

# WASHINGTON STATE BOARD OF ACCOUNTANCY

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

<b>Time and Place of Meeting</b>	9:02 a.m. – 1:32 p.m. Friday, January 29, 2016 University of Washington – Bothell Collaboratory in the Beardslee Building 18807 Beardslee Blvd., UWBB205 Bothell, Washington
<b>Attendance</b>	Thomas G. Neill, CPA, Chair, Board Member Elizabeth D. Masnari, CPA, Vice Chair, Board Member Donald F. Aubrey, CPA, Board Member Lauren C. Jassny, Public Board Member Karen R. Saunders, CPA, Board Member (departed at 1:20 p.m.) Emily R. Rollins, CPA, Board Member Edwin G. Jolicoeur, CPA, Board Member (departed at 12:30 p.m.) Favian Valencia, Public Board Member Bruce L. Turcott, Assistant Attorney General, Board Advisor Richard C. Sweeney, CPA, Executive Director (departed at 12:30 p.m.) Jennifer Sciba, Deputy Director Charles E. Satterlund, CPA, Director of Investigations Kirsten Donovan, Board Clerk
<b>Call to Order</b>	Board Chair, Tom Neill, called the regular meeting of the Board to order at 9:02 a.m.  The Board Chair excused the absence of James Ladd, Public Board Member.
<b>Minutes – October 30, 2015 Annual Board Meeting</b>	The Board approved the minutes of the October 30, 2015, annual Board meeting as presented.
<b>Delegations of Authority</b>	The Board reviewed the following delegation with the proposed revisions to eliminate the specific naming of the Executive Director. The Board voted to retain the delegation as revised, including the current chair's name and signature: <ul style="list-style-type: none"><li>• Charges, Subpoenas, Negotiate Settlement – <i>Delegated to Executive Director</i></li></ul>

The Board voted to retain the following delegations revised for the current chair's name and signature:

- Administrative Notices of Non-Compliance/Administrative Sanctions - *Delegated to the Executive Director*
- CPE Waiver Extension Requests/Request Review Committee
  - *Delegated to Executive Director*: CPE Waiver Extension Requests due to individual hardship, including but not limited to, financial hardship, critical illness, or active military deployment for up to 16 credit hours.
  - *Delegated to Executive Director with Concurrence of a Board member*:
    - CPE Waiver Extension Requests due to individual hardship, including but not limited to, financial hardship, critical illness, or active military deployment over 16 credit hours
    - Firm Names
    - Professional/Education Organization Recognition Requests
    - Late Fee Waiver Requests where individual hardship is a factor
    - Domestic or foreign education credential evaluation services
  - *Delegated to one member of the Request Review Committee*: Appeal of Denials of Request for Lists of Individuals
- Authority to Conduct Investigations – *Delegated to the Director of Investigations*
- Quality Assurance Oversight/Review of Publicly Available Professional Work
  - *Delegated to the Executive Director with concurrence of one Board member*: Quality Assurance Oversight
  - *Delegated to the Executive Director*: Review of publicly available professional work.

## Rules Review

WAC 4-30-060 What are the education requirements to qualify to apply for the CPA examination?

## Minutes, January 29, 2016, Regular Board Meeting

Tom Neill presented a CR-101 draft and led the discussion of proposed revisions to the rule. The revisions included:

- Eliminating graduate course credit given at 1.5 credits per 1.0 credits earned
- Eliminating the section concerning “life experience” credit given by colleges and universities
- Changing the accreditation standard from being accredited by one of the seven recognized regional accrediting agencies to being listed on the U.S. Department of Education’s Database of Accredited Postsecondary Institutions and Programs
- Making several minor edits

The Board directed staff to file the CR-102 with the Office of the Code Reviser, and schedule a public rule-hearing in conjunction with the Board’s April meeting.

### WAC 4-30-062 How do I apply to take the CPA examination?

Tom Neill presented a CR-101 draft and led the discussion of proposed revision to the rule. The revision corrected an error in sentence structure.

The Board directed staff to file the CR-102 with the Office of the Code Reviser, and schedule a public rule-hearing in conjunction with the Board’s April meeting.

### WAC 4-30-010 Definitions

Don Aubrey led the discussion on proposed changes to the Rule. Bruce Turcott, AAG, Board Advisor provided advice on the proposed changes. Proposed changes to WAC 4-30-142 were also incorporated into the discussion.

The Board directed staff to file CR-101s for WAC 4-30-010 and WAC 4-30-142 with the Office of the Code Reviser for review at the Board’s April meeting.

### **Board Member Participation Summary**

Don Aubrey presented a draft of the Board Member Participation Summary and led the discussion.

The Board eliminated one entry from the Summary draft.

## Minutes, January 29, 2016, Regular Board Meeting

The Board directed staff to add Board Member Participation Summary as an agenda item to all future meetings.

Staff will provide Board Members with outreach opportunities through the WSCPA quarterly.

