

Board of Accountancy

WASHINGTON STATE



REGULAR BOARD MEETING AGENDA

Date, Time: Friday, July 31, 2015 – Regular Board Meeting – 9:00 a.m.
Location: Washington State University – Vancouver Campus – Rooms VDEN 129 and VDEN 130
14204 NE Salmon Creek Ave, Vancouver, WA 98686
(360) 546-9788
Notices: None

Chair Introductions/Special Notices

REGULAR MEETING AGENDA

Attachments at tab:

1. Minutes – April 17, 2015, Regular Board MeetingA
2. Policy Updates and Discussions
 - a. 2000-1 Continuing Professional Education and Licensing RequirementsB
 - b. 2011-2 Interim Policy Guidelines Pending Rule ChangesC
 - c. 2012-1 Social Media
3. Rules Revisions
 - a. WAC 4-30-050 What are the requirements concerning records and clients confidential information?
 - b. WAC 4-30-060 What are the education requirements to qualify to apply for the CPA examination?
4. NASBA Update
 - a. Guest Speaker - Daniel J. Dustin, CPA, Vice President, NASBA State Board Relations
5. Client Confidentiality and the Cloud
6. NASBA Foreign Education
7. Legal Counsel's Report
 - a. Investigation Process Presentation
8. Chair's Report
 - a. Potential Statute Revisions
 - i. Elimination of CPA-Inactive status (RCW 18.04.105)

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

Kirsten Donovan, Washington State Board of Accountancy
PO Box 9131, Olympia, WA 98507-9131
Phone: 360-664-9191 E-mail: kirstend@cpaboard.wa.gov

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

Washington State Board of Accountancy
Regular Board Meeting Agenda
Page 2

- ii. Timeframe for licensure after passing the CPA Exam (RCW 18.04.105)
 - b. Washington Rules and Statutes Compared to Model Rules and UAA.....D
 - c. Closing Agreements by Licensees Acting as Trustees
- 9. Committee/Task Force Reports
 - a. Executive – Donald Aubrey, CPA, Chair - *Verbal Report*
 - b. Compliance Assurance Oversight – Edwin Jolicoeur, CPA, Chair – *No Report*
 - c. Legislative Review – Donald Aubrey, CPA, Chair – *No Report*
 - d. Quality Assurance – Thomas Neill, CPA, Chair – *No Report*
 - e. Request Review – Karen Saunders, CPA, Chair – *Verbal Report*E
 - f. State Ethics Compliance – Lauren Jassny, Ethics Advisor – *No Report*
 - g. Qualifications – Thomas Neill, CPA, Chair – *No Report*
 - h. Performance Review and Succession – Emily Rollins, CPA, Chair – *No Report*
 - i. Client Record – Thomas Neill, CPA, Chair – *No Report*
- 10. Executive Director’s Report
 - a. Cash Flows with Funds Sweep – Policy to Consider Renewal Fee ReductionsF
 - b. Policy to Change Actual Cost on Investigation/Hearings
- 11. Director of Investigation’s ReportG
- 12. Executive and/or Closed Sessions with Legal Counsel
- 13. 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

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

Time and Place of Meeting	9:10 am – 1:35 pm Friday, April 17, 2015 Columbia Basin College – Pasco Campus Room L102, Library Building 2600 N. 20 th Avenue Pasco, Washington 99301
Attendance	Donald F. Aubrey, CPA, Chair, Board Member Lauren C. Jassny, Vice Chair, Public Board Member (arrived at 9:22 am) Elizabeth D. Masnari, CPA, Board Member Edwin G. Jolicoeur, CPA, Board Member Thomas G. Neill, CPA, Board Member Favian Valencia, Public Board Member Richard C. Sweeney, CPA, Executive Director Jennifer Sciba, Deputy Director Charles E. Satterlund, CPA, Director of Investigations Kirsten Donovan, Board Clerk
Call to Order	Board Chair, Don Aubrey, called the regular meeting of the Board to order at 9:10 am. The Board Chair excused the absences of Karen Saunders, CPA, Secretary, Board Member; Emily Rollins, CPA, Board Member; and Bruce Turcott, AAG, Legal Counsel.
Minutes – January 30, 2015 Regular Board Meeting	The Board approved the minutes of the January 30, 2015 Board meeting as presented.
Board Policies – Annual Review	The Board completed its annual review of all Board policies. The Board voted to retain the following policies with no revisions: <ul style="list-style-type: none">• 2002-1 Substantially Equivalent Jurisdictions• 2002-2 Expert Witness Services• 2002-4 International Reciprocity• 2003-1 Safe Harbor Report Language for Use by Non-CPAs• 2004-2 Exam Applicant Disability Documentation and Testing Modification Guidelines• 2011-1 Principles Underlying Board Rules• 2015-1 Board Member Travel and Attendance at Group Gatherings

