
- Dates and locations.
- Instructor names and credentials.
- Number of CPE credits earned by participants.
- Results of program evaluations.

Information to be retained by developers includes copies of program materials, evidence that the program materials were developed and reviewed by qualified parties, and a record of how CPE credits were determined.**S19 – 02. Maintenance of documentation as basis for CPE credit for self study programs.** For CPE program sponsors using Method 1 (pilot tests) as the basis for CPE credit for self study programs, appropriate pilot test records must be retained regarding the following:

- When the pilot test was conducted.
- The intended participant population.
- How the sample of pilot testers was selected.
- Names and credentials and relevant experience of sample pilot test participants.
- A summary of pilot test participants' actual completion time.
- Statement from each pilot tester to confirm that the pilot tester is independent from the course development group and that the pilot tester was not informed in advance of the expected completion time.

For CPE program sponsors using Method 2 (word count formula) as the basis for CPE credit for self study programs, the word count formula calculation as well as the supporting documentation for the data used in the word count formula (e.g., word count; number of review questions, exercises and final examination questions; duration of audio and/or video segments, if applicable; and actual calculation) must be retained.

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Effective dates:

Unless otherwise established by state licensing bodies and/or other professional organizations, these Standards are to be effective as follows:

1. For group programs and independent study – July 1, 2012.
2. For self study programs in development as of December 31, 2011 and/or being published for the first time – July 1, 2012.
3. For self study programs already in existence as of December 31, 2011 – March 1, 2014.

http://nasba-cpeprograms2012.advancedpublishing.com/Vizion5/print.aspx?id=1&start=0&end=19

4-30-070

What are the experience requirements in order to obtain a CPA license?

(1) Qualifying experience may be obtained through the practice of public accounting and/or employment in industry or government. In certain situations, employment in academia may also provide experience to obtain some or all of the competency requirements. Qualifying experience may be obtained through one or more employers, with or without compensation, and may consist of a combination of full-time and part-time employment.

(2) Employment experience should demonstrate that it occurred in a work environment and included tasks sufficient to have provided an opportunity to obtain the competencies defined by subsection (3) of this section and:

(a) Covered a minimum twelve-month period (this time period does not need to be consecutive);

(b) Consisted of a minimum of two thousand hours;

(c) Provided the opportunity to utilize the skills generally used in business and accounting and auditing including, but not limited to, accounting for transactions, budgeting, data analysis, internal auditing, preparation of reports to taxing authorities, controllership functions, financial analysis, performance auditing and similar skills;

(d) Be verified by a licensed CPA as meeting the requirements identified in subsection (5) of this section; and

(e) Be obtained no more than eight years prior to the date the board receives your complete license application.

(3) **Competencies:** The experience should demonstrate that the work environment and tasks performed provided the applicant an opportunity to obtain the following competencies:

Removed Knowledge of the ACT and Board Rules transferred to WAC 4-30-080 (f) following.

(a) Assess the achievement of an entity's objectives;

(b) Develop documentation and sufficient data to support analysis and conclusions;

(c) Understand transaction streams and information systems;

(d) Assess risk and design appropriate procedures;

(e) Make decisions, solve problems, and think critically in the context of analysis; and

(f) Communicate scope of work, findings and conclusions effectively.

(4) **The applicant's responsibilities:** The applicant for a license requesting verification is responsible for:

(a) Providing information and evidence to support the applicant's assertion that their job experience could have reasonably provided the opportunity to obtain the specific competencies, included on the applicant's Experience Affidavit form presented for the verifying CPA's evaluation;

(b) Producing that documentation and the completed Experience Affidavit form to a qualified verifying CPA of their choice;

(c) Determining that the verifying CPA meets the requirements of subsection (5) of this section; and

(d) Maintaining this documentation for a minimum of three years.

(5) **Qualification of a verifying CPA:** A verifying CPA must have held a valid CPA license to practice public accounting in the state of Washington or be qualified for practice privileges as defined in RCW 18.04.350(2) for a minimum of five years prior to verifying the candidate's experience, including the date that the applicant's experience is verified. The five years do not need to be consecutive.

4-30-080

How do I apply for an initial individual CPA license?

