

WASHINGTON STATE BOARD OF ACCOUNTANCY

Minutes of the Annual Meeting of the Board

Time and Place of Meeting	9:05 a.m. – 2:01 p.m. Thursday, October 13, 2011 The Doubletree Hotel Seattle Airport Cascade 11 18740 International Boulevard SeaTac, Washington
Attendance	Donald F. Aubrey, CPA, Chair, Board Member Robert G. Hutchins, Vice Chair, Public Board Member Edwin G. Jolicoeur, CPA, Board Member Elizabeth D. Masnari, CPA, Board Member Thomas G. Neill, CPA, Board Member Emily R. Rollins, CPA, Board Member Gerald F. Ryles, Public Board Member Karen R. Saunders, CPA, Board Member Bruce L. Turcott, Assistant Attorney General Richard C. Sweeney, CPA, Executive Director Thomas J. Sadler, CPA, Deputy Director Jennifer Sciba, Director of Operations and Administration Cheryl M. Sexton, Board Clerk
Call to Order	Donald Aubrey, Chair, called the annual meeting of the Board to order at 9:05 a.m.
Welcome Board Staff	The Executive Director introduced and welcomed Jennifer Sciba, Director of Operations and Administration. Jennifer was promoted to Director of Operations and Administration effective August 1, 2011.
Consent Agenda	The Board approved the following items on the consent agenda: <ul style="list-style-type: none">• Minutes of the July 14, 2011, Regular Board Meeting• Request Review Committee Report
Motions for Entry of Order on Default	<u>John M. Caughell</u> - The Executive Director presented a Motion for Entry of Order on Default and related documents to the Board in the matter of John M. Caughell. The Board voted to enter Findings of Fact, Conclusions of Law and Default Order including terms that require Mr. Caughell to pay a \$1,500 fine; reimburse the Board \$1,000 for investigative and legal costs; correct the entity name registered with the Washington State Department of Revenue, Department of Licensing, and Secretary of State by removing all references to "CPA;" take reasonable steps to remove any reference to CPA in connection with his name; and not hold himself or his firm out to the public, or use in connection with his name the designation

“certified public accountant” or “CPA.” Ed Jolicoeur was the consulting Board member in this matter and abstained from the discussions and voting.

Shaun T. Han and Shaun T. Han, CPA, P.S. - The Executive Director presented a Motion for Entry of Order on Default and related documents to the Board in the matter of Shaun T. Han.

The Board voted to enter Findings of Fact, Conclusions of Law and Default Order including terms that prohibit Mr. Han from using the designation or holding out as a “CPA,” “CPA-Inactive,” “certified public accountant,” or “certified public accountant-inactive” until his individual CPA license has been reinstated. Prior to and as a condition of reinstatement, Mr. Han must submit a complete reinstatement application with appropriate fee(s), document the satisfactory completion of qualifying continuing professional education (CPE) required for reinstatement, pay a \$750 fine and reimburse the Board \$750 for investigative and legal costs. Mr. Han’s firm is prohibited from performing or offering to perform compilation or attestation services until such time as Mr. Han applies for and the Board issues a CPA firm license to him. After the Board issues a CPA firm license to Mr. Han, he must submit the first audit report on financial statements prepared for his clients to the Board for preissue evaluation at Mr. Han’s expense. Emily Rollins was the consulting Board member in this matter and abstained from the discussions and voting.

The Board directed staff to investigate:

- Tools/avenues to ensure the Board’s web site (specifically publication of discipline) gets more hits during searches
- Social networking such as LinkedIn as a resource to find errant licensees or certificate holders.

The Executive Director will follow up and address at the January Board meeting.

**Preliminary
Discussions on
the Blue Ribbon
Panel’s Position**

The Executive Director presented the following to the Board for awareness:

- A statement from the National Association of State Boards of Accountancy (NASBA) Executive Committee including a brief summary of the Financial Accounting Foundation (FAF) proposed “Plan to Establish the Private Company Standards Improvement Council,”
- The FAF proposal, and
- Excerpts from the majority and minority positions of the Blue Ribbon Panel.

The FAF Board of Trustees is encouraging Boards to deliberate and comment on the FAF's recommendations. The comment period ends January 14, 2012. The Executive Director asked

Board members to forward any comments they may have to him for consolidation in a letter under the Chair's signature to NASBA for presentation to the FAF Board of Trustees.

NASBA Update The Executive Director provided the Board with an update on National Association of State Boards of Accountancy (NASBA) activities including NASBA's reorientation to support boards of accountancy.

Legal Counsel's Report Bruce Turcott, the Board's legal counsel, provided the Board with an update on outstanding litigation.

Chair's Report Election of 2012 Officers - The Chair presented the following slate of officers to serve for a second term during 2012:

- Chair – Donald F. Aubrey, CPA
- Vice-Chair – Robert G. Hutchins
- Secretary – Lauren Jassny

No other nominations were made. The Board cast a unanimous vote for the slate of officers as presented.