Minutes, April 17, 2015, Regular Board Meeting

The Board discussed taking action on the following policies at the July 2015 Board meeting:

- 2000-1 Continuing Professional Education and Licensing Requirements

The Executive Director will draft a policy revision to add “with the exception of Washington Ethics and Regulations courses” to the section concerning no pre-approval of programs.

- 2004-1 Sanction and Penalty Guidelines

The Executive Director will present a proposed standard cost recovery process. No revisions to the policy are required.

- 2011-2 Interim Policy Guidelines Pending Rule Changes

The Executive Director will draft a policy revision for review.

- 2012-1 Social Media

The policy will be further discussed for revision after additional research is conducted.

Social Media Report

Favian Valencia provided a social media report and led the discussion. Topics included:

- Facebook and Twitter as a possible medium for attracting the younger generation.
- LinkedIn
- Maintaining a conservative focus when/if the Board revises its current policy.
- Communication brunch at the NASBA Western Regional Meeting as a resource for additional information and other state Board’s experiences.

NASBA Update

Rich Jones, President and CEO of the Washington Society of CPAs (WSCPAs), reported on the activities of the NASBA Boards and Societies Committee.

Minutes, April 17, 2015, Regular Board Meeting

Ed Jolicoeur, CPA, Pacific Regional Director for the National Association of State Boards of Accountancy (NASBA), reported on the following NASBA activities:

- ALD – 50 Boards now participating.
- Exposure drafts will be forthcoming from various committees.
- Practice monitoring.
- Nominations for Board of Directors – recommendations due by May 28, 2015 – Ed requests to be recommended for his second term as Pacific Regional Director.
- Participation on NASBA committees is encouraged.
- Western Regional Meeting – June 18-19 in Coronado, CA.

The Board unanimously voted to recommend Ed Jolicoeur for Pacific Regional Director. The Executive Director will prepare the letter of recommendation.

Client Confidentiality and the Cloud

The Executive Director reported on cloud computing privacy issues as it relates to WAC 4-30-050 and led a discussion on the topic. The primary areas of concern are:

- Who owns the data?
- Encryption

The Executive Director will draft a paper to present for approval at the July Board meeting.

Chair's Report

Potential Statute and Rules Revisions: The Board Chair led a discussion on potential revisions to:

- License renewal cycle (RCW 18.04.215)
 - The Board found no need for revisions at this time.
- Elimination of CPA-Inactive status (RCW 18.04.105)
 - The Board is leaning towards setting a date for elimination of the status and determining the best method to accomplish this either through rule or statute. Additional discussions will follow.

Minutes, April 17, 2015, Regular Board Meeting

- Timeframe for licensure after passing the CPA Exam (RCW 18.04.105)
 - The Board discussed establishing an expiration date for Exam scores to be consistent with surrounding states. Further discussions will follow.
- Education review for initial license applicants who passed the Exam as an out-of-state candidate (WAC 4-30-080)
 - The Board found no need for revisions at this time.
- CPE annual requirement (WAC 4-30-134)
 - The Board found no need for revisions at this time.

Washington Rules and Statutes Compared to Model Rules and UAA: The Board Chair asked that Board Members review the report for discussion at the July Board meeting.

Supreme Court Decision - Noel Allen's Review: The Board Chair reported on the North Carolina State Board of Dental Examiners case.

Recap of Vancouver Trip: The Board Chair reported on the trip to Vancouver, BC for the signing of the Memorandum of Understanding and Cooperation and recognition ceremony.

Executive Committee

Don Aubrey reported that the committee met by teleconference on April 6, 2015 to discuss the Board meeting agenda.

Compliance Assurance Oversight Committee

Ed Jolicoeur reported that Deidra Roberts will attend the PROC summit.

Legislative Liaison Committee

Rich Jones reported on current legislation:

- The PI statute passed exempting CPAs and CPA firms from the PI licensing requirement.
- Higher education accounting scholarships bill passed both the Senate and the House and is currently awaiting the Governor's approval.

Quality Assurance Committee

Tom Neill had nothing to report.