(1) To qualify to apply for an initial license you must meet **the following criteria and requirements**:

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

(b) Education WAC 4-30-060;

(c) Examination WAC 4-30-062;

(d) Experience requirements of WAC 4-30-070;

(e) Achieve and document a passing grade of ninety percent or better on a course covering the complete content of the AICPA Code of Professional Conduct;

(f) Achieve and document a passing grade of ninety percent or better on a course covering the Washington Public Accountancy Act, related board rules, and board policies.

(2) If more than four years have lapsed since you passed the examination, you must meet the CPE requirements of WAC 4-30-134 (1)(a) within the thirty-six month period immediately preceding submission of your license application. **That CPE must include CPE hours in ethics and regulation meeting the requirements of WAC 4-30-134(6). This** regulatory ethics portion of the combined one hundred twenty-hour CPE requirement must be completed within the six month period immediately preceding submission of your license application.

(3) You must provide the required information, documents, and fees to the board either by making application through the board's on-line application system or on a form provided upon request. You must provide all requested information, documents and fees to the board before the application will be evaluated.

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

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

(6) You may not use the title CPA until the date the approval of your license is posted in the board's licensee data base and, therefore, made publicly available for confirmation.

[Statutory Authority: RCW 18.04.055, 18.04.105(1),18.04.215 (1). 10-24-009, amended and recodified as § 4-30-080, filed 11/18/10, effective 12/19/10; 08-18-016, § 4-25-745, filed 8/25/08, effective 9/25/08; 05-01-137, § 4-25-745, filed 12/16/04, effective 1/31/05; 02-04-064, § 4-25-745, filed 1/31/02, effective 3/15/02. Statutory Authority: RCW 18.04.055, 18.04.105 and 18.04.215. 99-18-115, § 4-25-745, filed 9/1/99, effective 1/1/00.]

Western Regional Meeting – June 5-7,

Regional Meeting Registration Fees

Attendees	$695
Guests/Spouses	$350

Register Now

> Tentative Agenda
> Scholarship Information
> Transportation Information
> Guest Tour

Hotel Information

The Ritz Carlton New Orleans
(800) 826-8987
Rate: $189+ 13% tax +$2.00 per room/per night occupancy fee
Cut-off: May 4, 2013

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NASBA
150 Fourth Ave. North
Suite 700
Nashville, TN 37219-2417
Tel: 615-880-4200
Fax: 615-880-4290

CPA Examination Services
800-CPA-EXAM
615-880-4250
cpaexam@nasba.org

National Candidate Database
866-MY-NASBA
cbtcpa@nasba.org

National Registry of CPE Sponsors
866-627-2286
cpe@nasba.org

NASBA (New York Satellite
12 East 49th Street
Suite 1709
New York, NY 10017
Tel: 615-880-4200
Fax: 212-644-5961

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NASBA

National Association of State Boards of Accountancy

2013 Regional Meetings
Tentative Agenda

June 5-7 – New Orleans, LA
June 26-28 – Chicago, IL

Wednesday

8:00 – 9:00 a.m.	**New Accountancy Board Member Breakfast**
9:00 a.m. – 3:00 p.m.	**New Accountancy Board Member Orientation Program**
4:00 – 5:00 p.m.	**Regional Meeting Registration**
6:00 – 8:00 p.m.	**Welcome Reception**

Thursday

7:30 -8:45 a.m.	**Board Communications Officers' Breakfast Meeting**
7:30 – 9:00 a.m.	**BREAKFAST** (All Welcome)
9:00 – 9:20 a.m.	**Welcome from Regional Directors** (All Regions)
9:20 – 9:30 a.m.	**Welcome from Host Board**
9:30 – 10:00 a.m.	**Update from NASBA Leadership**
10:00 – 10:30 a.m.	**What's Happening with Private Company Standards?**
10:30 -10:45 a.m.	BREAK
10:45 – 11:15 a.m.	**Why Change the Definition of "Attest" and Other UAA Issues**

11:25 – 12:25 p.m. **Questions and Answers**

(2 Regions Meet – Regional Directors moderate with topic experts present.
SW and Mountain; Pacific and Central - West
SE and NE; Middle Atlantic and Great Lakes - East
Participation limited to Board of Accountancy members, staff and former Board of Accountancy members)

11:25 – 12:25 p.m. **Seminar for Other Attendees: Improving Relations with Boards – Key Issues**

For those not affiliated with a State Board.