Ratify Committee Chairs for 2012 – The Board ratified the following committee chairs for 2012:

- Compliance Assurance Oversight – Fred Shanafelt, CPA
- Examination Committee – Robin Clark, CPA
- Legislative Liaison Committee – Edwin Jolicoeur, CPA
- Quality Assurance Review – Emily Rollins, CPA
- Request Review Committee – Karen Saunders, CPA

2012 Board Meeting Schedule - The Board established the following schedule for the 2012 Board meetings:

- January 26, 2012, Thursday - SeaTac area
- April 26, 2012, Thursday - SeaTac area
- July 26, 2012, Thursday – SeaTac area
- October 25, 2012, Thursday – SeaTac area

Meeting with Oregon State Board of Accountancy – Don Aubrey reported that he and the Executive Director represented the Washington State Board at an October 1, 2011, joint work session with the Oregon Board of Accountancy and the Oregon Society of CPAs at the Society's office in Beaverton.

Other – Bruce Turcott has prepared a 45-60 minute presentation for Board members on the investigation and disciplinary process for the January 2012 Board meeting.

Compliance Assurance Oversight Committee Committee Chair Fred Shanafelt had nothing to report for this meeting. He and his committee members continue to attend Report Acceptance Bodies (RAB) meetings.

Examination Committee	No report.
Education Exam Task Force	Elizabeth reported that the task force will report at the next meeting. In addition to the directives given at the July 2011 Board meeting, the Board also directed the task force to look at foreign education/accreditation and how it applies to the Washington State Public Accountancy Act and Board rules and make a recommendation to the Board. Bruce Turcott will advise the task force.
Ethics Committee	<p>The Executive Director reported that the Legislature requires every agency to have an ethics policy and presented the agency's interim Administrative Policy #21 – Ethics. The Board appointed Thomas Neill as committee chair with authorization to recruit other members. The Executive Director will serve as nonvoting liaison to the committee.</p> <p>Staff will revise the administrative policy for Tom's review and signature.</p>
Legislative Liaison Committee	Ed Jolicoeur reported that he and Tom Neill represented the Board at the Washington Society of CPA (WSCP) "CPA Retired" task force meeting held on September 9, 2011. Jerry Ryles is also serving as a Board representative on this task force. Judy Love, Director of Advocacy for the WSCP, reported that the task force is exploring language used by other accountancy boards and hopes to recommend a rule to the Board to allow persons to retire their license and use the "retired" CPA designation. She plans to provide the Board with a more thorough report in January.
Performance Review Task Force	<p>The Chair, Don Aubrey, thanked the task force members, Ed Jolicoeur, Jerry Ryles, and Karen Saunders, for their time and dedication to this task force. Task force leader Ed Jolicoeur presented the Performance Review Task Force (PRTF) report and recommendations. The report provided a summary of the recommendations included in the Performance Review Project report of Zwillinger Greek Zwillinger & Knecht PC dated July 2010, and the subsequent evaluation and recommendations made by the Board's PRTF.</p> <p>The Board adopted the recommendations of the Board's PRTF 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.</p> <p>The Board directed the Executive Director to draft the structure/charter for the recommended Executive Committee for the Board's review at its regular January 2012 meeting.</p>

Quality Assurance Review (QAR) Committee

2011 QAR Desk Review - Committee co-chair Emily Rollins provided the Board with the statistics for the Board's 2011 QAR desk review as of August 21, 2011. She reported that the committee met on October 10, 2011, and Robert Speicher, CPA, agreed to serve as committee co-chair for 2012 and David Stiefel, CPA, agreed to serve as committee vice chair.

CPE Audit - The 2011 CPE audit is underway. There was nothing to report for this meeting.

Request Review Committee

The following report was approved under the consent agenda:

CPE Extensions – No activity during 3rd quarter 2011. All CPE extension requests were due on or before December 31, 2010.

Firm Names – The Executive Director and a Consulting Board member approved the following firm names during 3rd quarter 2011:

- Campbell Management Advisory Services, PS
- Budd Bay CPA, Inc PS
- CPA – Tax Services
- CPA – Career Center
- Rahn Business Valuation Services
- VSH, Inc. P.S.
- RLP Tax and Accounting PLLC
- Sattler Assoc Accounting PLLC
- Doty & Company CPA PC

Late Fee Waivers – No activity during 3rd quarter 2011

Professional/Educational Organization – Recognition Requests – During the 3rd quarter 2011, the Board did not receive any requests for recognition as an educational organization or professional association for purposes of obtaining a list of individual CPAs.

Domestic or Foreign Education Credential Evaluation Services – Applications – During the 3rd quarter 2011, the Board received two applications for approval. The committee is currently seeking recommendations from other state boards.

Executive Director's Report

Budget – The Executive Director provided the Board with an update on the status of the agency's budget. He recently completed an age analysis that showed 41.1% of Washington CPAs are over 55. He is not anticipating any need for fee increase.

Investigation Statistics/Investigations & Administrative Sanctions Thomas Sadler, Deputy Director, provided the following reports to the Board:

- Case Status Report for the period ended September 30, 2011

- Investigations Results/Statistics through September 30, 2011 as posted on the Board's web site
- Investigation Statistics January 1990 through September 30, 2010

He reported that the Executive Director has implemented a monitoring system for disciplinary sanctions.

Meeting with Board Officers – The Executive Director reported on his meeting with Board officers on Tuesday, October 11, 2011.

WBOA-News – As of October 5, 2011, 1704 individuals have subscribed. This is a net increase of 19 individuals since July 8, 2011 – 1%.

Public Input

Rich Jones representing the Washington Society of CPAs (WSCPAs) asked if the Board or NASBA was going to comment on the Public Company Accounting Oversight Board (PCAOB) concept of mandatory audit firm rotation. The Board took no action.

Adjournment

The Board adjourned at 2:01 p.m.