Minutes, April 17, 2015, Regular Board Meeting

**Request Review
Committee**

Don Aubrey reported:

Firm Names: *Approved:*

Seattle Public Accounting
Lewis Group CPAs, P.C.
US&CO Certified Public Accountants PLLC
DC Accounting & Tax Services, Inc.
KCHM, LLC
VWC, P.S.
Hongxin Accounting and Financial, LLC
Turquoise Tax Advisory
Principled Estates and Trusts

Professional/Educational Organization - Recognition

Requests: During the 1st quarter 2015, the Board did not receive any requests for recognition as an educational organization for purposes of obtaining a list of individual CPAs.

Domestic or Foreign Education Credential Evaluation

Services – Applications: During the 1st quarter 2015, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

**State Ethics
Compliance Committee**

Lauren Jassny had nothing to report.

**Qualifications
Committee**

Tom Neill had nothing to report.

**Performance Review
and Succession
Committee**

Emily Rollins had nothing to report.

**Client Record Task
Force**

Tom Neill had nothing to report.

**Executive Director's
Report**

Cash Flows with Funds Sweep: The Executive Director stated that he believes we will know the amount of the fund sweep in time for the July Board meeting. The Executive Director will prepare a proposal for a renewal fee reduction

Minutes, April 17, 2015, Regular Board Meeting

related to a proposed minimum fund balance required if fees are collected in excess of that balance.

Use of Titles – Foreign Designations under MOUC: The Executive Director reported that the use of title issue for British Columbia CPAs will need to be addressed and updated in the statute.

Director of Investigations' Report

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

- Enforcement Report: January 1, 2015 through March 31, 2015

Charles Satterlund reported on the following issues:

- Engagement letters - their importance should be promoted on the website and in the newsletter.
- Comfort letters – still receiving many phone calls related to these letters.

Executive and/or Closed Session with Legal Counsel

No executive or closed sessions with legal counsel held.

Upcoming Board Meeting Agenda Items

The Board Chair reported that these topics will be included as agenda items for the July Board meeting:

- The AAG, Bruce Turcott, presentation on investigation process.
- NASBA foreign education.
- Education rule review.
- Client record succession.

Public Input

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

Adjournment

The Board meeting adjourned at 1:35 pm.



Washington State Board of Accountancy

Policy Number: 2000-1

Title: Continuing Professional Education*

Revised: July ~~31~~²², 201~~5~~³

Approved: _____
Chair Donald F. Aubrey~~Emily R. Rollins~~, CPA,

*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 with the exception of Washington Ethics and Regulations courses. 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.

III. CPE Credit for Self Study Learning Activities

The Board recognizes the Statement on Standards for Continuing Professional Education (CPE) Programs (Standards) approved and published jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA).

CPE credit for self study learning activities offered by sponsors other than the AICPA or recognized by the NASBA National Registry of CPA Sponsors or Quality Assurance Service (QAS) Self Study sponsors must be based on one of the following methods identified in the Standards:

- Pilot test of the representative completion time
- Computation using the prescribed word count formula

The standards containing a full description of the above methods may be found at <http://www.aicpa.org/Advocacy/State/DownloadableDocuments/AICPA-NASBA-Final-CPE-Standards.pdf>.

Effective: January 1, 2000

*Revised: [July 22, 2013](#); April 25, 2011; 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: 2011-2

Title: Interim Policy Guidelines Pending Rule Changes

Revised:

**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.

PROCEDURES:

I. CPE Deficiencies:

If the CPE deficiency is self-reported after June 30 of the renewal year 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:

1. Applicants with CPE deficiencies up to and including 16 deficient hours are *subject to delegated administrative sanctioning guidelines*; and
2. Applicants deficient 17 hours and above shall be referred to investigations and

Washington State Board of Accountancy
Board Policy Number: 2011-2
Interim Policy Guidance

Page 2

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

*Revised: October 23, 2012

Proposed Change to Part I:

Alternative # 1:

PROCEDURES:

II. CPE Deficiencies:

*If a CPE deficiency is self-reported after June 30 of the renewal year or if the CPE deficiency is determined during CPE audit, staff **shall** follow the Board's delegation related to the issuance of **Administrative Notices of Noncompliance**:*

1. Licensees with CPE deficiencies up to and including 16 deficient hours are *subject to the delegated administrative sanctioning guidelines included within Board Policy 2004-1*; and
2. Licensees deficient 17 hours or more shall be subject to either (a) Stipulated Agreement and Order of Assurance approved by the Board or the licensee may request a Board hearing. In either case a offer to resolve the matter will include the following proposal for administrative remedy:

Penalties as specified in the delegated administrative sanctioning guidelines for the first 16 hours of deficiency plus \$25 per each additional CPE credit hour deficient in excess of first 16 CPE credit hour.