12:30 – 1:30 p.m. **LUNCH** (All Meeting Attendees – Table Topics)
Assigned seating

1:40 - 2:15 p.m. **Changes in Ethics**

2:25 – 4:05 p.m. **Meet with Your Region**
(Participation limited to Board of Accountancy members, staff and former Board of Accountancy members. Each Region will meet in a separate room with the Regional Director leading the discussion. Election of Nominating Committee Representatives in Great Lakes, Mountain, Northeast and Southwest Regions.)

2:25 – 3:25 p.m. **Seminar for Other Attendees:** Working Together to Strengthen Accounting Education and Diversity in the Profession

4:15– 4:30 p.m. **Wrap Up**

<u>Friday</u>

7:30 – 8:50 a.m. **Board of Accountancy Chairs' and Presidents' Breakfast Meeting**

7:30 – 8:50 a.m. **Board of Accountancy Executive Directors' Breakfast Meeting**

8:00 – 9:00 a.m. **BREAKFAST** (All Welcome)

9:00 – 9:15 a.m. **Report from Regional Breakouts** (A summation of Thursday's sessions)

9:15 – 9:45 a.m. **Legal Heads Up**

9:45 - 10:15 a.m. **Education Research Project Results** (summary reports from grant recipients)

10:15 – 10:30 a.m. **BREAK**

10:30 – 11:45 a.m. **Breakout Sessions** (Select one)

1- **Education – Accreditation sources, federal funding and on-line programs**

2- **UAA Questions – How can these changes work in my jurisdiction?**

3- **Considering ARSC's proposals – Regulatory concerns**

4- **International Candidates – What the statistics reveal**

11:45 – 1:00 p.m. **LUNCH** (Meeting Attendees Only)

1:00 – 2:15 p.m. **Breakout Sessions**
(*Select one from breakouts listed for morning. Participants asked to select different session from one attended earlier.)*

2:15 – 2:30 p.m. **BREAK**

2:30 – 3:00 p.m. **Committee Updates**

3:00 – 3:15 p.m. **Report from the CPA Examination Review Board**

3:15 – 3:45 p.m. **The Uniform CPA Examination**

- **Report from the Board of Examiners**
- **Report on International Administration of the CPA Examination**

3:45 – 4:15 p.m. **Questions and Answers for NASBA**

4:15 – 4:30 p.m. **Wrap Up**

6:30 p.m. **GALA**

2/20/13

PEER REVIEW OVERSIGHT COMMITTEE

_____ BOARD OF ACCOUNTANCY

(date)

[Board Chair]
_____ State Board of Accountancy

RE: Annual Report on Oversight of AICPA Peer Review Program
Administered by the [ADMINISTERING ENTITY NAME – state CPA society or other entity]
For the period from _____ through _____

Dear [Board Chair]:

We have completed our monitoring and evaluation of the AICPA Peer Review Program administered by the [ADMINISTERING ENTITY NAME] for the period from _____through _____. Our oversight work was performed in accordance with the *Operating Agreement Between the _____ Board of Accountancy (Board) and the [administering entity name] for State Oversight of the AICPA Peer Review Program*.

The purpose of the Peer Review Oversight Committee (PROC) is to provide reasonable assurance that:

- The participating entities are complying with the administrative procedures acceptable to the Board.
- Reviews are being conducted in accordance with [state law or rule number] (1) Purpose*, to monitor licensees' compliance with attest standards* and (2) Structure and implementation, *such other functions as the board may assign to the committee*. [example wording; actual enabling law or rule to be used]
- Results of peer reviews are evaluated in a consistent manner.
- Compliance assurance information is provided to reviewed firms and reviewers by administering entities in an accurate and timely manner.
- The Board is advised on any other matters related to the compliance assurance program.

The [ADMINISTERING ENTITY NAME] administration of the peer review program is performed by a Peer Review Committee and [number] Report Acceptance Bodies (RABs). They are assisted by [number] technical reviewers engaged by the [ADMINISTERING ENTITY NAME] who receive peer review reports from firms upon completion of their reviews. These reports and certain review documents provided by the peer reviewer are reviewed by the technical reviewers who summarize the information and obtain explanations from peer reviewers and require revisions as considered necessary. The RABs receive this information for review, acceptance,

modification, and determination of any follow up and/or monitoring actions to be performed relative to the peer review.