### **NASBA Update**

Ed Jolicoeur reported on the following NASBA activities:

- Development of a CPE audit tool
- DOL Audits
- Substantially Equivalency and Mobility – Sunset Rules in California
- CPA Exam Changes – Exposure Draft already issued with final document to be issued in April 2016
- New Services
  - Advisory Education Evaluation
  - Experience Verification
- Education Accreditation
- Title designations - CGMA
- Western Regional Meeting
  - June 22-24, 2016, in Denver, CO
  - Ed encourages attendance

### **Executive and/or Closed Sessions with Legal Counsel**

A closed session was held regarding adjudicative proceedings which are not subject to the Open Public Meeting Act under RCW 42.30.140(3).

### **Chair's Report**

The Board Chair reported and led a discussion on the following topics:

- SSARS 21
- SSARS 21 / Peer Review
  - What happens to a firm who runs a SSARS 21 engagement?
  - More information to come
- WSCPA Education Fund
  - The Board established a committee to review the annual budget submitted by the Washington Education Foundation - Chair: Elizabeth Masnari, CPA; Members: Donald Aubrey, CPA; Favian Valencia
  - Applications for scholarships are accepted from students enrolled in accredited Washington

## Minutes, January 29, 2016, Regular Board Meeting

State colleges or universities with an accounting major who will be in their junior year or higher

- The Executive Director said good bye and thanked the Board Members, staff, and audience for their support and hard work during his term.
- The Chair on behalf of the entire Board thanked the Executive Director for his years of service.
- Firm Merger or Sale – WAC 4-30-050
  - Client record transfer with sale or merger of a CPA firm – When is client approval needed?
  - The Board directed that an agenda item for WAC 4-30-050 and WAC 4-30-051 be added to the April Board Meeting
- CPA Retired Designation – WAC 4-30-058
  - The Board will not authorize exceptions to the requirements for use of the CPA Retired designation

### **Executive Committee**

Tom Neill had nothing to report.

### **Compliance Assurance Oversight Committee**

Ed Jolicoeur had nothing to report.

### **Legislative Review Committee**

Rich Jones, WSCPA, reported on the following current legislation:

- HB2433 - concerning firm mobility and the definition of reports
- Staff will email a copy of the bill to Board Members

### **Quality Assurance Committee**

Tom Neill had nothing to report.

### **Request Review Committee**

Karen Saunders reported on the 4th quarter 2015 approval and denials from the committee:

Firm Names: *Approved:*

- DAVID LIGHTFOOT CFO, LLC

Minutes, January 29, 2016, Regular Board Meeting

- HMA CPA, PS
- FLATHERS CONSULTING GROUP
- VERITY ACCOUNTANCY, PC
- ILUVTAX.COM
- SNOHOMISH CPA
- TZ JACKSON CPA PLLC
- COHEN FUND AUDIT SERVICES LTD
- AHN TAX & BUSINESS ADVISORS PLLC
- IJM RYAN PLLC
- SERENITY ACCOUNTING LLC
- CARLTON TAX SERVICE
- SHARP TAX & CONSULTING
- NEW ERA CPAS, LLP
- OLYMPIA CPA PLLC
- THE CPA TAX ADVISOR
- NEXTGEN ACCOUNTING PLLC
- NORTH SPOKANE C.P.A. SERVICES, P.S.

Professional/Educational Organization - Recognition

Requests: During the 4th quarter 2015, the Board did not receive any requests for recognition as educational organizations for purposes of obtaining a list of individual CPAs.

Domestic or Foreign Education Credential Evaluation

Services – Applications: During the 4th quarter 2015, the Board did not receive any requests for recognition of domestic or international education credential evaluation services.

CPE Extension Requests: CPE Extension Requests were received between 11/01/2015 and 12/31/2015.

A total of 30 requests were received:

- 8 requests were for hours 16 or under:
  - 2 approved
  - 1 denied

## Minutes, January 29, 2016, Regular Board Meeting

- 5 withdrawn requests - finished CPE prior to 12/31/2015
- 22 requests were for hours 17 or over:
  - 14 approved
  - 6 denied
  - 2 withdrawn requests - finished CPE prior to 12/31/2015

### **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.

### **Social Media Committee**

Favian Valencia reported on the Social Media Proposed Mission Statement. The Mission Statement was accepted with edits.

### **Director of Investigations Report**

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

- Enforcement Report: October 1, 2015 through December 31, 2015

Charles Satterlund reported on:

- CPE Audit Issues
- Dismissed Cases Review

### **Legal Counsel's Report**

Bruce Turcott, the Board's legal counsel, had nothing to report.

### **Public Input**

Rich Jones, CPA, Washington Society of CPAs (WSCPA) President & CEO, reported at various times throughout the meeting.

## Minutes, January 29, 2016, Regular Board Meeting

Kimberly Scott, WSCPA, reported on the Scholarship Fund activities including: visiting colleges and universities, advertising through posters and brochures, and online tracking. Currently 221 applications are in process for the available \$5,000 scholarships.

Vitaliy Kertchen voiced concerns about the procedures regarding dismissed complaints. Specifics of the cases involving his client were not discussed. The Director of Investigations advised that the cases will be reviewed by a Consulting Board Member (CBM). Mr. Kertchen advised that his client would like to speak with the CBM, if allowed.

### **Adjournment**

The Chair adjourned the meeting at 1:32 p.m.



Minutes, January 29, 2016, Regular Board Meeting

---

Secretary

---

Chair

---

Vice-Chair

---

Member

---

Member

---

Member

---

Member

---

Member

---

Member