Example: Licensee was determined to be 120 hours short by CPE Audit, including failure to register and complete the required 4 hours of Ethics and Regulation in Washington State.

Ethics course	\$ 500	4 hrs
16 hour deficiency	\$ 500	16 hrs
Remaining 100 hours	<u>\$2,500</u>	<u>100 hrs</u>
	<u>\$3,000</u>	<u>120 hrs</u>

Alternative # 2:

III. CPE Deficiencies:

*If a CPE deficiency is self-reported after June 30 of the renewal year or if the CPE deficiency is determined during CPE audit, staff **shall** follow the Board's delegation related to the issuance of **Administrative Notices of Noncompliance and the matter** shall be subject to the delegated administrative sanctioning guidelines included within Board Policy 2004-1.*

If Alternative #2 is the Board's preference then the administrative sanctioning guidelines would be expended to include:

Penalties as specified in the delegated administrative sanctioning guidelines for the first 16 hours of deficiency plus \$25 per each additional CPE credit hour deficient in excess of first 16 CPE credit hours.

Example: Licensee was determined to be 120 hours short by CPE Audit, including failure to register and complete the required 4 hours of Ethics and Regulation in Washington State.

Ethics course	\$ 500	4 hrs
16 hour Deficiency	\$ 500	16 hrs
Remaining 100 hours	<u>\$2,500</u>	<u>100 hrs</u>
	<u>\$3,000</u>	<u>120 hrs</u>

WASHINGTON

RULES AND STATUTES COMPARED TO MODEL RULES AND UAA

4-30 WAC		Corresponding Model Rule(s)	Substantial Inconsistencies or Omissions
Section	Title		
4-30-010	Definitions	3	
4-30-020	Rule authority	4	MR 4 and 11-2 and 11-3 provide more explicit authority to the Board for various areas (ie records, MRAs, etc)
4-30-022	Meeting schedule and officers	4-1 & 4-2	
4-30-024	Public records		
4-30-026	Board contact		
4-30-028	Board proceedings		
4-30-030	Communicating with board	11-2	
4-30-032	Change of address	4-5	
4-30-034	Required to respond	4-6	
4-30-036	Required to report	11-2	MR includes a little more specificity on the types of items that must be reported
4-30-038	Fees		
4-30-040	Integrity/Objectivity	10-4	MR provides more discussion of considerations
4-30-042	Independence	10-4	
4-30-044	Commissions, referral and contingency fees	10-4	
4-30-046	Competence	10-4	MR provides more discussion; MR also includes a discussion of "due care"
4-30-048	Professional stds	10-3	
4-30-050	Records and client info		
4-30-051	Client records		
4-30-052	Acts discreditable		
4-30-054	Advertising/solicitation		
4-30-056	Indiv/Firm names	14	Unlawful acts including misleading firm names, network firms, and safeharbor language
4-30-058	Other titles/designations		

4-30-060	Exam education req	5-2 thru 5-11	MR 5-2 provides much more detail for education requirements, including specific coursework requirements and 2 hours research/analysis, 2 hours communication, 3 hours accounting or business ethics, and maximum 6 hours internship and independent study
4-30-062	How to apply	5-3	
4-30-064	Cheating	5-9	
4-30-070	Experience req	6-2	WA allows experience within 8 years of application; MR does not specify
4-30-072	Verifying CPA	6-3	WA requires verifying CPA to be licensed for 5 years prior to signing; MR does not specify
4-30-080	How to apply for license	6-1	
4-30-082	Inactive - how to apply		
4-30-088	Military deployment		
4-30-090	Out of State	23	MR 23 gives more detail regarding moral character and CPE
4-30-092	How to apply - out of state	6-8	MR 6-8 allows reciprocity based on 4-in-10 experience while WA allows for 3-in-5 or 5-in-10 years
4-30-094	How to renew - resident NLO		
4-30-100	Reciprocity - foreign country	6-9	MR 6-9 (d) allows the board to consider discipline issued by "any other regulatory authority" and (e) allows discipline or refusal to renew by the foreign authority to be prima facie basis for Board action. (i) allows the Board to participate in the foreign investigation and to rely upon its evidence.
4-30-102	How to apply - foreign reciprocity		
4-30-104	How to renew - foreign reciprocity		
4-30-110	Legal forms of firm ownership	7-2	
4-30-112	Out of State - Firm		
4-30-114	How to apply - firm license	7-1	
4-30-116	How to register - resident NLO	6-5	
4-30-120	Inactive - how to apply to return to active		"inactive" not found in MR
4-30-122	Retired - how to apply to renew		"retired" not found in MR
4-30-124	How to reinstate - lapsed		
4-30-126	How to reinstate - revoked or suspended	13-1	
4-30-130	QAR requirements for firms	7-3	
4-30-132	CPE program stds	6-5	MR relies on Joint Standards for the subject areas rather than listing in rules