We observed (number) percent of the meetings of the Peer Review Committee (number) and (number) % of the RAB meetings (number) that occurred during the period above**. Note:** ***If the RAB in your state segregates between system and engagements RAB's, include this data: The System RAB, which reviews firms that perform audits and other attest engagements, met (number) times and the Engagement RAB, which reviews firms that do not perform audit or attestation engagements, also met (number) times.*** Some of these meetings were tele-conferences. We received the information that the RABs had available to make their conclusions prior to the meetings and observed, without comment, the proceedings. One PROC member observed each meeting. After each of the meetings, the PROC member completed a standardized checklist and summarized any observations.

*Note: If the RAB in your state **does NOT** segregate between system and engagements RAB's, present the review results as follows:*
During the period covered by this report, the RAB reviewed (number) reports and accepted (number) (__%) without follow-up or monitoring actions required. The remaining (number) (__%) firms were subjected to further monitoring by the RAB. (number) other firms' reviews were deferred to obtain additional information. Of the (number) reports, (number) (__%) were rated "pass" by the peer reviewer, (number) (__%) were rated as "pass with deficiency(ies)"and (number) (__%) were rated "fail".

*Note: If the RAB in your state **DOES** segregate between system and engagements RAB's, present the review results separately as follows:*
During the period covered by this report, the System RAB reviewed (number) reports and accepted (number) (__%) without follow-up or monitoring actions required. The remaining (number) (__%) firms were subjected to further monitoring by the RAB. (number) other firms' reviews were deferred to obtain additional information. Of the (number) reports, (number) (__%) were rated "pass" by the peer reviewer, (number) (__%) were rated as "pass with deficiency(ies)"and (number) (__%) were rated "fail".

The Engagement RAB reviewed (number) reports and accepted (number) (__%) without follow-up or monitoring actions. The remaining (number) (__%) firms were subjected to further monitoring by the RAB. Of the (number) reports, (number) (__%) received a rating of "pass", (number) (26%) received a rating of "pass with deficiency(ies) and (number) (__%) received a rating of "fail".

We also observed administrative oversight of the program performed by [AICPA or description of the administering entity's internal oversight function]. In addition to reviewing files relative to reviewer qualifications, the review included inspection of (number) administrative files for peer reviews completed during the period.

Schedule I is a summary of matters we observed during the meetings.

Based upon the results of the procedures we performed, it is our conclusion that peer reviews administered by [ADMINISTERING ENTITY NAME] for the period from _____ through _____ were conducted and reported on in accordance with the standards of the AICPA Peer Review Program and that the AICPA program can be relied upon as a basis for excluding licensee firms from undergoing Board initiated reviews.

Sincerely,
PEER REVIEW OVERSIGHT COMMITTEE

_____
[NAME], Chairman

SCHEDULE I

SUMMARY OF OBSERVATIONS OF PEER REVIEW OVERSIGHT COMMITTEE

For the period from _____ through _____

During our observations of the [ADMINISTERING ENTITY NAME] Peer Review Committee (PRC) and its two Report Acceptance Bodies (RABs) and the administrative oversight, the PROC members observed the following.

[SAMPLE WORDING]

1. The PRC and RABs had good discussions relative to the more difficult reports (which contained matters for further consideration (MFCs) and findings for further consideration (FFCs)).
2. The members of the RABs had good discussions about the ratings being given on the reviews and did not always agree with the reviewer between the "pass", "pass with deficiencies" and "fail" conclusions reached. Their recommended follow-up actions, however, generally tried to identify what would improve the quality of the firm's attest work the most.
3. The [ADMINISTERING ENTITY NAME] is making efforts to get additional RAB members and is trying hard to obtain more peer reviewers to help with the increased work load due to the transfer of the Board's compliance review program to the AICPA program.
4. The AICPA oversight during this period generated some discussions that helped committee members develop criteria for consistency in report ratings.

