

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.

Minutes, April 17, 2015, Regular Board Meeting

Secretary

Chair

Vice-Chair

Member

Member

Member

Member

Member

Member