4-30-134	CPE req for individuals		6-4	MR does not limit non-technical hours (WA limits to 24); MR 6-5 exempts non-resident licensee if complies with home jurisdiction's CPE requirements: MR 6-7 req CPA to place "inactive" next to designation if granted an exception from CPE for any reason until resolved
4-30-136	How to report CPE		6-4	
4-30-138	CPE document retention		6-6	WA requires retention for 3 years after reporting period and MR 6-6 requires retention for 5 years from the date of the program; MR 6-6(b) clarifies that fraudulent reporting is a basis for disciplinary action
4-30-140	Investigations/sanctions		11-1	
4-30-142	Bases for discipline		10-1	MR allows board discipline based on a deferred prosecution or a stayed revocation or stayed suspension, where WA rules are based on final determination or conviction. MR also specifically includes failure to comply with applicable standards as a basis (although this could be inferred under WA's requirement to comply with all board laws and rules)
	Additional Info found in Model Rules		7-3	Compliance Assurance Program
			7-6	Internet Practice
			7-7	Attest Documentation & Retention
			7-8	Unregistered Firm Compliance with CAP
Ch 18.04 RCW			Corresponding UAA Section(s)	Substantial Inconsistencies or Omissions
Section	Title			
18.04.015	Purpose		2	
18.04.025	Definitions		3	"Attest" definition is newly revised in UAA; UAA defines "substantial equivalency" which is omitted from WA definitions
18.04.035	BOA - members-terms-vacancies-removal		4(a)	
18.04.045	BOA-officers and staff - powers and duties		4(f)&(g)	UAA 4(g)(2) provide for immunity for board members
18.04.055	BOA - Rules		4(h)	
18.04.065	BOA - fees-dispositions		4(d)	
18.04.080	Compensation and travel expenses		4(c)	

18.04.105	Issuance of license - requirements-exam-fees-account-previously issued-CPE-inactive	5 & 6	5(1)(d)(i) does not include attest and compilation as listed areas of experience as UAA 5(f) does.
18.04.180	Reciprocity	5 & 6	Under UAA, a reciprocal applicant who is not from an SE state must have 4-in-10 years experience, current CPE, and passed the uniform CPA exam. WA uses 3-in-5 and 5-in-10 year paths for reciprocity.
18.04.183	Foreign countries	6(g)	UAA 6(g)(2)(b) also requires that the foreign designation entitle the holder to issue reports upon financial statements. WA requires one year equivalent experience in past 8 years but UAA 6(f)(3)(B) requires 4-in-10 years
18.04.185	Application for license - SOS for process	9	
18.04.195	License required - Requirements - application - fees	7	UAA 7(h) includes more details regarding peer review
18.04.205	Registration of offices - Requirements - rules - fees	7 & 8	
18.04.215	Licenses - Issuance - renewal and reinstatement-CPE-fees-Notification of sanction/suspension/revocation of license	6	
18.04.295		10 & 11	UAA 10(a) also include the power to reprimand, censure, limit the scope of practice, and place on probation - terms not found in 18.04.295; WA rule does not list violation of a board rule as a ground for action; UAA includes failure to file one's own tax returns and violation of a professional standard as additional grounds.
18.04.305	Actions against CPA license	10 & 11	
18.04.320	Actions against firm license	12	WA refers to Administrative Procedures Act, while UAA gives more details.
18.04.335	Reissuance or modification of suspension of license or certificate	13	UAA 13 specifies that reinstatement may be subject to CPE and peer review requirements - not mentioned in WA
18.04.345	Prohibited practices	14	UAA 14 also discusses (i) network firm names and (j) foreign designations and (n)(1) commissions and (o)(1) contingent fees.
18.04.350	Practices not prohibited	14 & 23	
18.04.360	Practices may be enjoined	15	