_____Board of Accountancy

Peer Review Oversight Committee

Summary of Peer Review Committee Meeting

Date of Meeting: _____

EVALUATION OF THE TECHNICAL ASPECTS OF THE MEETING CONTENT AND DISCUSSION	YES	NO	N/A	COMMENTS
1. Does it appear that the meeting has been adequately planned? Have members been provided an agenda and supporting materials in sufficient time to review and contribute to the meeting?				
2. Do the members appear prepared for the meeting? Does it appear that the members have reviewed the materials provided prior to attending the meeting?				
3. Are there a required minimum number *of* committee members present?				
4. Do the members appear knowledgeable about their responsibilities??				
5. Are technical reviewers available during the meeting to address issues as they arise?				

6. Were any specific problems or issues discussed?				
7. When issues arise in RAB meetings that cannot be resolved by the RAB, are all PRC members asked to discuss their position?				
8. Do the members consider how the AICPA National Peer Review Committee or how other states handle the issues being discussed?				
9. Does the Committee consider technical reviewers' recommendations and then come to its own decision?				
10. Has the Committee agreed to take any action on the problems or issues raised?				
11. Please comment on the Committee's knowledge of acceptance procedures and corrective/monitoring actions: ☐ Meets Expectations ☐ Does Not Meet Expectations (requires a comment below)				
12. Does the Committee discuss the performance of Team Captains?				

13. Do the Committee members believe sufficient guidance is provided by the program and the various manuals and procedure documents?				
14. In what areas do committee members believe additional guidance is needed:				
15. Has the Committee demonstrated improvement from any prior oversight visit report?				
16. At the conclusion of the meeting discuss your findings with the organization's Peer Review Committee Chair and Program Director: ☐ Meets Expectations ☐ Does Not Meet Expectations (requires a comment below)				
17. Other comments, if any:				

The above checklist was prepared by:

Print Name _____ Signature _____

_____ Board of Accountancy
Peer Review Oversight Committee

Summary of Report Acceptance Body Meeting

Purpose: As part of its oversight activities, the Peer Review Oversight Committee (PROC) observes selected Report Acceptance Body (RAB) meetings as further described in the PROC's operating guidelines. The RAB meetings generally occur via conference call. RAB members *are* provided with the materials needed to review and present the peer reports subject to discussion on a general call. The objective of this aspect of PROC oversight is to observe how the RAB executes its duties in the meeting and determine whether or not this aspect of the peer review program is operating effectively in the state of _____. These matters are then summarized and reported to the _____ Board of Accountancy as part of the PROC reporting.

Date of Meeting:_____

Number of reports discussed at the meeting:_____

EVALUATION OF THE TECHNICAL ASPECTS OF THE MEETING CONTENT AND DISCUSSION	YES	NO	N/A	COMMENTS
1. Do the RAB members appear knowledgeable about their responsibilities?				
2. Do the RAB members resolve inconsistencies and disagreements before accepting the reports?				
3. If inconsistencies and disagreements are not resolved, are alternative courses of action agreed to (including but not limited to further research of the unresolved matters with discussion planned to occur at a future meeting)?				

4.	Are RAB members knowledgeable about:			
a.	The technical aspects of their reviews, both peer review standards as well as general audit and accounting standards?			
b.	Critical peer review issues and risk considerations (focus matters)?			
c.	Industry specific issues (i.e. Requirements of ERISA, Government Audit standards/Regulations, etc.)?			
d.	The differences in matters, findings, deficiencies and significant deficiencies?			
e.	Appropriate types of reports?			
f.	Circumstances for requiring revisions to review documents?			
g.	Appropriateness of recommended corrective or monitoring actions?			
5.	Are technical reviewers available during the meeting to address issues as they arise?			
6.	Do technical reviewers appear knowledgeable about their function and responsibilities?			
7.	Are technical reviews performed sufficiently timely after the review documents are submitted to the Peer Review Program?			

8. Are technical reviewers knowledgeable about:				
a. Treatment of engagements that fail to meet professional standards and implications for reporting?				
b. Review scope and (for system reviews) risk assessments?				
c. Appropriate forms and content of reports and response letters?				
d. Proper completion of MFC and FFC forms?				
e. Revisions to Peer Review documents?				
9. Were any specific problems or issues discussed?				
10. Does it appear that appropriate decisions were made regarding:				
a. Corrective or monitoring actions?				
b. Scope of the review?				
c. Revisions to review documents?				
d. Requests for extensions?				
e. Conclusions on any problem reviews?				

11. Based on your observations, were the RAB's discussions and their conclusions on the reviews presented reasonable?				
12. When performance issues are identified, does the RAB provide adequate feedback to Team Captains that aid in improving the peer review program?				
13. Comment regarding the overall evaluation of the technical aspects of the meeting content and discussion.				
EVALUATION OF THE GENERAL RAB MEETING PROCESS	**YES**	**NO**	**N/A**	**COMMENTS**
14. Was sufficient time allowed for discussion of each report or matter?				
15. Were there a required minimum number of committee members present?				
16. Was the nature of the discussion appropriate and were recommendations for courses of action reasonable for the reports discussed? (consider recommendations for education, discipline, etc.)				
17. Do members appear to have a good rapport with one another and openly/candidly provide feedback for the report discussion?				
18. Were any specific problems or issues discussed?				

19. Comments regarding the overall evaluation of general meeting process:

CONCLUSION

20. At the conclusion of the meeting, discuss our observations with the individual leading the RAB Committee Meeting. Matters discussed:

21. Rate the meeting as to its effectiveness for its role in the peer review process:

☐ Meets Expectations ☐ Does Not Meet Expectations (requires a comment below)

22. Other comments, if any:

The above checklist was prepared by:

Print Name _____ Signature _____

Request Review Committee Report
April 23, 2013

Karen Saunders, CPA, Chair

During the first quarter 2013, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

CPE Extensions exceeding 16 CPE credit hours – All CPE extension requests were due on or before December 31, 2012. No activity during first quarter 2013.

Firm Names: *Approved*:

- Adams, Brown, Beran & Ball, Chartered
- Cleveland Estes Avellone, PLLC
- Cynthia A Brog Accounting Services, LLC
- Freedom Tax & Accounting Services LLC
- Gumbiner Savett Inc.
- Kalter Co Consulting and Accounting
- Kiesling Associates LLP
- Seattle CPA Firm LLC
- Summit Accounting Services LLC
- Wozniak & Mullen, LLP

Late Fee Waivers – No activity during first quarter 2013.

Professional/Educational Organization – Recognition Requests:

Recognized:

- University of Washington
- HalfMoon Education Inc.

Domestic or International Education Credential Evaluation Services – Applications:

Recognized:

- Educational Records Evaluation Service, Inc. (ERES)

Washington State Board of Accountancy

Complaint Status Report

	09/30/12	12/31/12	03/31/13
Intake			
Complaints Received	52	21	30
Complaints Dismissed	(9)	(7)	(4)
Moved to Investigation	(42)	(11)	(20)
Total Complaints Under evaluation	27	30	36

Investigation - Developing and Developed Cases			
Cases in Development	16	20	26
Investigations Awaiting Action	3	5	0
Developed Cases Moved Forward	45	6	9
Total Developing and Developed Cases	**64**	**31**	**35**

Total Complaints under Evaluation/Development	**91**	**61**	**71**

Aging of All Developing and Developed Cases			
>4 years	2	2	3
>3 years, < or = 4 years	1	1	1
>2 years, < or = 3 years	2	4	1
>1 year, < or = 2 years	9	7	6
< 1 year, > 180 days	50	17	4
< or = 180 days			20
Total	**64**	**31**	**35**

Classification of All Developing and Developed Cases			
Public Harm			
Negligent Performance of Attest	5	5	6
Negligence, Incompetence, Disregard	12	12	18
Use of Restricted Titles	1	2	5
Borrowing, Theft, Embezzlement, Breach of Fiduciary Duty	5	3	3
Breach of Confidentiality		0	0
Records Retention Causing Harm	1	3	2
Administrative			
QAR	39	1	0
CPE under 16 hours		1	0
CPE over 16 hours	0	1	0
Good Character Evaluation	1	3	1
Total	**64**	**31**	**35**

Investigations Closed - Disposition By			
Board Order/Agreed Order			
Revocation - PH*	0	2	0
Suspension - PH*	0	1	2
Suspension - Other	0	2	1
Practice restriction - PH*	0	0	0
SAO-Fine/costs/other sanctions - PH*	1	0	1
SAO-Fine/costs/other sanctions	0	9	3
Subtotal	1	14	7
Administrative Sanctions	0	26	0
Reinstatement			1
Dismissals	0	3	3
Dismissals - PH*	0	1	3
Total	**1**	**44**	**14**
Average # of days to complete investigation			86