18.04.370			16 & 17	WA limits penalty to \$30,000. If possible, WA could amend to state that every day of violation, or every separate act that is a violation, is subject to a penalty up to \$30,000. As written, it appears that the total cumulative penalty (even if there are multiple on-going violations) would be capped at \$30,000.
18.04.380	Penalty			
18.04.380	Advertising falsely - effect			
18.04.390	Papers, records, schedules, etc, property of licensee or firm - prohibited practices - client rights		19	
18.04.405	Confidential information - disclosure, when - subpoenas		18	
18.04.420	License or certificate suspension - nonpayment or default on educ loan or scholarship			
18.04.430	License or certificate suspension - noncompliance with support order - reissuance			
18.04.901	Severability		24	
18.04.910	Effective date 1983			
18.04.911	Effective date 1986			
18.04.920	Short Title			
	Additional info found in UAA	4(f)		UAA provides for confidentiality of board documents, declares that they are not "public records" until introduced as evidence in a trial
		11		Investigations - much more detail provided in UAA than in WA statutes
		20		UAA requires privity of contract for civil negligence claims by an individual against a licensee
		21		UAA creates a statute of limitations for civil actions against CPAs
		22		UAA establishes proportionate liability in any claim for money damages brought against a licensee
		23		UAA has specific language for individual and firm mobility (some of the language is already included in WA 18.04.350)

Request Review Committee Report July 2015

Karen Saunders, CPA, Chair

During the second quarter 2015, the Executive Director and a Consulting Board Member from the Request Review Committee took the following action:

Firm Names: *Approved:*

NUMERIC CPA PLLC
ACCOUNTANT SMART LLC
TAXES BY RADHA
RS FREEDOM CORP
CL BUSINESS & ACCOUNTING
SOLUTIONS, LLC
HOLTZMAN PARTNERS LLP
GREENBRIDGE CPA PLLC
MINERVA CPA LLC
WILSON DOWNING GROUP, LLC.
FENG'S CPA FIRM
GRAYSON CONSULTING PC
DAP SERVICES, INC
SWENSON ACCOUNTANCY
CORPORATION
NACORTES ACCOUNTING SERVICES,
LLC
GALLINA WASHINGTON LLP

Professional/Educational Organization – Recognition Requests – During the 2nd quarter in 2015, the Board approved Washington Health Benefit Exchange as an educational organization for the purposes of obtaining a list of individual CPAs.

Domestic or International Education Credential Evaluation Services – During the 2nd quarter in 2015, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

Late Fee Waiver Requests – Late Fee Waiver Requests were received between 05/01/2015 and 06/30/2015.

A Total of 9 Requests were Received

- 3 requests for an Individual CPA License
 - 1 Request Approved
 - 2 Requests Denied
- 6 requests for a CPA Firm License
 - 2 Requests Approved
 - 4 Requests Denied

The Board Chair requested a draft policy related to the timing of fee reductions if excess fund balance accumulates over time.

A fee reduction would require a rule change if such an outcome is prudent. Therefore, board fee setting action requires anticipation.

DRAFT Language:

RCW 18.04.065 provides that the board shall set fees at a level adequate to pay the costs of administering the Public Accountancy Act, Chapter 18.04 RCW.

The board believes that the costs of administering Chapter 18.04 RCW must provide for an accumulated cash reserve to sustain costly investigations, related hearing processes, and/or any reasonably anticipated litigation arising therefrom. To this extent, the board recognizes that a more than adequate cash reserve provides no direct benefit to the general public and board constituencies.

The executive director of the board is requested to annually advise the board of any reasonably anticipated future changes in the board's fee structure necessary to prudently sustain board and agency functions while maintaining a fiscally responsible cash reserve.

Board of Accountancy Washington State

Enforcement Report

Period Apr 01, 2015 through Jun 30, 2015

	Complaints	Investigations	Quarter Total
Ongoing at start of period	17	12	29
Received during period	16		16
Total	33	12	45
Complaints opened as investigations	(13)	13	
Total	20	25	45
Complaints Dismissed (Administrative)	0		0
Complaints Dismissed (investigated <= 180 days)	(10)		(10)
Complaints Dismissed (investigated > 180 days)	0		0
Total	10	25	35
Cases Dismissed (Administrative)		0	0
Cases Dismissed (investigated <= 180 days)		(2)	(2)
Cases Dismissed (investigated > 180 days)		0	0
Total	10	23	33
Cases Closed (Administrative)		0	0
Cases Closed (investigated <= 180)		(4)	(4)
Cases Closed (investigated > 180)		0	0
Total	10	19	29