* Public Harm

Other:			
PCAOB/Peer Review Monitoring	25	25	25

Board of Accountancy
Washington State

Investigation Statistics

Historical data: January 2003 through March 31, 2013

Year Opened	Number of Cases Opened	Number of Cases Closed	
2003	83	62	
2004	144	92	
2005	83	85	
2006	131	64	*
2007	143	176	*
2008	90	99	**
2009	130	76	**
2010	99	182	**
2011	82	133	**
2012	64	75	
2013	18	14	
Average	105	104	

As of March 31, 2013:

Active Cases:	**34**
Pending Cases:	**1**
Total Open Cases	**35**

* Clean up backlog (new Executive Director)
** Interrupted by significant public records requests and litigation

Washington State Board of Accountancy
Case Status Report

		2010	3/31/11	6/30/11	9/30/11	12/31/11	2011	03/31/12	06/30/12	09/30/12	12/31/12	2012
Beginning Cases		176	93	66	51	48	93	42	28	23	64	42
	Cases Opened	99	18	19	30	15	82	7	4	42	11	64
	Cases Closed	-182	-45	-34	-33	-21	-133	-21	-9	-1	-44	-75
Remaining Cases		**93**	**66**	**51**	**48**	**42**	**42**	**28**	**23**	**64**	**31**	**31**
Cases 07 and Older		14	10	6	5	3	3	2	2	2	2	2
Cases 09 and Newer		79	56	45	43	39	39	26	21	62	29	29
Totals		**93**	**66**	**51**	**48**	**42**	**42**	**28**	**23**	**64**	**31**	**31**
Investigation Completed:												
	Attorney General		11	7	5	1		4	3	3	1	
	CBM		9	4	0	10		10	4	7	7	
	S&AO		23	11	7	7		2	2	15	3	
	CBM Dismissals		0	1	1	2		1	0	0	0	
			43	23	13	20		17	9	25	11	
Investigation In Progress:												
Complaint Files												
	Active Investigation		19	17	17	11		5	9	9	15	
Agency Files												
	QAR		0	2	8	0		0	0	25	0	
	CPE		0	4	6	7		1	0	0	0	
	Admin		0	0	0	0		0	0	0	0	
			0	6	14	7		1	0	25	0	
Total			**62**	**46**	**44**	**38**		**23**	**18**	**59**	**26**	
Active			62	46	44	38		23	18	59	26	
Pending			4	5	4	4		5	5	5	5	
Total			**66**	**51**	**48**	**42**		**28**	**23**	**64**	**31**	
Classification:												
	Code of Conduct		22	17	11	12		8	6	7	6	
	Competency		11	10	11	13		9	10	12	16	
	Title		6	6	2	1		1		1	2	
	Fraud		7	6	9	6		7	6	5	4	
			46	39	33	32		25	22	25	28	
	Administrative											
	QAR		8	5	8	1		0	1	39	1	
	CPE		12	7	7	9		3	0	0	2	
			20	12	15	10		3	1	39	3	
Total			**66**	**51**	**48**	**42**		**28**	**23**	**64**	**31**	
Closed cases:												
Revocation - PH*		5	0	1	2	1	4	1		0	2	3
Suspension - PH*		8	4	6	3	3	16	1	2	0	1	4
Suspension - Other									2	0	2	4
Practice restriction - PH*		3	2	2	0	0	4	1	0	0	0	1
SAO-Fine/costs/other sanctions - PH*								1	0	1	0	2
Reinstatements		0	1	1	0	1	3	0	0	0	0	0
SAO-Fine/costs/other sanctions		68	24	13	7	9	53	3	3	0	9	15
Dismissals		57	12	8	12	1	33	9	2	0	3	14
Dismissals - PH*											1	1
Admin Sanctions		41	2	3	9	6	20	5	0	0	26	31
Total		**182**	**45**	**34**	**33**	**21**	**133**	**21**	**9**	**1**	**44**	**75**
Other:												
Complaints received not opened		**56**	10	8	5	21	**44**	10	8	9	7	**34**
PCAOB/Peer Review Monitoring			29	25	20	25		23	25	25		
Administrative Sanctions-CPE		**255**										
	Failures under 16 hours											

* Public Harm